

EARTHPERCENT

England & Wales · Charity number 1188391

Details

Status	Registered
Legal form	Charitable company
Company number	12407439
Registered	2020-03-06
Register	View on the Charity Commission register

Contact

Address	3 Pembridge Mews London W11 3EQ
Phone	0300 102 4422
Email	hello@earthpercent.org
Website	https://earthpercent.org

Activities

Objects: THE OBJECTS OF THE CHARITY FOR THE PUBLIC BENEFIT ARE:1. TO PROMOTE AND ADVANCE THE ENHANCEMENT, RESTORATION, CONSERVATION AND PROTECTION OF THE ENVIRONMENT; AND 2. TO ADVANCE ALL OTHER CHARITABLE PURPOSES UNDER THE LAWS OF ENGLAND AND WALES.

Activities: EarthPercent is a fundraising and grant-making charity that will provide grants to a range of other charities and charitable causes for the benefit of individuals and communities, with a particular focus on charities that work to preserve the environment for the public benefit.

Classification

- **How:** Makes Grants To Organisations
- **What:** General Charitable Purposes, Environment/conservation/heritage
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£916,896	£749,424	£359,580	5
2023-12-31	£570,159	£570,718	£192,108	3
2022-12-31	£343,634	£253,816	-	-
2022-01-31	£135,568	£52,137	-	-
2021-01-31	£25,000	£15,837	-	-

Trustees

Name	Role	Appointed
Florence Georgia Bess Miller	Chair	2025-07-16
Adam John Valentine Callan		2020-01-16
Claire Sugrue		2025-03-26
Dr Ssegawa-Ssekintu Kiwanuka		2022-02-08
Elodie Therese Roman		2024-09-30
Hiroki Shirasuka		2020-01-16
Humera Afzal		2023-08-21
Michael Edward John Smith		2020-09-29

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Accounts

EarthPercent

A Company Limited by Guarantee

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 December 2024

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Reference and administration information

Charity Name: EarthPercent
Charity Registration Number: 1188391
Company Registration Number: 12407439
Registered Office and operational address:
3 Pembridge Mews
London
W11 3EQ

Trustees

Adam Callan
Hiroki Shirasuka
Humera Afzal (appointed 21 August 2023) - Treasurer
Michael Smith
Elizabeth Payne-James
Ssegawa-Ssekintu Kiwanuka
Nadia Khan (appointed 19 February 2024 and resigned 19
May 2025)
Elodie Roman (appointed 30 September 2024)
Claire Sugrue (appointed 26 March 2025)

Co-Executive Directors

Cathy Runciman
Joel Gardner (from 1 January 2024)

Independent Examiner

C Sharp FCA, DChA
55 Canberra Road
London
SE7 8PF

Bankers

Triodos Bank UK Ltd
Deanery Road
Bristol
BS1 5AS

Patron

Brian Eno

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Report of the Trustees for the year ended 31 December 2024

The Trustees, who are directors for the purposes of company law, present their annual report and financial statements of the charity for the year ended 31 December 2024. The trustees' annual report includes a directors' report as required by company law.

Structure, governance and management

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006, the Charities Act 2011 and Accounts and Reporting by Charities: Statement of Recommended Practice Applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

EarthPercent is a charitable company limited by guarantee, incorporated in England and not having share capital and is governed by its memorandum and articles of association. It was incorporated as a company on 16 January 2020 and registered as a charity on 6 March 2020. The maximum liability of each member on the winding up of the company is £1.

The Trustees, who are also directors for the purposes of company law, are listed on page 3. All Trustees give of their time voluntarily and received no benefits from the charity.

New Trustees are appointed by the existing Trustees. They are selected on the basis of their sympathy with EarthPercent's charitable objects and their ability to further them as a Trustee. New Trustees are elected by resolution and approved by a majority of trustees where a Board quorum is present. A Chair of the Board of Trustees was appointed in February 2024 and a Trustee/Secretary to the Board of Trustees was appointed in September 2024. A Remuneration and Nominations Committee, a sub-committee of the board, was created in December 2024 to govern board recruitment and executive pay going forwards. A Finance, Audit & Risk Committee ("FRC") was formed and became operational during 2024 as another permanent sub-committee of the Board. One Trustee was on maternity leave from October 2024.

EarthPercent is an equal opportunities employer. In all our recruitment, we strongly encourage applicants from all backgrounds and walks of life. We believe that diversity and inclusion in our team is critical to our success. We seek to recruit, develop and retain the most talented people from a diverse candidate pool and welcome applications from all qualified candidates. We do not discriminate on the basis of race, colour, religion, ethnicity, gender, disability, sexual orientation or gender identity.

New Trustees are provided with induction material on the charity and their role, including governing documents and guidance on the role and responsibilities of trustees. EarthPercent's governance is undertaken by the Trustees who meet three times per year in person and seven times over the year online, with scope for additional meetings as required. At Trustees' meetings, Trustees agree the broad strategy and areas of activity, including consideration of fundraising, grant making and performance, as well as reviewing governance and compliance issues.

As of January 2024, the full-time Executive Director role became two Co-Executive Directors on 0.8 FTE and 0.6 FTE roles (the latter rising to 0.8 in July 2024), working to a board-approved structure covering their roles and responsibilities. The Co-EDs are responsible for developing our organisational strategy and fundraising plan and for building the external relationships, organisational infrastructure and culture capable of achieving our purpose and aims. The Co-Executive Directors manage an operating budget approved by Trustees. Other staff include a full-time Development Manager (fundraising) who started in March 2024, and a part-time part-time Head of Community and Operations (0.8 FTE, rising to 0.9 in March 2024). A Grants Manager (0.8 FTE) joined in June 2024 to lead on our grant-giving strategy and operations, and we also employed a part-time Creative and Admin Assistant (0.4 FTE) from April 2024.

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Following the recruitment of a Grants Manager, our consultant Head of Programs became the Chair of our Expert Advisory Panel (“EAP”). We work with ad-hoc freelance support in the areas of: marketing/comms/admin support; fundraising and project management; and with an external accountant for financial management.

Connected Entities

Trading activity is carried out through the trading subsidiary, EarthPercent Trading Ltd (company number 13974842; operational from April 2023). An initial loan of £30,000 working capital provided to the trading subsidiary by the charity was repaid during 2024. The subsidiary manages trading income generated through activities such as programmes and partnerships, the sale of music or merchandise, speaker fees or other commercial activity. The sole shareholder is EarthPercent. One of the Trustees and one of the Co- Executive Directors of EarthPercent are company directors of the trading subsidiary. A framework agreement and deed of covenant between the charity and the trading subsidiary is in place and under this agreement, all profits will be covenanted up to the charity.

A special project - Sing Wild Seeds - exploring songwriting for world-building was funded by a £60,000 grant from JRF Emerging Futures, and the principal development and activities were delivered in 2024. The income and costs went through the trading subsidiary.

EarthPercent works with fiscal partners from the Transnational Giving Europe network to enable donors in Germany and Spain to donate to EarthPercent and receive the appropriate tax documentation in each country.

EarthPercent benefits from contacts and advice offered by members of its Music Committee and Publishing Advisory Board, who contribute on a voluntary basis under agreed Terms of Reference. Our newly restructured Global Expert Advisory Panels (see below) guide the grant giving process.

During 2024 we continued work on Sounds Right in partnership with the Museum of the United Nations – UN Live and a coalition of other organisations, to recognise and reward nature’s contribution to music making, and raise funds for nature restoration and protection. The programme formally launched for Earth Day, April 2024 at the United Nations HQ. EarthPercent’s role in the programme is managing artist relations and music releases, as well as the governance of the Sounds Right Conservation Fund, which made its first grants in 2024 via EarthPercent Foundation (US). Programme funds, expenses and royalty income flow through the trading subsidiary.

EarthPercent Foundation is a US-based, 501c3 affiliated non-profit foundation. One of EarthPercent’s Trustees sits on the board of Directors of EarthPercent US. The UK and US organisations share the overall mission for the organisation, each working locally with donors and grant partners under a shared grant giving strategy.

Organisational strategy, policies and procedures

The following policies and procedures are in place and subject to regular review:

Anti-bribery & Corruption Policy; Complaints Policy & Procedure; Data Protection Policy; Environmental Policy; Grant Agreement template; Privacy notice; Reserves Policy; Risk Management Policy; Safeguarding Policy & Procedure; Trustees Conflicts of Interest; Volunteer Management Policy; plus HR policies and procedures necessary to complete our Staff Handbook (including pay, leave, disciplinary, grievance, expenses, social media, IT, holidays and sickness policies).

We retain Peninsula Business Services to provide HR advice and services, including a review of all policies and employment contracts.

An operational budget is reviewed annually by the FRC and recommended to the board of Trustees. It is subject to review and reforecast/reapproval as necessary. Financial controls are in place, including the requirement of two authorisations for all payments.

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Work began in Q3 2024 working with an external facilitator to plan a board and team strategy day and 3-year strategic planning process to kick off in January 2025.

Administration of the grant making

Our charity has designed the grant giving process to be robust, constructive, transparent and efficient. We do not currently accept unsolicited applications for funding. Applicants must be proposed by Expert Panel members or referred by individuals or organisations known to the Trustees.

The EAP assists Trustees in ensuring that funding is invested in initiatives and organisations that are credible, impactful and align with our objectives. The Grants Manager conducts pre-grant due diligence, monitors performance of grants and also any ongoing risks, and provides reporting to the EAP and Board of Trustees.

The role of the EAP is to review grant proposals, provide feedback and make recommendations to the Trustees, including concerning the extension, cessation or suspension of grant approvals. The EAP does not have decision-making power. Trustees have responsibility for approving grant recipients but rely on the advice and recommendations of the EAP in making these decisions.

We aim to offer flexible funding and to support organisations for an initial period of 6-12 months, and subject to ongoing review then consider funding for 2 more years. As we scale, we will look to fund partners for longer periods as this allows organisations greater stability, flexibility and a better opportunity to achieve long-term, transformative impacts. It is intended that applications will be considered at least annually and to develop the potential for a rapid response funding stream that can respond to urgent needs. We also made our first pass-through grant this year as part of a fundraising partnership with Amazon Sacred Headwaters Alliance, an Ecuador-based alliance of Indigenous communities working to protect vital bioregions of the Amazon, to support them to receive funds from UK donors. This organisation went through the same checks and approvals as other grantees, and subject to reporting and review we expect the partnership to continue and for the organisation to become part of our portfolio of grant partners ongoing. This is something we are exploring further and developing a policy around for 2025, as well as donor directed giving, which we are seeing increased enquiries about.

The two grants distributions in 2024 were overseen by the EAP who participate on a pro-bono basis, with a £500-£750 annual honorarium offered based on level of role and need. The honorarium is available upon request by individual panel members. Panel members are experts representing multiple relevant disciplines such as climate science, conservation and ecology, science communications, climate activism and climate justice.

During 2024, a restructuring of the EAPs was completed, and now comprises five global panels plus a panel advising the Sounds Right Conservation Fund, each focussed on one of the charity's action areas consisting of the following members:

Expert Advisory Panel members overseeing 2024 grantmaking

Chair:

Sarah Ditty

Climate Justice EAP:

Tori Tsui

May Thazin Aung

Wawa Gatheru

Dr Samir K. Doshi

Dr Ainka Granderson

Greening Music EAP:

Dr Kyle Devine

Lilian Liu

Dr Anne Pasek

Dr Catherine Strong

Dr John E. Fernandez

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Just Energy Transition EAP:

Mika Minio-Paulello
Anna Markova
Lauren Hermanus

Legal & Policy Change EAP:

Professor Tamsin Edwards
Delara Burkhardt MEP
Sophia Kianni
Amol Mehra
Nicholas Davies

Protecting & Restoring Nature EAP:

Matthew Selinske
Dr Erik Cordes
Xiye Bastida

Sounds Right Conservation Fund EAP:

Kavita Prakash-Mani
Professor Julia P.G. Jones
Mindahi Bastida
Dr Shivani Bhalla
David Emmett

The new Grants Manager joined the team in June 2024, and our Head of Programmes moved to a role as Chair of the Expert Advisory Panels. At the end of 2024, we initiated consultations with each of the EAPs to develop our new grant-giving strategy for 2026-2028.

Purposes and aims

Our charity's purposes, as set out in the objects contained in the company's memorandum of association, are to:

1. Promote and advance the enhancement, restoration, conservation and protection of the environment;
and
2. Advance all other charitable purposes under the laws of England and Wales.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning future activities.

We carry out these objects by raising money from the music industry to support credible and impactful organisations addressing the climate emergency.

Our full grant giving strategy, which explains our aims, objectives and priorities can be accessed via our website. Our three principal aims are:

- a greener music industry
- our climate and natural world are protected and restored, and
- cleaner, healthier, fairer, thriving communities

Grant making policy and procedures

Our grant making focuses on funding efforts that bring about changes to existing policies, systems and approaches that provide tangible, long-term benefits to nature and people's lives. Our funding supports organisations fighting climate change and working for climate justice all over the world.

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Our charity funds organisations and initiatives that address five key 'Action Areas'

Greening Music - Improving environmental impacts of the music industry

We fund efforts to understand and take action to reduce the environmental impacts of the music industry. We fund organisations that create tools and guidance to help those within music to reduce their carbon/environmental impacts. We support projects that equip artists and industry professionals to speak out and act together on climate change.

Just Energy Transition - Reducing greenhouse gas emissions and supporting clean energy

We fund efforts to end the use of fossil fuels, prevent and reduce greenhouse gas emissions, remove greenhouse gases from the atmosphere and support renewable and citizen-powered energy in order to limit global warming to 1.5°C above pre-industrial levels.

Climate Justice - Securing climate justice and equitable environmental stewardship

We fund approaches that bridge social justice, gender equity and climate change. We fund organisations that support grassroots-led efforts to build resilience in communities that are most affected by the climate crisis. We provide support for activities which respect and support local and indigenous knowledge while ensuring that these communities have a say on and are at the heart of climate action.

Legal & Policy Change - Advancing systemic economic, legal and policy change

We fund efforts to change the laws, economic drivers and systems that have created and contribute to the climate crisis. We fund projects that work to empower civil society and provide support for their legal capacity to advocate for stronger and more ambitious policies and legislation for the environment. We also fund work to influence how governments address the climate crisis and deliver on their obligations, and fund efforts to hold big polluters to account and stop them from damaging the environment through litigation and divestment.

Protecting & Restoring Nature - Protecting, conserving and restoring nature

We fund efforts to preserve, protect and repair habitats which humans and wildlife depend on. We fund projects that prevent and reverse deforestation, pollution, desertification, habitat destruction, soil erosion and biodiversity loss. We support efforts to restore wilderness and agricultural practices that remove carbon from the atmosphere and lead to healthier food.

Grant recipients must fall within one of the following categories:

- English/Welsh registered charities;
- organisations that carry out activities that are charitable under English law; or
- individual charitable beneficiaries.

Grants will be made only for activities that are charitable in English law (although the activities may be worldwide). Grants must not be used to pay costs that have already been incurred and applicants working with children or vulnerable people must have safeguarding policies which meet the standards and criteria set out in our grant terms and conditions.

In 2024, we made grants distributions in two cycles. The first distributions totalling £215,000 were made in July to our 12 existing grant partners. A second distribution of £246,115 was distributed to these 12 partners in December plus one pass-through donation to one new partner. The EAP reviewed and provided feedback on the new application and made a recommendation to Trustees. A grant was also made to the EarthPercent Foundation for onward funding to two organisations, bringing the total number of organisations supported to 14. Impact reports from existing partners had been reviewed by the Grants Manager and selected EAP members at the beginning of the year in order to recommend follow-on funding during 2024. Monitoring and review of all grants continued, and an Impact Report summarising 2024 grant giving impact was in production in December 2024 for publication in January 2025.

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We are delighted to be funding the following organisations, whose work supports the aims set out in our grant giving strategy: The amount paid to each grant recipient in the year under review is detailed below.

	2024		2023	
	No of Grants	Total £	No of Grants	Total £
Amazon Sacred Headwaters Alliance	1	14,615	-	-
A Greener Future	2	30,000	2	30,000
ClientEarth	2	65,000	2	50,000
Cool Earth	2	30,000	2	20,000
Critical Frequency	2	36,500	2	30,000
EarthPercent Foundation	1	8,923	-	-
Global Greengrants Fund UK	2	40,000	2	40,000
Julie's Bicycle	2	30,000	2	30,000
LIVE Green	2	25,000	2	20,000
Music Declares Emergency	2	40,000	2	40,000
The Ocean & Us	2	40,000	2	20,000
Uplift	2	40,000	2	40,000
Vision:2025	2	20,000	2	20,000
Youth Climate Justice Fund	2	50,000	2	50,000
	26	470,038	24	390,000

Action Area: Climate Justice

Global Greengrants Fund UK works to support grassroots-led efforts to protect the planet and people's rights. Our grant supports local and Indigenous community resistance to fossil fuel expansion and carbon-intensive development as well as a contribution to their core grant-making costs.

Youth Climate Justice Fund supports young climate justice leaders with trust-based funding, resources, and youth-to-youth capacity development. Our grant contributed to their participatory grantmaking budget for 2024 as well as supporting YCJF operations, including donor education and youth-to-youth capacity development.

Action Area: Legal & Policy Change

ClientEarth uses the law to fight climate change, prevent biodiversity loss and protect people's right to a healthy planet. Our support helped them launch new cases, including a greenwashing lawsuit against BlackRock and action against Germany for breaching EU pesticide rules.

Action Area: Protecting Nature

The Ocean & Us works across a range of ocean issues, including climate change, overfishing and pollution. Our grant has supported them to undertake key activities in support of a moratorium on deep-sea mining; and completed the first leg of The Ocean Hope Expedition in Mexico.

Cool Earth works directly with rainforest communities and local non-profits to tackle root causes of deforestation and protect vital carbon sinks. Our grant contributed to the running Rainforest Labs in the Peruvian Amazon to provide real-time satellite data to Indigenous communities defending against deforestation.

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New Grantee: Amazon Sacred Headwaters Alliance is an alliance of 30 Indigenous nations in Ecuador and Peru with a shared vision to permanently protect 86 million acres of bio-culturally diverse tropical rainforests in the headwaters of the Amazon River, in the Napo, Pastaza, and Marañon River Basins. Our grant supported their work transitioning the Amazon from an extractive economy to a regenerative bioeconomy.

Action Area: Just Energy Transition

Uplift aims to catalyse a just transition away from UK oil and gas production by pushing the UK government to end the expansion of national oil and gas production and to rapidly roll out onshore wind power. Our grant supported Uplift's work opposing new oil and gas, creating political space for the new government to commit to ending new oil and gas licensing in its party manifesto. This movement also brought attention to the #StopRosebank campaign. .

Critical Frequency is a women-run podcast network founded by journalists combining rigorous reporting and inventive storytelling to hold the oil industry accountable. Our grant contributed to their Information Pollution project, which focused on a series called Denial to Delay, exposing false solutions and corporate capture of international climate negotiations.

Action Area: Greening Music

Julie's Bicycle works internationally across arts and culture to mobilise environmental action in the creative community. Our grant has supported their work driving climate action in the music industry, delivering positive impact across both live and recorded music, including working on the Music Climate Pact and the Show Must Go On Report.

Music Declares Emergency works to make the cultural and operational changes needed across the music industry to contribute towards a carbon neutral future. Our grant supported their ongoing NO MUSIC ON A DEAD PLANET campaign and in establishing the fan-facing element of that campaign, the development of a movement.

A Greener Future (formerly A Greener Festival) helps events, festivals and venues become more sustainable with research, certification, training, expertise and knowledge sharing. Our grant support work including the delivery of multiple sustainability courses in the UK and abroad; the launch of a new "Green Guide"; and collaboration with Act1.5.

Live Green collates and provides research, expertise and cross-industry innovation informed by the best science and supporting the transition to a regenerative future. Our grant supports the LIVE Green coordinator role, who is able to accelerate and expand their work as a forum for the live music sustainability sector, including their work on The LIVE sustainability clauses for artists contracts.

Vision:2025 represents a growing network of over 500 outdoor events and businesses taking positive climate action. Our grant supports the update of the Creative Green carbon footprint tools and the Green Events Code of Practice.

EarthPercent Foundation for onward granting to two partner organisations as follows:

- Latin American Youth Climate Scholarships - \$3,500 towards empowering young BIPOC climate activists to participate in international climate policy spaces.
- Youth Climate Justice Fund - \$7,500 towards their grants programme. Also funded via EarthPercent, see above.

Risk management

The Trustees identify the major risks to which the charity is exposed on an ongoing basis, in particular those related to the operations and finances of the charity. A Risk Register has been established and is updated and reviewed regularly with the FRC. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. The charity is satisfied that systems are in place to mitigate their exposure to the major risks, which have been identified and reviewed. The FRC has also undertaken a review of risks and compliance relating to international grant making.

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Advice was sought once during the year from the Charity Commission and external advisors regarding the charity's position on music sector boycotts driven by ethical concerns.

One report of fraudulent use of the charity and its patron's name (in the US) was reported to both the Charity Commission and police - no further action was necessary and there was no financial fraud committed.

Financial review

The detailed figures are included in the financial statements. In the year under review the charity achieved an overall surplus of £167,472 (2023: deficit £559). There was a £19,945 surplus on restricted funds (2023: £59,796 deficit) and a surplus of £147,527 (2023: £59,237) on unrestricted funds.

Total reserves at the year end were £359,580 (2023: £192,108), comprising restricted funds of £59,249 (2023: £39,304) and unrestricted reserves of £300,331 (2023: £152,804). After accounting for fixed assets the remaining free reserves at the year end were £296,664 (2023: £149,636).

Fundraising performance in 2024 was lower than the original budget which was partly due to the timing of some donations, but also a reflection of the challenging external situation for environmental fundraising and an increasingly competitive space for securing such fundraising. We do not have pre-contracted grant agreements, so are able to adjust grants distributions in line with our fundraising performance. We also reduced discretionary spend in our operating budget.

Fundraising has been challenging across 2024, with the external political environment (including the US elections) creating nervousness among some prospective donors to climate causes (while also being a rallying moment for pro-environmental donors). This dual effect has continued into 2025, and additional macro-economic pressures are affecting some of our donors (as an example, the tariffs regime is affecting profits of international audio equipment manufacturers, and has led to one donor pausing their support).

Specifically among two of our key donor groups, performing artists and festivals, continued increase of tour/event costs combined with the cost of living crisis which affects advance ticket sales, has meant that securing donations from the live sector continues to be challenging. Although we have continued to see growth in donations from this space, the number and size of donations is lower than anticipated.

Principal Funding Sources

Founding Donors from the industry (both music businesses and individual artists) cover our operating costs through annual unrestricted donations. Funds raised from artists signed up to one of the charity's principal activations are currently attributed in full to grant giving (unless otherwise agreed), to be pooled and distributed to grant partners across our five action areas. Under the Deed of Covenant between the charity and its trading subsidiary, profits are covenanted up in full to the charity. Income in the trading subsidiary is derived from funding for special programmes, partnership fees, speaker fees and commercial exploitation of music and merchandise.

Fundraising activities in the current year include: donations from a percentage of tour, merchandise, recording, publishing or organisational income including through the Earth As Co-writer and Sounds Right initiatives; gifting an item for an auction or prize draw on behalf of the charity or donating the proceeds from a sale; fundraising actions such as staff giving campaigns; or making a direct donation. We continued to benefit from a fixed amount of match funding from Brian Eno for artists donations for our grant-giving.

In support of our fundraising efforts, and as part of building a wide movement across music for action on climate, we offer speakers at industry and environmental gatherings and host education and networking events about climate and biodiversity issues for people from across music. We run an annual impact event each January and publish a report detailing our activities and providing information about the grants made and the work of the organisations supported.

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Reserves Policy

The Board of Trustees has adopted a Reserves Policy to determine annually, as part of the year end accounts process, the risk-based reserve level to be set aside. Under the current Reserves Policy the level of reserves (that is those funds that are freely available) to maintain adequate working capital and maintain the core infrastructure of the company has been established as at least three months of core operating costs, plus 10% contingency.

This prorated annual cost (including the 10% contingency) equates to £106k based on forecast expenditure (excluding grants) for the year ended 31 December 2025. As at 31 December 2024 unrestricted reserves were £300k.

Plans for the future

Structure, governance and management

The two Co-Executive Director roles are expected to become full time in 2025. We monitor ongoing the need for additional fundraising resource, to respond to the growing opportunities for the charity.

Work began in 2024 for a full team and board strategy day in January 2025 to kick off a strategy process running in 2025 to develop a new 3-year strategy focused on fundraising, grant giving and cultural impact. A strategic and operational plan is in development for each of these three strategic pillars, and will be subject to review by Trustees and other stakeholders in Q3, for final approval and adoption in Q4.

Recruitment began to hire a new Trustee with legal experience to replace our Trustee intending to step down after her maternity leave, and a new legally qualified Trustee was appointed on 26 March 2025. The Chair of the Board resigned on 19 May 2025 due to international work commitments and the work to recruit two new co-chairs (one with music industry experience and one with charity/environmental sector experience) was underway at the date of signature.

The trading subsidiary is expected to continue to increase turnover through special projects and exploitation of IP (music recording and publishing rights), in particular via work relating to the Sounds Right initiative and the collection of recording royalties for 'NATURE' (launched as a music artist).

EarthPercent will continue to work closely with EarthPercent US, to jointly develop long-term strategic planning processes and a framework agreement governing the relationship between the two organisations.

A project to scope the potential for launching a local EarthPercent programme in Ibiza will run in 2025 - and subject to success, could lead to the creation of an EarthPercent foundation in Spain.

During 2025 it is intended to retain external Health & Safety advisors.

Grant agreements and disbursements

In the following financial year, and subject to completion of the grants strategy, we expect to transition to a single grant distribution in Q4 to new and existing grant partners, working with our EAP and following procedures established in review with panel members. Based on ongoing reporting and review of grant partners, and in line with the grants strategy developed in 2025, existing grantees may be invited to apply for a new 3-year funding period during 2025 (to run 2026-28).

Small Companies' Exemption

The company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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Trustees' responsibilities in relation to the financial statements

The trustees, (who are also directors for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company 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 of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any 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 charitable company will continue in business.

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

Date approved by the Board

22 August 2025

Signed on behalf of the Board

Humera Afzal
Trustee

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INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF EARTHPERCENT

Year ended 31 December 2024

I report to the trustees on my examination of the financial statements of EarthPercent ('the charity') for the year ended 31 December 2024.

Responsibilities and basis of report

This report is made solely to the Trustees, as a body, in accordance with the Charities Act 2011. My examination has been undertaken so that I might state to the Trustees those matters I am required to state to them in an Independent Examiner's report and for no other purpose. To the fullest extent permitted by law I do not accept or assume responsibility to anyone other than the charity and the Trustees as a body, for my examination, for this report, or for the opinions I have formed.

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act').

In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the Charitable company'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 of England and Wales, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.

Caroline Sharp FCA
55 Canberra Road
London
SE7 8PF

22 August 2025

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 December 2024

Statement of Financial Activities (including income and expenditure account)

	Note	Unrestricted funds	Restricted funds	Total funds Dec 2024	Unrestricted funds	Restricted funds	Total funds Dec 2023
Income from:							
Donations and legacies	4	373,767	485,931	859,698	233,181	320,443	553,624
Investment income	5	1,889	-	1,889	1,438	-	1,438
Other trading activities	6	51,257	4,052	55,309	5,336	9,761	15,097
Total income		<u>426,913</u>	<u>489,983</u>	<u>916,896</u>	<u>239,955</u>	<u>330,204</u>	<u>570,159</u>
Expenditure on:							
Charitable activities	7	174,497	470,038	644,535	94,982	390,000	484,982
Raising funds	7	104,889	-	104,889	85,736	-	85,736
Total resources expended		<u>279,386</u>	<u>470,038</u>	<u>749,424</u>	<u>180,718</u>	<u>390,000</u>	<u>570,718</u>
Net income / (expenditure) for the year		<u>147,527</u>	<u>19,945</u>	<u>167,472</u>	<u>59,237</u>	<u>(59,796)</u>	<u>(559)</u>
Net movement in funds		<u>147,527</u>	<u>19,945</u>	<u>167,472</u>	<u>59,237</u>	<u>(59,796)</u>	<u>(559)</u>
Reconciliation of funds							
Fund balance at 31 December 2023		152,804	39,304	192,108	93,567	99,100	192,667
Fund balance at 31 December 2024	15	<u>300,331</u>	<u>59,249</u>	<u>359,580</u>	<u>152,804</u>	<u>39,304</u>	<u>192,108</u>

The accompanying notes form part of these financial statements.

The statement of financial activities includes all gains and losses recognised in the year.

All activities derive from continuing operations.

EARTHPERCENT
(A company limited by guarantee)
BALANCE SHEET
Registered company number 12407439

	Notes	31 Dec 2024 £	31 Dec 2023 £
Fixed assets			
Intangible assets	10	2,564	3,052
Tangible assets	11	1,102	115
Investments	12	1	1
Debtors	13	127,004	23,003
Cash at bank and in hand		249,194	170,146
		<hr/>	<hr/>
		376,198	193,149
Liabilities			
Creditors: amounts falling due within one year	14	(20,285)	(4,209)
		<hr/>	<hr/>
Net current assets		355,913	188,940
		<hr/>	<hr/>
Net assets		359,580	192,108
		<hr/>	<hr/>
Represented by			
Unrestricted funds			
General funds	15	300,331	152,804
Restricted funds	15	59,249	39,304
		<hr/>	<hr/>
Total		359,580	192,108
		<hr/> <hr/>	<hr/> <hr/>

For the financial year in question the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

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

Approved by the Board on 22 August 2025

.....
Humera Afzal

The accompanying notes form part of these financial statements.

EARTHPERCENT
(A company limited by guarantee)
STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	2024		2023
	£	£	£
Cash flows from operating activities			
Net income for the reporting period	167,472		(559)
Depreciation	329		57
Amortisation	488		488
Interest receivable	(1,889)		(1,438)
(Increase)/decrease in debtors	(104,001)		(22,112)
(Decrease)/Increase in creditors	16,076		(14,893)
		-----	-----
Net cash provided by operating activities		78,475	(38,457)
Cash flows from investing activities:			
Purchases of fixed assets	(1,316)		-
Interest receivable	1,889		1,438
	-----	-----	-----
Net cash used in investing activities		573	1,438
Change in cash and cash equivalents in the year		79,048	(37,019)
Cash and cash equivalents at the beginning of the year		170,146	207,165
		-----	-----
Cash and cash equivalents at the end of the year		249,194	170,146
		=====	=====
Analysis of cash and cash equivalents and of net debt			
		At 1 Jan	At 31
		2024	Dec
		£	2024
		£	£
Cash at bank and in hand		170,146	79,048
		-----	-----
Total cash and cash equivalents		170,146	79,048
		=====	=====

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 December 2024

NOTES TO THE ACCOUNTS

1. Accounting policies

a) Statutory information

EarthPercent is a charitable company limited by guarantee, incorporated in England and not having share capital and is governed by its memorandum and articles of association. It was incorporated as a company on 16 January 2020 and registered as a charity on 6 March 2020. The maximum liability of each member on the winding up of the company is £1.

The registered office of the charitable company is:

3 Pembridge Mews
London
W11 3EQ

b) Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented unless otherwise stated.

Group accounts have not been prepared as the parent and the group headed by it qualify as small under s383 of the Companies Act 2006 and the parent and the group are considered eligible for the exemption as determined by reference to sections 384 and 399(2A) of the Companies Act 2006.

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) – updated 2019) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

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, its amount can be measured reliably and any conditions of receipt have been met.

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 December 2024

NOTES TO THE ACCOUNTS (cont....)

Taxation

EarthPercent is a registered Charity and is therefore exempt from paying corporation tax on charitable activities.

Financial instruments

A financial asset or a financial liability is recognised only when the entity 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, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. 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.

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Restricted reserves

These reserves are subject to restrictions on their expenditure imposed by their donor or through the terms of appeal.

Pensions

All staff are eligible for employer's pension contributions to be paid to a stakeholder or equivalent contributory personal pension scheme.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Useful lives of depreciable assets

Management reviews the useful lives of assets at each reporting date.

Multi period income agreements

In determining the revenue to be recognised on grants, donations or contract income whose project spans more than one period of account;

Income is recognised when EarthPercent has entitlement to the income, it is probable the economic benefit will flow to the charity and the revenue can be reliably measured under the terms of the agreement.

There are no estimation uncertainties having risk of material adjustment to the carrying value of assets and liabilities within the next financial year.

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 December 2024

NOTES TO THE ACCOUNTS (cont....)

Going Concern

At the balance sheet date the group held adequate cash balances and reserves.

There are no material uncertainties that exist that may cast significant doubt on the charity's ability to continue as a going concern.

The financial forecasts prepared by the executive team show that the charitable company will be able to operate within the facilities available to it.

On that basis the Trustees have prepared these financial statements on a going concern basis.

Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 December 2024

NOTES TO THE ACCOUNTS (cont....)

4 Donations

	Unrestricted 31 Dec 2024 £	Restricted 31 Dec 2024 £	Total 31 Dec 2024 £	Total 31 Dec 2023 £
Donations	286,082	481,166	767,248	553,624
Donations in kind – auction prizes	-	4,765	4,765	-
Donated profit from EarthPercent Trading Ltd	87,685	-	87,685	-
	<u>373,767</u>	<u>485,931</u>	<u>859,698</u>	<u>553,624</u>

In 2023 £233,181 of voluntary income was attributable to unrestricted funds and £320,443 was restricted funds.

5 Investment income

	Unrestricted 31 Dec 2024 £	Restricted 31 Dec 2024 £	Total 31 Dec 2024 £	Total 31 Dec 2023 £
Bank interest receivable	1,889	-	1,889	1,438
	<u>1,889</u>	<u>-</u>	<u>1,889</u>	<u>1,438</u>

6 Other trading activities

	Unrestricted 31 Dec 2024 £	Restricted 31 Dec 2024 £	Total 31 Dec 2024 £	Total 31 Dec 2023 £
Management charge receivable	30,102	-	30,102	5,336
Other trading income	21,155	4,052	25,207	9,761
	<u>51,257</u>	<u>4,052</u>	<u>55,309</u>	<u>15,097</u>

Included within other trading activities is £30,102 management recharge to subsidiary company EarthPercent Trading Ltd (2023: £5,336). In 2023 there was £5,336 unrestricted income and £9,761 restricted income.

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 December 2024

NOTES TO THE ACCOUNTS (cont....)

7(a) Analysis of expenditure (current year)

	Raising funds	Grant making	Support costs	Governance costs	Total 31 Dec 2024
	£	£	£	£	£
Staff costs	87,422	17,505	104,138	-	209,065
Training	-	-	1,412	-	1,412
Freelance and consultancy	2,338	4,420	4,491	-	11,249
Grants payable	-	470,038	-	-	470,038
Compensation for unsuccessful grant claim	-	2,250	-	-	2,250
Marketing, publicity, fundraising and PR	10,364	-	-	-	10,364
Gifts donated as prizes	4,765	-	-	-	4,765
Legal and professional	-	-	12,267	-	12,267
IT and computer costs	-	-	7,548	-	7,548
Insurance	-	-	1,342	-	1,342
Advisory board costs	-	750	-	-	750
Rates and utilities	-	-	4,673	-	4,673
Travel	-	-	7,285	-	7,285
Subscriptions and memberships	-	-	191	-	191
Amortisation	-	-	488	-	488
Depreciation	-	-	329	-	329
Office administration	-	-	1,364	-	1,364
Independent Examiner fee	-	-	-	1,980	1,980
Bank and finance charges	-	-	848	-	848
Entertainment	-	-	1,216	-	1,216
	104,889	494,963	147,592	1,980	749,424

During the year ended 31 December 2024, 26 grants (2023: 24) were made to institutions to further the objects of the charitable company. Details of individual amounts paid and grant recipients are included in the Trustees' Report.

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 December 2024

NOTES TO THE ACCOUNTS (cont....)

7(b) Analysis of expenditure (prior year)

	Raising funds	Grant making	Support costs	Governance costs	Total 31 Dec 2023
	£	£	£	£	£
Staff costs	38,948	-	56,876	-	95,824
Training	-	-	1,817	-	1,817
Freelance and consultancy	43,110	9,167	2,937	-	55,214
Grants payable	-	390,000	-	-	390,000
Marketing, publicity, fundraising and PR	3,678	-	-	-	3,678
Legal and professional	-	-	13,322	-	13,322
IT and computer costs	-	-	1,365	-	1,365
Insurance	-	-	857	-	857
Advisory board costs	-	500	-	-	500
Rates and utilities	-	-	3,858	-	3,858
Travel	-	-	11	-	11
Design costs	-	-	630	-	630
Amortisation	-	-	488	-	488
Depreciation	-	-	57	-	57
Office administration	-	-	799	-	799
Independent Examiner fee	-	-	-	1,505	1,505
Bank and finance charges	-	-	234	-	234
Entertainment	-	-	459	-	459
Fine	-	-	100	-	100
	85,736	399,667	83,810	1,505	570,718

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 December 2024

NOTES TO THE ACCOUNTS (cont....)

8 Employee costs

	Total 31 Dec 2024 £	Total 31 Dec 2023 £
Salaries	191,253	89,883
Employer's NI	13,598	3,922
Employers' pension	4,214	2,019
	209,065	95,824
	209,065	95,824

The charity employed 5 members of staff (average headcount) during the year under review (31 December 2023: 2.5)

There were no employees whose total benefits (excluding employer pension costs) exceeded £60,000 (2023: none)

The aggregate remuneration of key management personnel during the year ended 31 December 2024 (including employer pension contributions) was £117,661. (2023: £62,180)

9 Trustee remuneration

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the current year.

The charity, as agreed with the Charity Commission, paid Adam Callan, Trustee £12,240 for consultancy services provided during the year ended 31 December 2023. (2024: £nil)

10 Intangible fixed assets

	Trademarks and patents £	Total £
Cost		
At 1 January 2024	4,881	4,881
Additions	-	-
	4,881	4,881
Amortisation		
At 1 January 2024	1,829	1,829
Charge for year	488	488
	2,317	2,317
Net book value		
At 31 December 2024	2,564	2,564
	2,564	2,564
At 31 December 2023	3,052	3,052
	3,052	3,052

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 December 2024

NOTES TO THE ACCOUNTS (cont.....)

11 Tangible fixed assets

	Computer equipment £	Total £
Cost		
At 1 January 2024	229	229
Additions	1,316	1,316
	1,545	1,545
At 31 December 2024	1,545	1,545
Amortisation		
At 1 February 2024	114	114
Charge for year	329	329
	443	443
At 31 December 2024	443	443
Net book value		
At 31 December 2024	1,102	1,102
	115	115
At 31 December 2023	115	115

12 Investments: wholly controlled subsidiary undertaking

EarthPercent is the sole shareholder of EarthPercent Trading Ltd, a company incorporated in England, registered number 13974842.

Its results for the year ended 31 December 2024 were as follows:

	31 Dec 2024
Turnover	182,353
Operating expenditure	(173,328)
	9,025
Profit for the year	9,025
The aggregate of the assets, liabilities and reserves were:	
Assets	250,688
Liabilities	(250,687)
	1
Reserves	1

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 December 2024

NOTES TO THE ACCOUNTS (cont....)

13 Debtors

	31 Dec 2024	31 Dec 2023
	£	£
Amount owed by subsidiary undertaking	123,168	21,724
Other debtors and prepayments	3,836	1,279
	127,004	23,003
	127,004	23,003

14 Creditors

	31 Dec 2024	31 Dec 2023
	£	£
Trade creditors	1,386	-
Accruals	18,112	3,958
Other creditors	787	251
	20,285	4,209
	20,285	4,209

15a Movement in funds

	Balance at 1 January 2024	Incoming	Outgoing	Transfers	Balance at 31 December 2024
	£	£	£	£	£
Unrestricted funds					
General fund	152,804	426,913	(279,386)	-	300,331
	152,804	426,913	(279,386)	-	300,331
Total unrestricted funds	152,804	426,913	(279,386)	-	300,331
Restricted funds					
Grantmaking fund	39,304	489,983	(470,038)	-	59,249
	39,304	489,983	(470,038)	-	59,249
Total restricted funds	39,304	489,983	(470,038)	-	59,249
Total funds	192,108	916,896	(749,424)	-	359,580

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 December 2024

NOTES TO THE ACCOUNTS (cont....)

15b Movement in funds (prior year)

	Balance at 1 January 2023 £	Incoming £	Outgoing £	Transfers £	Balance at 31 December 2023 £
Unrestricted funds					
General fund	93,567	239,955	(180,718)	-	152,804
Total unrestricted funds	<u>93,567</u>	<u>239,955</u>	<u>(180,718)</u>	<u>-</u>	<u>152,804</u>
Restricted funds					
Grantmaking fund	99,100	330,204	(390,000)	-	39,304
Total restricted funds	<u>99,100</u>	<u>330,204</u>	<u>(390,000)</u>	<u>-</u>	<u>39,304</u>
Total funds	<u>192,667</u>	<u>570,159</u>	<u>(570,718)</u>	<u>-</u>	<u>192,108</u>

Restricted grant making fund - the restricted grant making fund pools donations that are raised specifically in support of our grant partners across the five key Action Areas that our grants strategy supports.

16 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 31 Dec 2024 £	Total Funds 31 Dec 2023 £
Fixed assets	3,667	-	3,667	3,168
Current assets	316,949	59,249	376,198	193,149
Creditors less than 1 year	(20,285)	-	(20,285)	(4,209)
	<u>300,331</u>	<u>59,249</u>	<u>359,580</u>	<u>192,108</u>

Analysis of net assets between funds (prior year)

	Unrestricted Funds £	Restricted Funds £	Total Funds 31 Dec 2023 £	Total Funds 31 Dec 2022 £
Fixed assets	3,168	-	3,168	3,712
Current assets	153,845	39,304	193,149	208,057
Creditors less than 1 year	(4,209)	-	(4,209)	(19,102)
	<u>152,804</u>	<u>39,304</u>	<u>192,108</u>	<u>192,667</u>

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 December 2024

NOTES TO THE ACCOUNTS (cont....)

17 Related Party Transactions

During the year under review the charity received no donations (2023: £303,691) from Trustees or companies controlled by Trustees.

No Trustee expenses were claimed during the year (2023: £nil)

The charity also charged its subsidiary company EarthPercent Trading Ltd £30,102 (2023: £5,336) in management charges during the year under review and made payments on its behalf.

The charity received covenanted income of £87,685 (2023: £nil) from its trading subsidiary EarthPercent Ltd.

At the year end EarthPercent Ltd owed EarthPercent £123,168 (2023: £21,724).

The charity, as agreed with the Charity Commission, also paid Adam Callan, Trustee £12,240 for consultancy services provided during the year ended 31 December 2023. (2024: £nil)

18 Taxation

As a charitable company, EarthPercent is exempt from tax on income and gains to the extent that these are applied to its charitable objects. No tax charges have arisen within the charitable company.

EARTHPERCENT

England & Wales - Charity number 1188391

Accounts

EarthPercent

A Company Limited by Guarantee

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 December 2023

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EARTHPERCENT
(A company limited by guarantee)
Year ended 31 December 2023

Reference and administration information

Charity Name: EarthPercent
Charity Registration Number: 1188391
Company Registration Number: 12407439
Registered Office and operational address:
3 Pembridge Mews
London
W11 3EQ

Trustees

Adam Callan
Brian Eno (resigned 30 July 2023)
Hiroki Shirasuka
Humera Afzal (appointed 21 August 2023) - Treasurer
Michael Smith
Elizabeth Payne-James
Ssegawa Ssekintu Kiwanuka (appointed 8 February 2022)
Nadia Khan (appointed 19 February 2024) - Chair

Co-Executive Directors

Cathy Runciman
Joel Gardner (from 1 January 2024)

Independent Examiner

C Sharp FCA, DChA
55 Canberra Road
London
SE7 8PF

Bankers

Triodos Bank UK Ltd
Deanery Road
Bristol
BS1 5AS

Patron

Brian Eno

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 December 2023

Report of the Trustees for the year ended 31 December 2023

The Trustees, who are directors for the purposes of company law, present their annual report and financial statements of the charity for the year ended 31 December 2023. The trustees' annual report includes a directors' report as required by company law.

Structure, governance and management

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006, the Charities Act 2011 and Accounts and Reporting by Charities: Statement of Recommended Practice Applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

EarthPercent is a charitable company limited by guarantee, incorporated in England and not having share capital and is governed by its memorandum and articles of association. It was incorporated as a company on 16 January 2020 and registered as a charity on 6 March 2020. The maximum liability of each member on the winding up of the company is £1.

The Trustees, who are also directors for the purposes of company law, are listed on page 3. All Trustees give of their time voluntarily and received no benefits from the charity, with the exception of one, who was contracted for a short-term contract in 2023 (defined scope, 39 days across six months to assist with the organisational development and fundraising). This appointment was reviewed with the Charities Commission and Board of Trustees, with the relevant Trustee absent from decision-making.

New Trustees are appointed by the existing Trustees. They are selected on the basis of their sympathy with EarthPercent's charitable objects and their ability to further them as a Trustee. New Trustees are elected by resolution and approved by a majority of trustees where a Board quorum is present. Our newest Trustee was appointed in August 2023 in the role of Trustee Treasurer. Brian Eno resigned from the Board of Trustees in July 2023 and remains as the global Patron of the charity, actively involved in its promotion and development.

EarthPercent is an equal opportunities employer. In all our recruitment, we strongly encourage applicants from all backgrounds and walks of life. We believe that diversity and inclusion in our team is critical to our success. We seek to recruit, develop and retain the most talented people from a diverse candidate pool and welcome applications from all qualified candidates. We do not discriminate on the basis of race, colour, religion, ethnicity, gender, disability, sexual orientation or gender identity.

New Trustees are provided with induction material on the charity and their role, including governing documents and guidance on the role and responsibilities of trustees. EarthPercent's governance is undertaken by the Trustees who meet three times per year in person and seven times over the year online, with scope for additional meetings as required. At Trustees' meetings, Trustees agree the broad strategy and areas of activity, including consideration of fundraising, grant making, investment and performance, as well as reviewing governance and compliance issues.

A full-time Executive Director is responsible for developing our organisational strategy and fundraising plan and for building the external relationships and organisational infrastructure and culture capable of achieving our purpose and aims. The Executive Director manages an operating budget approved by Trustees. Other staff include a part-time Community and Operations Manager and a part-time Head of Partnerships, focused on fundraising, from July 2023.

Pay for key management is reviewed as part of budget and reforecasting processes and salary levels are authorised by the Board of Trustees. In 2024 it is planned to form a Nominations and Remuneration Committee as a sub-committee of the board to be responsible for reviewing and recommending management compensation.

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 December 2023

During 2023 we continued to retain a consultant Head of Programs to manage the grant giving processes and the Expert Advisory Panel (EAP). We have worked with other freelance support in the areas of: admin/comms support; fundraising and project management.

Connected Entities

The trading subsidiary, EarthPercent Trading Ltd (company number 13974842) became operational in April 2023 once its banking operations were set up. As a result of this timing, some trading activity in 2023 continued to be carried out through the charity. A loan of £30,000 working capital was provided to the trading subsidiary by the charity (repayment timelines extended by the Board of Trustees to 2024). The subsidiary exists for the purposes of managing trading income expected to be generated through some fundraising activations (such as the sale of music or merchandise). The sole shareholder is EarthPercent. One of the Trustees and the Executive Director of EarthPercent are company directors of the trading subsidiary. A framework agreement and deed of covenant between the charity and the trading subsidiary has been put in place.

These financial statements are the accounts of EarthPercent only and consolidated group accounts have not been prepared.

EarthPercent US is a US-based, 501c3 affiliated non-profit foundation. One of EarthPercent's Trustees sits on the board of Directors of EarthPercent US. The UK and US organisations share the overall mission for the organisation, each working locally with donors and grant partners under a shared grant giving strategy.

EarthPercent works with fiscal partners from the Transnational Giving Europe network to enable donors in Germany and Spain to donate to EarthPercent UK and receive the appropriate tax documentation in each country.

EarthPercent benefits from contacts and advice offered by members of its Music Committee and Publishing Advisory Board, who contribute on a voluntary basis under agreed Terms of Reference. Our Expert Panels in the UK and US (see below) guide the grant giving process.

During 2023 we began work on a significant new programme – Sounds Right – in partnership with the Museum of the United Nations – UN Live and a coalition of other organisations, to recognise and reward nature's contribution to music making, and raise funds for nature restoration and protection. EarthPercent's role in the programme is managing artist relations and governance of the Sounds Right Conservation Fund. Work in 2023 was towards the programme launch scheduled for Earth Day 2024.

Organisational strategy, policies and procedures

The following policies and procedures are in place and subject to regular review:

Anti-bribery & Corruption Policy; Complaints Policy & Procedure; Data Protection Policy; Environmental Policy; Grant Agreement template; Privacy notice; Reserves Policy; Risk Management Policy; Safeguarding Policy & Procedure; Trustees Code of Conduct and Conflicts of Interest; Volunteer Management Policy; plus HR policies and procedures necessary to complete our Staff Handbook (including pay, leave, disciplinary, grievance, expenses, social media, IT, holidays and sickness policies).

As of December 2023, we retained Peninsula Business Services to provide HR advice and services, including a review of all policies and employment contracts.

Work continues to evolve our Ethical Funding Strategy in consultation with external advisors.

An operational budget is approved annually by the board of Trustees and is subject to review and reforecast/reapproval as necessary. Financial controls are in place, including the requirement of two authorisations for all payments.

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 December 2023

Administration of the grant making

Our charity has designed the grant making process to be robust, constructive, transparent and efficient. We do not currently accept unsolicited applications for funding. Applicants must be referred by individuals or organisations known to the Trustees.

An Expert Advisory Panel (“EAP”) assists Trustees in ensuring that funding is invested in initiatives and organisations that are credible, impactful and align with our objectives. The Head of Programs, with support from a research assistant, conducts pre-grant due diligence, monitors performance of grants, and provides reporting to the EAP and Board of Trustees.

The role of the EAP is to review and score grant proposals, provide feedback and make recommendations to the Trustees, including concerning the extension, cessation or suspension of grant approvals. The EAP does not have decision-making power. Trustees have responsibility for approving grant recipients but rely on the advice and recommendations of the EAP in making these decisions.

We aim to offer unrestricted funding and to support organisations for an initial period of 6-12 months, and subject to ongoing review then consider funding for 2 more years. As we scale, we will look to fund partners for longer periods as this allows organisations greater stability, flexibility and a better opportunity to achieve long-term, transformative impacts. It is intended that applications will be considered bi-annually and to develop the potential for a rapid response funding stream that can respond to urgent needs.

The two grants distributions in 2023 were overseen by the EAP consisting of the following members who participate on a pro-bono basis, with a £500 annual honorarium offered based on need and available upon request. Panel members are experts representing multiple relevant disciplines such as climate science, conservation and ecology, science communications, climate activism and climate justice.

Note that we were devastated to lose our esteemed EAP member Dr Saleemul Huq who passed away in October 2023.

Expert Advisory Panel members overseeing 2023 grantmaking:

Nnimmo Bassey
Helena Bennett
Delara Burkhardt MEP
Dr Stuart Capstick
Dr Brian Cox
Dr Kyle Devine
Dr Tamsin Edwards
Prof Saleemul Huq (d. 28 Oct 2023)
Fatima Ibrahim
Sophia Kianni
Lilian Liu
Wilson Oryema
Tori Tsui
Baroness Lola Young OBE

During 2023, work began to restructure the EAP, merging UK and US membership and organising them around the charity’s Action Areas, with some members renewing their membership and some new members joining for each Action Area. New Terms of Reference were developed (3 year term), alongside plans to recruit a new Grants Manager in 2024 and for our Head of Programs to move to a role as Chair of the Expert Advisory Panel.

Purposes and aims

Our charity’s purposes, as set out in the objects contained in the company’s memorandum of association, are to:

1. Promote and advance the enhancement, restoration, conservation and protection of the environment; and
2. Advance all other charitable purposes under the laws of England and Wales.

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The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning future activities.

We carry out these objects by raising money from the music industry to support credible and impactful organisations addressing the climate emergency.

Our full grant giving strategy, which explains our aims, objectives and priorities can be accessed via our website. Our three principle aims are:

- a greener music industry
- our climate and natural world are protected and restored, and
- cleaner, healthier, fairer, thriving communities

Grant making policy and procedures

Our grant making focuses on funding efforts that bring about changes to existing policies, systems and approaches that provide tangible, long-term benefits to nature and people's lives. Our funding supports organisations fighting climate change and working for climate justice all over the world.

Our charity funds organisations and initiatives that address five key 'Action Areas'

Improving environmental impacts of the music industry (Greening Music)

We fund efforts to understand and take action to reduce the environmental impacts of the music industry. We fund organisations that create tools and guidance to help those within music to reduce their carbon/environmental impacts. We support projects that equip artists and industry professionals to speak out and act together on climate change.

Reducing greenhouse gas emissions and supporting clean energy (Just Energy Transition)

We fund efforts to end the use of fossil fuels, prevent and reduce greenhouse gas emissions, remove greenhouse gases from the atmosphere and support renewable and citizen-powered energy in order to limit global warming to 1.5°C above pre-industrial levels in ways that benefit the most affected workers and communities.

Securing climate justice and equitable environmental stewardship (Climate Justice)

We fund approaches that bridge social justice, gender equity and climate change. We fund organisations that support grassroots-led efforts to build resilience in communities that are most affected by the climate crisis. We provide support for activities which respect and support local and indigenous knowledge while ensuring that these communities have a say on and are at the heart of climate action.

Advancing systemic economic, legal and policy change (Legal & Policy Change)

We fund efforts to change the laws, economic drivers and systems that have created and contribute to the climate crisis. We fund projects that work to empower civil society and provide support for their legal capacity to advocate for stronger and more ambitious policies and legislation for the environment. We also fund work to influence how governments address the climate crisis and deliver on their obligations, and fund efforts to hold big polluters to account and stop them from damaging the environment through litigation and divestment.

Protecting, conserving and restoring nature (Protecting Nature)

We fund efforts to preserve, protect and repair habitats which humans and wildlife depend on. We fund projects that prevent and reverse deforestation, pollution, desertification, habitat destruction, soil erosion and biodiversity loss. We support efforts to restore wilderness and agricultural practices that remove carbon from the atmosphere and lead to healthier food. Our initial focus is on three critical carbon sinks: forests, oceans and soil.

Grant recipients must fall within one of the following categories:

- English/Welsh registered charities;
- organisations that carry out activities that are charitable under English law; or
- individual charitable beneficiaries.

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 December 2023

Grants will be made only for activities that are charitable in English law (although the activities may be worldwide). Grants must not be used to pay costs that have already been incurred and applicants working with children or vulnerable people must have safeguarding policies which meet the standards and criteria set out in our grant terms and conditions.

In 2023, we made grants distributions in two cycles. The first distributions totalling £185,000 were made between May-July and included follow-on grants to the 8 organisations we supported in 2022 plus awards to 4 new partners, bringing the total number of organisations supported to 12. A second distribution of £210,000 was distributed to these 12 partners in December.

The EAP reviewed and provided feedback on new applications and made recommendations to Trustees; impact reports from existing partners had been reviewed in Q4 2022 in order to recommend follow-on funding during 2023. There were 2 unsuccessful applications in the year. Monitoring and review of all grants continued, and an Impact Report summarising 2022 and 2023 grant giving impact was in production in December 2023 for publication in January 2024.

We are delighted to be funding the following organisations, whose work supports the aims set out in our grant giving strategy: The amount paid to each grant recipient in the year under review is detailed below.

	2023		2022	
	No of Grants	Total £	No of Grants	Total £
Global Greengrants Fund UK	2	40,000	1	15,000
Youth Climate Justice Fund	2	50,000	-	-
ClientEarth	2	50,000	1	15,000
The Ocean & Us (formerly Women4Oceans)	2	20,000	1	10,000
Cool Earth	2	20,000	1	10,000
Uplift	2	40,000	1	15,000
Critical Frequency	2	30,000	-	-
Julie's Bicycle	2	30,000	1	15,000
Music Declares Emergency	2	40,000	1	15,000
A Greener Future (formerly A Greener Festival)	2	30,000	1	15,000
LIVE Green	2	20,000	-	-
Vision:2025	2	20,000	-	-
EarthPercent Foundation	-	-	1	12,371
	24	390,000	9	122,371

Action area: Climate Justice

Global Greengrants Fund UK works to support grassroots-led efforts to protect the planet and people's rights. Our grant supports local and Indigenous community resistance to fossil fuel expansion and carbon-intensive development as well as a contribution to their core grant-making costs.

(New in 2023): Youth Climate Justice Fund supports young climate justice leaders with trust-based funding, resources, and youth-to-youth capacity development. Our grant contributed to their participatory grantmaking budget for 2023 (covering up to 4 specific grants), as well as supporting YCJF operations, including donor education and youth-to-youth capacity development.

Action area: Legal & Policy Change

ClientEarth uses the law to fight climate change, prevent biodiversity loss and protect people's right to a healthy planet. Our support helped them advocate for the groundbreaking European law stopping products causing forest destruction from being imported, sold in or exported from the EU.

EARTHPERCENT
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Action area: Protecting Nature

The Ocean & Us (formerly Women4Oceans) work across a range of ocean issues, including climate change, overfishing and pollution. Our grant has supported their urgent work to raise awareness of the dangers of mining in the deep sea: launching a petition calling for a ban on deep-sea mining, organising a gathering at the Dutch parliament to deliver the petition, and influencing the International Seabed Authority.

Cool Earth works directly with rainforest communities and local non-profits to tackle root causes of deforestation and protect vital carbon sinks. Our grant contributed to the opening of Rainforest Labs in the Peruvian Amazon to provide real-time satellite data to Indigenous communities defending against deforestation.

Action area: Just Energy Transition

Uplift aims to catalyse a just transition away from UK oil and gas production by pushing the UK government to end the expansion of national oil and gas production and to rapidly roll out onshore wind power. Our grant supported Warm This Winter, an ambitious coalition of climate and fuel poverty organisations calling for a transformation of the UK energy system. Also our funding provided additional Digital Media support to Uplift's digital campaigning for the #StopRosebank campaign.

(New in 2023): Critical Frequency is a women-run podcast network founded by journalists combining rigorous reporting and inventive storytelling to hold the oil industry accountable. Our grant helped them build out their online 'Petroganda' archive and secure a publishing partner network with The Guardian, The BBC, Al Jazeera, The New Republic, The Intercept, The Nation, and DeSmog.

Action area: Greening Music

Julie's Bicycle works internationally across arts and culture to mobilise environmental action in the creative community. Our support has helped them engage with networks like LIVE Green and IMPALA Environmental Taskforce, leading industry discussions on climate justice, and updating music sector-specific tools and resources in order to respond to industry requests for support.

Music Declares Emergency works to make the cultural and operational changes needed across the music industry to contribute towards a carbon neutral future. Our grant supported the launch of the 'Fan Club for Climate', which aims to create the world's largest climate conscious music community and contributed to an administration assistant to streamline the organisation's work flows and increase capacity

A Greener Future (formerly A Greener Festival) helps events, festivals and venues become more sustainable with research, certification, training, expertise and knowledge sharing. Our grant helped them to create free online access to sustainability expertise and resources, helping more people in events get started with climate action.

(New in 2023): LIVE Green collates and provides research, expertise and cross-industry innovation informed by the best science and supporting the transition to a regenerative future. Our support helped expand the LIVE Green coordinator role, and facilitate projects including LIVE Insights audience research and the sustainable cups report, 'Raising the Bar.'

(New in 2023): Vision:2025 represents a growing network of over 500 outdoor events and businesses taking positive climate action. Our grant supports the update of the Creative Green carbon footprint tools and the Green Events Code of Practice.

Risk management

The Trustees identify the major risks to which the charity is exposed on an ongoing basis, in particular those related to the operations and finances of the charity. A Risk Register has been established and is updated and reviewed quarterly. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. The charity is satisfied that systems are in place to mitigate their exposure to the major risks, which have been identified and reviewed.

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In 2024 a Finance & Risk Committee has been formed as a sub-committee of the board, with the remit to review risk management policies and the risk register and to keep the board informed about any evolving major risks

Financial review

The detailed figures are included in the financial statements. The charity's results were a small deficit of expenditure over income for the year of (£559); (11 months ended December 2022: £89,818 surplus). The net deficit in the year under review resulted predominantly from expending grants from restricted income that had been received into the charity in previous financial periods. Unrestricted funds generated a surplus of £59,237 in the year.

Free reserves as at the year end were £149,636 (December 2022: £89,854) with restricted funds of £39,304 (December 2022: £99,100).

Principal Funding Sources

Founding Donors from the industry (both music businesses and individual artists) cover our operating costs through annual unrestricted donations. Speaker fees and gift aid also contribute to core costs. Funds raised from artists signed up to one of the charity's principal activations are currently attributed in full to grant giving, to be pooled and distributed to grant partners across our five action areas.

Fundraising activities in the current year include: donations from a percentage of tour, merchandise, recording or organisational income; gifting an item for auction on behalf of the charity or donating the proceeds from a sale; fundraising actions such as staff giving campaigns; or making a direct donation. We again secured a waiver of rights in songs to be sold during our Earth Day campaign and we launched a new initiative – The Earth As Your Co-writer – to allow songwriters to credit the Earth and direct songwriting/publishing royalties to our grant giving fund. We continued to benefit from match funding from Brian Eno for artists donations for our grants giving.

In support of our fundraising efforts, and as part of building a wide movement across music for action on climate, we offer speakers at industry and environmental gatherings and host education and networking events for climate-concerned people from across music.

Reserves Policy

The Board of Trustees has adopted a Reserves Policy to determine annually, as part of the year end accounts process, the risk-based reserve level to be set aside. Under the current Reserves Policy the level of reserves (that is those funds that are freely available) to maintain adequate working capital and maintain the core infrastructure of the company has been established as at least three months of core operating costs, plus 10% contingency. This prorated annual cost (including the 10% contingency) equates to £45k based on the expenditure in the year ended 31 December 2023. As at 31 December 2023 unrestricted reserves were £153k.

Plans for the future

Structure, governance and management

The executive leadership structure evolved to include two Co-Executive Directors from January 2024, working to a board-approved structure covering their roles and responsibilities. A new Head of Development with responsibility for fundraising growth joined the team on 4 March 2024, and a Grants Manager (0.8 FTE) was appointed on 24 June 2024, while our former Head of Programs moved to become the Chair of the Expert Advisory Panel. The new Chair of the Board of Trustees was appointed on 19 February 2024, and the Chair will review board composition and consider further recruitment that may be necessary.

EARTHPERCENT
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Year ended 31 December 2023

The trading subsidiary is expected to significantly increase turnover through special projects and exploitation of IP (music recording and publishing rights). The launch of the Sounds Right initiative will be a major programme of activity throughout the year.

EarthPercent will continue to work closely with EarthPercent US, and look to jointly develop long-term strategic planning processes and a framework agreement governing the relationship between the two organisations.

Work to renew and restructure our Music Committees and Expert Advisory Panels will continue and be completed in 2024.

Grant agreements and disbursements

In the following financial year, and subject to the success of our fundraising activities, we expect to make two grants distributions again to new and existing grant partners, working with our EAP and following procedures established in review with panel members.

Small Companies' Exemption

The company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Income and Corporation Taxes Act, 1988

The company is entitled to the exemption contained in Section 505 of the above Act.

EARTHPERCENT
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Year ended 31 December 2023

Trustees' responsibilities in relation to the financial statements

The trustees, (who are also directors for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company 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 of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any 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 charitable company will continue in business.

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

Date approved by the Board

16 September 2024

Signed on behalf of the Board

Humera Afzal
Trustee

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 December 2023

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF EARTHPERCENT

Year ended 31 December 2023

I report to the trustees on my examination of the financial statements of EarthPercent ('the charity') for the year ended 31 December 2023.

Responsibilities and basis of report

This report is made solely to the Trustees, as a body, in accordance with the Charities Act 2011. My examination has been undertaken so that I might state to the Trustees those matters I am required to state to them in an Independent Examiner's report and for no other purpose. To the fullest extent permitted by law I do not accept or assume responsibility to anyone other than the charity and the Trustees as a body, for my examination, for this report, or for the opinions I have formed.

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act').

In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the Charitable company'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 of England and Wales, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.

Caroline Sharp FCA
55 Canberra Road
London
SE7 8PF

16 September 2024

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 December 2023

Statement of Financial Activities (including income and expenditure account)

	Note	Unrestricted funds	Restricted funds	Total funds Dec 2023	Unrestricted funds	Restricted funds	Total funds 11 months ended Dec 2022
Income from:							
Voluntary income	4	233,181	320,443	553,624	122,424	155,550	277,974
Investment income	5	1,438	-	1,438	134	-	134
Other trading activities	6	5,336	9,761	15,097	9,855	55,671	65,526
Total income		<u>239,955</u>	<u>330,204</u>	<u>570,159</u>	<u>132,413</u>	<u>211,221</u>	<u>343,634</u>
Expenditure on:							
Charitable activities	7	94,982	390,000	484,982	62,610	122,371	184,981
Raising funds	7	85,736	-	85,736	68,835	-	68,835
Total resources expended		<u>180,718</u>	<u>390,000</u>	<u>570,718</u>	<u>131,445</u>	<u>122,371</u>	<u>253,816</u>
Net (expenditure) / income for the year before other recognised gains and losses		<u>59,237</u>	<u>(59,796)</u>	<u>(559)</u>	<u>968</u>	<u>88,850</u>	<u>89,818</u>
Net movement in funds		<u>59,237</u>	<u>(59,796)</u>	<u>(559)</u>	<u>968</u>	<u>88,850</u>	<u>89,818</u>
Reconciliation of funds							
Fund balance at 31 December 2022		93,567	99,100	192,667	92,599	10,250	102,849
Fund balance at 31 December 2023	15	<u>152,804</u>	<u>39,304</u>	<u>192,108</u>	<u>93,567</u>	<u>99,100</u>	<u>192,667</u>

The accompanying notes form part of these financial statements.

The statement of financial activities includes all gains and losses recognised in the year.

All activities derive from continuing operations.

EARTHPERCENT
(A company limited by guarantee)
BALANCE SHEET
Registered company number 12407439

	Notes	31 Dec 2023 £	31 Dec 2022 £
Fixed assets			
Intangible assets	10	3,052	3,540
Investments	11	1	1
Tangible assets	12	115	172
Current assets			
Debtors	13	23,003	891
Cash at bank and in hand		170,146	207,165
		193,149	208,056
Liabilities			
Creditors: amounts falling due within one year	14	(4,209)	(19,102)
		188,940	188,954
Net current assets			
		192,108	192,667
Represented by			
Unrestricted funds			
General funds	15	152,804	93,567
Restricted funds	15	39,304	99,100
		192,108	192,667
Total		192,108	192,667

For the financial year in question the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

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

Approved by the Board on 16 September 2024

.....
Humera Afzal

The accompanying notes form part of these financial statements.

EARTHPERCENT
(A company limited by guarantee)
STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	2023		2022	
	£	£	£	£
Cash flows from operating activities				
Net income for the reporting period	(559)		89,818	
Depreciation	57		57	
Amortisation	488		447	
(Increase)/decrease in debtors	(22,112)		(765)	
(Decrease)/Increase in creditors	(14,893)		5,174	
Net cash provided by operating activities		(37,019)		94,731
Cash flows from investing activities:				
Purchases of fixed assets	-		(344)	
Net cash used in investing activities		-		(344)
Change in cash and cash equivalents in the year		(37,019)		94,387
Cash and cash equivalents at the beginning of the year		207,165		112,778
Cash and cash equivalents at the end of the year		170,146		207,165
Analysis of cash and cash equivalents and of net debt				
		At 1 Jan		At 31
		2023	Cash	Dec
		£	flows	2023
			£	£
Cash at bank and in hand		207,165	(37,019)	170,146
Total cash and cash equivalents		207,165	(37,019)	170,146

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 December 2023

NOTES TO THE ACCOUNTS

1. Accounting policies

a) Statutory information

EarthPercent is a charitable company limited by guarantee, incorporated in England and not having share capital and is governed by its memorandum and articles of association. It was incorporated as a company on 16 January 2020 and registered as a charity on 6 March 2020. The maximum liability of each member on the winding up of the company is £1.

b) Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented unless otherwise stated.

Group accounts have not been prepared as the parent and the group headed by it qualify as small under s383 of the Companies Act 2006 and the parent and the group are considered eligible for the exemption as determined by reference to sections 384 and 399(2A) of the Companies Act 2006.

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 Companies Act 2006.

3. Accounting policies

Basis of preparation

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

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, its amount can be measured reliably and any conditions of receipt have been met.

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 December 2023

NOTES TO THE ACCOUNTS (cont....)

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred.

- expenditure on raising funds includes the costs of all fundraising activities.
- 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.
- grants payable are made to further the charitable objects and are accounted for when the recipient has reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant.
- Support costs and governance costs are allocated in full to charitable activities.

All costs including irrecoverable VAT 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.

Intangible assets

The charity has intangible fixed assets, that is, non monetary assets that do not have physical substance but are identifiable and are controlled by the charity through custody or legal rights. Intangible assets are measured at cost and are amortised over their useful life as follows:

Patents: Over 10 years on a straight line basis

Tangible fixed assets

Fixed assets are stated at cost less depreciation. Depreciation is provided to write off the cost of fixed assets over their estimated useful lives at the following rates:

Computer equipment	25% straight line basis
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Taxation

EarthPercent is a registered Charity and is therefore exempt from paying corporation tax on charitable activities.

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 December 2023

NOTES TO THE ACCOUNTS (cont....)

Financial instruments

A financial asset or a financial liability is recognised only when the entity 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, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. 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.

Restricted reserves

These reserves are subject to restrictions on their expenditure imposed by their donor or through the terms of appeal.

Pensions

All staff are eligible for employer's pension contributions to be paid to a stakeholder or equivalent contributory personal pension scheme.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Going Concern

At the balance sheet date the group held adequate cash balances and reserves.

There are no material uncertainties that exist that may cast significant doubt on the charity's ability to continue as a going concern.

The financial forecasts prepared by the executive team show that the charitable company will be able to operate within the facilities available to it.

On that basis the Trustees have prepared these financial statements on a going concern basis.

Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 December 2023

NOTES TO THE ACCOUNTS (cont....)

4 Voluntary income

	Unrestricted 31 Dec 2023 £	Restricted 31 Dec 2023 £	Total 31 Dec 2023 £	Total 11m ended 31 Dec 2022 £
Donations	233,181	320,443	553,624	271,995
Grants - DWP	-	-	-	5,979
	<u>233,181</u>	<u>320,443</u>	<u>553,624</u>	<u>277,974</u>

In 2022 £122,424 of voluntary income was attributable to unrestricted funds and £155,550 was restricted funds.

5 Investment income

	Unrestricted 31 Dec 2023 £	Restricted 31 Dec 2023 £	Total 31 Dec 2023 £	Total 11m ended 31 Dec 2022 £
Bank interest receivable	1,438	-	1,438	134
	<u>1,438</u>	<u>-</u>	<u>1,438</u>	<u>134</u>

6 Other trading activities

	Unrestricted 31 Dec 2023 £	Restricted 31 Dec 2023 £	Total 31 Dec 2023 £	Total 11m ended 31 Dec 2022 £
Management charge receivable	5,336	-	5,336	-
Other trading income	-	9,761	9,761	65,526
	<u>5,336</u>	<u>9,761</u>	<u>15,097</u>	<u>65,526</u>

Included within other trading activities is £5,336 management recharge to subsidiary company EarthPercent Trading Ltd. In 2022 there was £53,925 from Bandcamp music sales and £11,601 other trading income included in restricted other trading income.

EARTHPERCENT
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Year ended 31 December 2023

NOTES TO THE ACCOUNTS (cont....)

7(a) Analysis of expenditure (current year)

	Raising funds	Grant making	Support costs	Governance costs	Total 31 Dec 2023
	£	£	£	£	£
Staff costs	38,948	-	56,876	-	95,824
Training	-	-	1,817	-	1,817
Freelance and consultancy	43,110	9,167	2,937	-	55,214
Grants payable	-	390,000	-	-	390,000
Marketing, publicity, fundraising and PR	3,678	-	-	-	3,678
Legal and professional	-	-	13,322	-	13,322
IT and computer costs	-	-	1,365	-	1,365
Insurance	-	-	857	-	857
Advisory board costs	-	500	-	-	500
Rates and utilities	-	-	3,858	-	3,858
Travel	-	-	11	-	11
Design costs	-	-	630	-	630
Amortisation	-	-	488	-	488
Depreciation	-	-	57	-	57
Office administration	-	-	799	-	799
Governance costs	-	-	-	1,505	1,505
Bank and finance charges	-	-	234	-	234
Entertainment	-	-	459	-	459
Fine	-	-	100	-	100
	85,736	399,667	83,810	1,505	570,718

During the year ended 31 December 2023, 24 grants (2022: 9) were made to institutions to further the objects of the charitable company. Details of individual amounts paid and grant recipients are included in the Trustees' Report.

Analysis of governance costs:

	Total 31 Dec 2023
Independent Examination	1,320
Trustee training	185
	1,505

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 December 2023

NOTES TO THE ACCOUNTS (cont....)

7(b) Analysis of expenditure (previous period)

Analysis of expenditure (prior period)

	Raising funds	Grant making	Support costs	Governance costs	Total 11m ended 31 Dec 2022
	£	£	£	£	£
Staff costs	-	-	50,036	-	50,036
Training	-	-	125	-	125
Freelance and consultancy	58,521	-	-	-	58,521
Grants payable	-	122,371	-	-	122,371
Marketing, publicity, fundraising and PR	5,357	-	-	-	5,357
Legal and professional	-	-	7,617	-	7,617
IT and computer costs	-	-	1,001	-	1,001
Insurance	-	-	193	-	193
Rates and utilities	-	-	1,349	-	1,349
Travel	-	-	297	-	297
Amortisation	-	-	447	-	447
Depreciation	-	-	57	-	57
Office administration	-	-	7	-	7
Governance costs	-	-	-	1,320	1,320
Bank and finance charges	-	-	161	-	161
Vinyl production	4,957	-	-	-	4,957
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	68,835	122,371	61,290	1,320	253,816
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Analysis of governance costs:					Total 11m ended 31 Dec 2022
					£
Independent Examination fees					1,320
					<hr/>
					1,320
					<hr/> <hr/>

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 December 2023

NOTES TO THE ACCOUNTS (cont....)

8 Employee costs

	Raising funds	Grant making	Support	Total 31 Dec 2023
	£	£	£	£
Salaries	35,300	-	54,583	89,883
Employer's NI	2,988	-	934	3,922
Employers' pension	660	-	1,359	2,019
	38,948	-	56,876	95,824
	38,948	-	56,876	95,824

The charity employed 2.5 members of staff (average headcount) during the year under review (31 December 2022: 2)

There were no employees whose total employee benefits (excluding employer pension costs) exceeded £60,000.

The aggregate remuneration of key management personnel during the year ended 31 December 2022 (including employer pension contributions) was £62,180. (11 month period to 31 December 2022: £46,583)

9 Trustee remuneration

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year except as included in note 18 below.

10 Intangible fixed assets

	Trademarks and patents	Total
	£	£
Cost		
At 1 January 2023	4,881	4,881
Additions	-	-
	4,881	4,881
Amortisation		
At 1 January 2023	1,341	1,341
Charge for year	488	488
	1,829	1,829
Net book value		
At 31 December 2023	3,052	3,052
At 31 December 2022	3,540	3,540

EARTHPERCENT
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Year ended 31 December 2023

NOTES TO THE ACCOUNTS (cont....)

11 Investments: wholly controlled subsidiary undertaking

EarthPercent is the sole shareholder of EarthPercent Trading Ltd, a company incorporated in England, registered number 13974842.

Its results for the year ended 31 December 2023 were as follows:

	31 Dec 2023
Turnover	27,184
Operating expenditure	(36,207)
	(9,023)
Loss for the year	(9,023)
The aggregate of the assets, liabilities and reserves were:	
Assets	15,883
Liabilities	(24,906)
	(9,023)

12 Tangible fixed assets

	Computer equipment £	Total £
Cost		
At 1 January 2023	229	229
Additions	-	-
	229	229
At 31 December 2023	229	229
Amortisation		
At 1 February 2022	57	57
Charge for year	57	57
	114	114
At 31 December 2022	114	114
Net book value		
At 31 December 2023	115	115
	115	115
At 31 December 2022	172	172
	172	172

EARTHPERCENT
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Year ended 31 December 2023

NOTES TO THE ACCOUNTS (cont....)

13 Debtors

	31 Dec 2023 £	31 Dec 2022 £
Amount owed by subsidiary undertaking - loan	21,724	-
Other debtors and prepayments	1,279	891
	23,003	891
	23,003	891

The loan was repaid by EarthPercent Trading Ltd in August 2024.

14 Creditors

	31 Dec 2023 £	31 Dec 2022 £
Accruals	3,958	19,061
Other creditors	251	41
	4,209	19,102
	4,209	19,102

15a Movement in funds

	Balance at 1 January 2023 £	Incoming £	Outgoing £	Transfers £	Balance at 31 December 2023 £
Unrestricted funds					
General fund	93,567	239,955	(180,718)	-	152,804
Total unrestricted funds	93,567	239,955	(180,718)	-	152,804
Restricted funds					
Grantmaking fund	99,100	330,204	(390,000)	-	39,304
Total restricted funds	99,100	330,204	(390,000)	-	39,304
Total funds	192,667	570,159	(570,718)	-	192,108

EARTHPERCENT
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Year ended 31 December 2023

NOTES TO THE ACCOUNTS (cont....)

15b Movement in funds (prior year)

	Balance at 1 February 2022 £	Incoming £	Outgoing £	Transfers £	Balance at 31 December 2022 £
Unrestricted funds					
General fund	92,599	132,413	(131,445)	-	93,567
Total unrestricted funds	<u>92,599</u>	<u>132,413</u>	<u>(131,445)</u>	<u>-</u>	<u>93,567</u>
Restricted funds					
Grantmaking fund	10,250	211,221	(122,371)	-	99,100
Total restricted funds	<u>10,250</u>	<u>211,221</u>	<u>(122,371)</u>	<u>-</u>	<u>99,100</u>
Total funds	<u><u>102,849</u></u>	<u><u>343,634</u></u>	<u><u>(253,816)</u></u>	<u><u>-</u></u>	<u><u>192,667</u></u>

16 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 31 Dec 2022 £	Total Funds 31 Dec 2022 £
Fixed assets	3,168	-	3,168	3,712
Current assets	153,845	39,304	193,149	208,057
Creditors less than 1 year	(4,209)	-	(4,209)	(19,102)
	<u>152,804</u>	<u>39,304</u>	<u>192,108</u>	<u>192,667</u>

Analysis of net assets between funds (prior year)

	Unrestricted Funds £	Restricted Funds £	Total Funds 31 Dec 2022 £	Total Funds 31 Jan 2022 £
Fixed assets	3,712	-	3,712	3,872
Current assets	96,586	111,471	208,057	112,905
Creditors less than 1 year	(6,731)	(12,371)	(19,102)	(13,928)
	<u>93,567</u>	<u>99,100</u>	<u>192,667</u>	<u>102,849</u>

EARTHPERCENT
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Year ended 31 December 2023

NOTES TO THE ACCOUNTS (cont....)

17 Related Party Transactions

During the year under review the charity received donations of £303,691 (2022: £56,010) from Trustees or companies controlled by Trustees.

The charity loaned its subsidiary company EarthPercent Ltd £30,000.

The charity also charged its subsidiary company £5,336 in management charges during the year under review.

At the year end EarthPercent Ltd owed EarthPercent £21,724.

The charity, as agreed with the Charity Commission, also paid Adam Callan, Trustee £12,240 for consultancy services provided during the year.

No Trustee expenses were claimed during the year.

18 Taxation

As a charitable company, EarthPercent is exempt from tax on income and gains to the extent that these are applied to its charitable objects. No tax charges have arisen within the charitable company.

EARTHPERCENT

England & Wales - Charity number 1188391

Accounts

EarthPercent

A Company Limited by Guarantee

REPORT AND FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2022

EARTHPERCENT
(A company limited by guarantee)
Period ended 31 December 2022

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EARTHPERCENT
(A company limited by guarantee)
Period ended 31 December 2022

Reference and administration information

Charity Name: EarthPercent
Charity Registration Number: 1188391
Company Registration Number: 12407439
Registered Office and operational address:
3 Pembridge Mews
London
W11 3EQ

Trustees

Adam Callan
Brian Eno (resigned 30 July 2023)
Hiroki Shirasuka
Humera Afzal (appointed 21 August 2023)
Michael Smith
Elizabeth Payne-James
Ssegawa Ssekintu Kiwanuka (appointed 8 February 2022)

Executive Director

Cathy Runciman

Independent Examiner

C Sharp FCA, DChA
55 Canberra Road
London
SE7 8PF

Bankers

Triodos Bank UK Ltd
Deanery Road
Bristol
BS1 5AS

EARTHPERCENT
(A company limited by guarantee)
Period ended 31 December 2022

Report of the Trustees for the period ended 31 December 2022

The Trustees, who are directors for the purposes of company law, present their annual report and financial statements of the charity for the 11 month period ended 31 December 2022. The trustees' annual report includes a directors' report as required by company law.

The current accounting period was shortened to an 11 month period so that it was coterminous with the calendar year. The comparative period is for the year ended 31 January 2022.

Structure, governance and management

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006, the Charities Act 2011 and Accounts and Reporting by Charities: Statement of Recommended Practice Applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

EarthPercent is a charitable company limited by guarantee, incorporated in England and not having share capital and is governed by its memorandum and articles of association. It was incorporated as a company on 16 January 2020 and registered as a charity on 6 March 2020. The maximum liability of each member on the winding up of the company is £1.

The Trustees, who are also directors for the purposes of company law, are listed on page 3. All Trustees give of their time voluntarily and received no benefits from the charity. New Trustees are appointed by the existing Trustees. They are selected on the basis of their sympathy with EarthPercent's charitable objects and their ability to further them as a Trustee. New Trustees are elected by resolution and approved by a majority of trustees where a Board quorum is present. Our newest Trustee was appointed in August 2023.

EarthPercent is an equal opportunities employer. In all our recruitment, we strongly encourage applicants from all backgrounds and walks of life. We believe that diversity and inclusion in our team is critical to our success. We seek to recruit, develop and retain the most talented people from a diverse candidate pool and welcome applications from all qualified candidates. We do not discriminate on the basis of race, colour, religion, ethnicity, gender, disability, sexual orientation or gender identity.

New Trustees are provided with induction material on the charity and their role, including governing documents and guidance on the role and responsibilities of trustees. EarthPercent's governance is undertaken by the Trustees who meet approximately quarterly in person and six times over the year online. At Trustees' meetings, Trustees agree the broad strategy and areas of activity, including consideration of fundraising, grant making, investment and performance, as well as reviewing governance and compliance issues.

From 1 March 2022, following a seven-month consultancy contract, the role of Executive Director (ED) became a full-time salaried role. The ED is responsible for developing our organisational strategy and fundraising plan and for building the external relationships and organisational infrastructure and culture capable of achieving our purpose and aims. The Executive Director manages an operating budget approved by Trustees. A part-time Community & Operations Manager joined the team in October 2022.

During 2022 we continued to retain a consultant Head of Programs to manage the grant giving processes and the Expert Advisory Panel (EAP). We have worked with other freelance support in the areas of: communications; fundraising and project management.

A trading subsidiary, EarthPercent Trading Ltd (company number 13974842), was incorporated on 14 October 2022: the sole shareholder is EarthPercent. The subsidiary exists for the purposes of managing trading income expected to be generated through some of the fundraising activations (such as the sale of music or merchandise). One of the Trustees and the Executive Director of EarthPercent are company directors of the trading subsidiary.

EARTHPERCENT
(A company limited by guarantee)
Period ended 31 December 2022

EarthPercent Foundation, a US-based, affiliated non-profit foundation, received 501c3 status in April 2022. Two of EarthPercent's Trustees sit on the board of Directors of EarthPercent Foundation. The UK and US organisations share the overall mission for the organisation, each working locally with donors and grant partners under a shared grant giving strategy.

EarthPercent works with fiscal partners from the Transnational Giving Europe network to enable donors in Germany and Spain to donate to EarthPercent and receive the appropriate tax documentation in each country.

EarthPercent benefits from contacts and advice offered by members of its Music Committee and Publishing Advisory Board, who contribute on a voluntary basis under agreed Terms of Reference. Our Expert Panels in the UK and US (see below) guide the grant giving process.

Organisational strategy, policies and procedures

The following policies and procedures are in place and subject to regular review:

Anti-bribery & Corruption Policy; Complaints Policy & Procedure; Data Protection Policy; Grant Agreement template; Privacy notice; Reserves Policy; Risk Management Policy; Safeguarding Policy & Procedure; Trustees Code of Conduct and Conflicts of Interest; Volunteer Management Policy; plus HR policies and procedures necessary to complete our Staff Handbook (including pay, leave, disciplinary, grievance, expenses, social media, IT, holidays and sickness policies).

The Environmental Policy and Ethical Funding Strategy will be finalised, approved and adopted in 2023.

An operational budget is approved annually by the board of Trustees and is subject to review and reforecast/reapproval as necessary. Financial controls are in place, including the requirement of two authorisations for all payments.

Administration of the grant making

Our charity has designed the grant making process to be robust, constructive, transparent and efficient. We do not currently accept unsolicited applications for funding. Applicants must be referred by individuals or organisations known to the Trustees.

An Expert Advisory Panel ("EAP") assists Trustees in ensuring that funding is invested in initiatives and organisations that are credible, impactful and align with our objectives. The Head of Programs, with support from a research assistant, conducts pre-grant due diligence, monitors performance of grants, and provides reporting to the EAP and Board of Trustees.

The role of the EAP is to review and score grant proposals, provide feedback and make recommendations to the Trustees, including concerning the extension, cessation or suspension of grant approvals. The EAP does not have decision-making power. Trustees have responsibility for approving grant recipients but rely on the advice and recommendations of the EAP in making these decisions.

We aim to offer unrestricted funding and to support organisations for an initial period of 6-12 months, and subject to ongoing review then consider funding for 2 more years. As we scale, we will look to fund partners for longer periods as this allows organisations greater stability, flexibility and a better opportunity to achieve long-term, transformative impacts. It is intended that applications will be considered bi-annually and to develop the potential for a rapid response funding stream that can respond to urgent need.

By the end of 2022, the EAP comprised 14 members (17 at beginning of 2022: one then joined the US expert panel; one moved to work with us on artist outreach; one resignation due to time commitments) who participate on a pro-bono basis, with a £500 annual honorarium offered based on need and available upon request (in the current year 3 members have requested and been paid this honorarium). Panel members are experts representing multiple relevant disciplines such as climate science, conservation and ecology, science communications, climate activism and climate justice. Minimum term of office is two years, after which members may be invited to consider renewing their membership for another two-year term.

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Members may resign at any time in writing (by email or letter). We have developed a Terms of Reference and Confidentiality Agreement, which each EAP member must sign.

Expert Advisory Panel members (December 2022)

Nnimmo Basse
Helena Bennett
Delara Burkhardt MEP
Dr Stuart Capstick
Dr Brian Cox
Dr Kyle Devine
Dr Tamsin Edwards
Prof Saleemul Huq OBE
Fatima Ibrahim
Sophia Kianni
Lilian Liu
Wilson Oryema
Tori Tsui
Baroness Lola Young OBE

Purposes and aims

Our charity's purposes, as set out in the objects contained in the company's memorandum of association, are to:

1. Promote and advance the enhancement, restoration, conservation and protection of the environment; and
2. Advance all other charitable purposes under the laws of England and Wales.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning future activities.

We carry out these objects by raising money from the music industry to support credible and impactful organisations addressing the climate emergency.

Our full grant giving strategy, which explains our aims, objectives and priorities can be accessed via our website. Our three principle aims are:

- a greener music industry
- our climate and natural world are protected and restored, and
- cleaner, healthier, fairer, thriving communities

Grant making policy and procedures

Our grant making focuses on funding efforts that bring about changes to existing policies, systems and approaches that provide tangible, long-term benefits to nature and people's lives. Our funding supports organisations fighting climate change and working for climate justice all over the world.

Our charity funds organisations and initiatives that address five key 'Action Areas'

Greening Music: Improving environmental impacts of the music industry

We fund efforts to understand and take action to reduce the environmental impacts of the music industry. We fund organisations that create tools and guidance to help those within music to reduce their carbon/environmental impacts. We support projects that equip artists and industry professionals to speak out and act together on climate change.

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Just Energy Transition: Reducing greenhouse gas emissions and supporting clean energy

We fund efforts to end the use of fossil fuels, prevent and reduce greenhouse gas emissions, remove greenhouse gases from the atmosphere and support renewable and citizen-powered energy in order to limit global warming to 1.5°C above pre-industrial levels.

Climate Justice: Securing climate justice and equitable environmental stewardship

We fund approaches that bridge social justice, gender equity and climate change. We fund organisations that support grassroots-led efforts to build resilience in communities that are most affected by the climate crisis. We provide support for activities which respect and support local and indigenous knowledge while ensuring that these communities have a say on and are at the heart of climate action.

Legal & Policy Change: Advancing systemic economic, legal and policy change

We fund efforts to change the laws, economic drivers and systems that have created and contribute to the climate crisis. We fund projects that work to empower civil society and provide support for their legal capacity to advocate for stronger and more ambitious policies and legislation for the environment. We also fund work to influence how governments address the climate crisis and deliver on their obligations, and fund efforts to hold big polluters to account and stop them from damaging the environment through litigation and divestment.

Protecting Nature: Protecting, conserving and restoring nature

We fund efforts to preserve, protect and repair habitats which humans and wildlife depend on. We fund projects that prevent and reverse deforestation, pollution, desertification, habitat destruction, soil erosion and biodiversity loss. We support efforts to restore wilderness and agricultural practices that remove carbon from the atmosphere and lead to healthier food.

Grant recipients must fall within one of the following categories:

- English/Welsh registered charities;
- organisations that carry out activities that are charitable under English law; or
- individual charitable beneficiaries.

Grants will be made only for activities that are charitable in English law (although the activities may be worldwide). Grants must not be used to pay costs that have already been incurred and applicants working with children or vulnerable people must have safeguarding policies which meet the standards and criteria set out in our grant terms and conditions.

In the current period, a first grants distribution of £122,371 was distributed to 8 grant partners between July-September 2022, following our first pilot grant making cycle: inviting grant applicants to develop and submit full grant proposals, convening the EAP to review and score proposals and provide feedback and recommendations to Trustees. Monitoring and review of these grants was conducted in Q4 2022, and the EAP recommended that these grant partners be approved for ongoing funding in 2023. The amount distributed to each grant partner is outlined below. A further grant commitment of \$15,000 (£12,371) payable to EarthPercent Foundation was made in December 2022 and paid after the period end.

We are delighted to be funding the following organisations, whose work supports the aims set out in our grant giving strategy:

Action area: Climate Justice

Global Greengrants Fund UK work to support grassroots-led efforts to protect the planet and people's rights. Our grant supports local and Indigenous communities organising against new fossil fuel developments and carbon-intensive projects. (£15k)

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Action area: Legal & Policy Change

ClientEarth use the law to fight climate change, prevent biodiversity loss and protect people's right to a healthy planet. They recently helped pass an EU law on deforestation which means no more products from the Amazon sold in European countries (£15k)

Action area: Protecting Nature

Women4Oceans work across a range of ocean issues, including climate change, overfishing and pollution. Our grant has supported their urgent work to raise awareness of the dangers of mining in the deep sea, a critical carbon sink. (£10k)

Cool Earth work directly with rainforest communities and local non-profits to tackle root causes of deforestation and protect vital carbon sinks. Our grant contributed to the opening of their first Rainforest Lab in Peru to provide real-time satellite data to Indigenous communities defending against deforestation. (£10k)

Action area: Just Energy Transition

Uplift aim to catalyse a just transition away from UK oil and gas production by pushing the UK government to end the expansion of national oil and gas production and to rapidly roll out onshore wind power. Our grant supported their Warm This Winter campaign – the public petition reached 200k signatures within the first few days. (£15k)

Action area: Greening Music

Julie's Bicycle work internationally across arts and culture to mobilise environmental action in the creative community. Our support has helped them update their Creative Green carbon footprint tools and develop the Creative Climate Leadership programme, an international training and transformation programme for artists and professionals in the creative sectors including music. (£15k)

Music Declares Emergency work to make the cultural and operational changes needed across the music industry to contribute towards a carbon neutral future. Our grant supported the launch of the 'Fan Club for Climate' at Reading and Leeds Festivals, which aims to create the world's largest climate conscious music community. (£15k)

A Greener Future (formerly A Greener Festival) help events, festivals and venues become more sustainable with research, certification, training, expertise and knowledge sharing. Our support has helped them create a free access area on their online platform, to help more people in music get started with climate action. (£15k).

EarthPercent Foundation, for onward granting to three partner organisations as follows: (£12.4k)

- REVERB – \$6,000, for their leadership of the green music movement, helping artists, festivals and venues to reduce their impact. Our grant supported interns with volunteer outreach and recruitment, sourcing local farms for the Farm to Stage program and research.
- Earthjustice – \$6,000 towards their work across the US with the power of the law to protect people's health, preserve the natural world, advance clean energy and combat climate change.
- Trust for Public Land – \$2,500, towards the transformation of more than 250 schoolyards from asphalt to welcoming community spaces, in rural tribal communities and in America's largest cities.

During the year, research and initial due diligence was carried out on new grant partners and a number were invited to apply for a second funding round scheduled for Spring 2023.

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Risk management

The Trustees identify the major risks to which the charity is exposed on an ongoing basis, in particular those related to the operations and finances of the charity. A Risk Register has been established and is updated and reviewed quarterly. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. The charity is satisfied that systems are in place to mitigate their exposure to the major risks, which have been identified and reviewed.

Financial review

The detailed figures are included in the financial statements. The charity achieved a surplus of income over expenditure for the period of £89,818 (Jan 2022: £93,681) Free reserves as at the year end were £89,855 (January 2022: £88,727) with restricted funds of £99,100 (January 2022: £10,250).

Principal Funding Sources

We have secured a number of Founding Donors from the industry to cover our operating costs through an annual unrestricted donation. Funds raised from artists or organisations who sign up to one of the charity's principal activations are currently attributed in full to grant giving, to be pooled and distributed to grant partners across our five action areas.

Fundraising activities commenced in the current period include: donating a percentage of gross tour or merchandise income; donating a percentage of organisational income; gifting an item for auction on behalf of the charity; or making a direct donation. We also secured a waiver of rights in songs to be sold during our Earth Day 2022 campaign with proceeds (sales less third-party platform fees and applicable taxes) to go to EarthPercent's grant giving fund. We are working with our Publishing Advisory Board to develop a new initiative to allow songwriters to credit the Earth and direct songwriting/publishing royalties to our grant giving fund. We also benefited from matched funding from Brian Eno for artists' donations for our first grants distribution, and have a commitment for similar matched funding in 2023.

In support of our fundraising efforts, and as part of building a wide movement across music for action on climate, we offer speakers at industry and environmental gatherings and host small gatherings for climate-concerned people from across the music industry.

Reserves Policy

The Board of Trustees has adopted a Reserves Policy to determine annually, as part of the year end accounts process, the risk-based reserve level to be set aside. Under the current Reserves Policy the level of reserves (that is those funds that are freely available) to maintain adequate working capital and maintain the core infrastructure of the company has been established as at least three months of core operating costs, plus 10% contingency. This prorated annual cost (including the 10% contingency) equates to £38k based on the expenditure in the 11 month period ended 31 December 2022. As at 31 December 2022 unrestricted funds were £94k.

Plans for the future

Structure, governance and management

A process to appoint a Trustee Treasurer is expected to conclude during the next year, and we also plan to appoint a chair of the Board of Trustees, and one further Trustee.

A framework agreement and deed of covenant between the charity and the trading subsidiary will be put in place for when the company begins trading in 2023.

EarthPercent is leading a strategic planning process throughout 2023, in coordination with UK stakeholders and EarthPercent Foundation, to develop a 3-year strategic plan for 2024-2027.

EARTHPERCENT
(A company limited by guarantee)
Period ended 31 December 2022

Membership, structure and terms of reference for our Music Committee and Expert Advisory Panel will be reviewed during 2023.

Grant agreements and disbursements

In the following financial year, and subject to the success of our fundraising activities, we expect to conclude a second full grant making cycle, working with our EAP and following procedures revised and adopted after analysis of our pilot grants round. We anticipate making up to two further distributions to new and existing grant partners.

Small Companies' Exemption

The company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Income and Corporation Taxes Act, 1988

The company is entitled to the exemption contained in Section 505 of the above Act.

Trustees' responsibilities in relation to the financial statements

The trustees, (who are also directors for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company 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 of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any 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 charitable company will continue in business.

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

Date approved by the Board

14 September 2023

Signed on behalf of the Board

ADAM CALLAN
Trustee

EARTHPERCENT
(A company limited by guarantee)
Period ended 31 December 2022

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF EARTHPERCENT

Period ended 31 December 2022

I report to the trustees on my examination of the financial statements of EarthPercent ('the charity') for the 11 month period ended 31 December 2022.

Responsibilities and basis of report

This report is made solely to the Trustees, as a body, in accordance with the Charities Act 2011. My examination has been undertaken so that I might state to the Trustees those matters I am required to state to them in an Independent Examiner's report and for no other purpose. To the fullest extent permitted by law I do not accept or assume responsibility to anyone other than the charity and the Trustees as a body, for my examination, for this report, or for the opinions I have formed.

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act').

In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.

Caroline Sharp FCA
55 Canberra Road
London
SE7 8PF

19 September 2023

EARTHPERCENT
(A company limited by guarantee)
Period ended 31 December 2022

Statement of Financial Activities (including income and expenditure account)

	Note	Unrestricted funds	Restricted funds	Total funds Dec 2022	Total funds Jan 2022
Income from:					
Voluntary income	4	122,424	155,550	277,974	145,796
Investment income	5	134	-	134	22
Other trading activities	6	9,855	55,671	65,526	-
Total income		132,413	211,221	343,634	145,818
Expenditure on:					
Charitable activities	7	131,445	122,371	253,816	52,137
Total resources expended		131,445	122,371	253,816	52,137
Net income for the year before other recognised gains and losses		968	88,850	89,818	93,681
Net movement in funds		968	88,850	89,818	93,681
Reconciliation of funds					
Fund balance at 31 January 2022		92,599	10,250	102,849	9,168
Fund balance at 31 December 2022	15	93,567	99,100	192,667	102,849
		93,567	99,100	192,667	102,849

The accompanying notes form part of these financial statements.

The statement of financial activities includes all gains and losses recognised in the period.

All activities derive from continuing operations.

EARTHPERCENT
(A company limited by guarantee)
BALANCE SHEET
31 December 2022
Registered company number 12407439

	Notes	31 Dec 2022 £	31 Jan 2021 £
Fixed assets			
Intangible assets	11	3,540	3,872
Tangible assets	12	172	-
Current assets			
Debtors	13	892	127
Cash at bank and in hand		207,165	112,778
		<hr/>	<hr/>
		208,057	112,905
Creditors: amounts falling due within one year	14	(19,102)	(13,928)
		<hr/>	<hr/>
Net current assets		188,955	98,977
Net assets		192,667	102,849
		<hr/>	<hr/>
Represented by			
Unrestricted funds			
General funds	15	93,567	92,599
Restricted funds	15	99,100	10,250
		<hr/>	<hr/>
Total		192,667	102,849
		<hr/> <hr/>	<hr/> <hr/>

For the financial period in question the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

No members have required the company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

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

Approved by the Board on 14 September 2023

.....
Adam Callan

The accompanying notes form part of these financial statements.

EARTHPERCENT
(A company limited by guarantee)
Period ended 31 December 2022

NOTES TO THE ACCOUNTS

1. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented unless otherwise stated.

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 Companies Act 2006.

3. Accounting policies

Basis of preparation

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

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, its amount can be measured reliably and any conditions of receipt have been met.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred.

- expenditure on raising funds includes the costs of all fundraising activities.
- 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.
- grants payable are made to further the charitable objects and are accounted for when the recipient has reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant.

EARTHPERCENT
(A company limited by guarantee)
Period ended 31 December 2022

NOTES TO THE ACCOUNTS (cont....)

Going Concern

At the balance sheet date the group held adequate cash balances and reserves.

The financial forecasts prepared by the executive team show that the charitable company will be able to operate within the facilities available to it.

On that basis the Trustees have prepared these financial statements on a going concern basis.

Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

EARTHPERCENT
(A company limited by guarantee)
Period ended 31 December 2022

NOTES TO THE ACCOUNTS (cont....)

4 Voluntary income

	Unrestricted 31 Dec 2022 £	Restricted 31 Dec 2022 £	Total 31 Dec 2022 £	Total 31 Jan 2022 £
Donations	116,445	155,550	271,995	145,796
Grants - DWP	5,979	-	5,979	-
	122,424	155,550	277,974	145,796
	122,424	155,550	277,974	145,796

In 2021 all donations were attributable to unrestricted funds.

5 Investment income

	Unrestricted 31 Dec 2022 £	Restricted 31 Dec 2022 £	Total 31 Dec 2022 £	Total 31 Jan 2022 £
Bank interest receivable	134	-	134	22
	134	-	134	22
	134	-	134	22

6 Other trading activities

Included within other trading activities is £53,925 restricted income received from Bandcamp music sales.

EARTHPERCENT
(A company limited by guarantee)
Period ended 31 December 2022

NOTES TO THE ACCOUNTS (cont....)

7 Expenditure on charitable activities

	Unrestricted	Restricted	Total	Total
	31 Dec	31 Dec	31 Dec	31 Jan
	2022	2022	2022	2022
	£	£	£	£
Staff salaries and national insurance	49,119	-	49,119	-
Employer pension costs	917	-	917	-
Training	125	-	125	-
Freelance and consultancy	58,521	-	58,521	33,334
Grants payable	-	122,371	122,371	-
Marketing, and fundraising	5,357	-	5,357	857
Legal and professional	7,617	-	7,617	10,521
IT and computer costs	1,001	-	1,001	341
Insurance	193	-	193	627
Advisory board costs	-	-	-	1,500
Rates and utilities	1,349	-	1,349	-
Travel	297	-	297	1,398
Design costs	-	-	-	2,000
Amortisation	447	-	447	477
Depreciation	57	-	57	-
Office administration	7	-	7	20
Governance costs	1,320	-	1,320	1,033
Bank charges	161	-	161	29
Vinyl production	4,957	-	4,957	-
	<u>131,445</u>	<u>122,371</u>	<u>253,816</u>	<u>52,137</u>

During the period ended 31 December 2022, 9 grants were made to institutions to further the objects of the charitable company. Details of individual amounts paid and grant recipients are included in the Trustees' Report.

In the year ended 31 January 2022 all of the expenditure was attributable to unrestricted funds

8 Expenditure on governance costs

	Unrestricted	Restricted	Total	Total
	31 Dec	31 Dec	31 Dec	31 Jan
	2022	2022	2022	2022
	£	£	£	£
Independent examiner fees	1,320	-	1,320	1,020
Companies House fee	-	-	-	13
	<u>1,320</u>	<u>-</u>	<u>1,320</u>	<u>1,033</u>

EARTHPERCENT
(A company limited by guarantee)
Period ended 31 December 2022

NOTES TO THE ACCOUNTS (cont....)

9 Employee costs

The charity employed two members of staff during the period under review (31 Jan 2022: nil)

There were no employees whose total employee benefits (excluding employer pension costs) exceeded £60,000.

The aggregate remuneration of key management personnel during the 11 month period ended 31 December 2022 (including employer pension contributions) was £46,583. In the comparative period costs were paid via consultancy arrangements.

10 Trustee remuneration

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year.

11 Intangible fixed assets

	Trademarks and patents £	Total £
Cost		
At 1 February 2022	4,766	4,766
Additions	115	115
	<hr/>	<hr/>
At 31 December 2022	4,881	4,881
Amortisation		
At 1 February 2022	894	894
Charge for year	447	447
	<hr/>	<hr/>
At 31 January 2022	1,341	1,341
Net book value		
At 31 December 2022	3,540	3,540
	<hr/> <hr/>	<hr/> <hr/>
At 31 January 2022	3,872	3,872
	<hr/> <hr/>	<hr/> <hr/>

EARTHPERCENT
(A company limited by guarantee)
Period ended 31 December 2022

NOTES TO THE ACCOUNTS (cont....)

12 Tangible fixed assets

	Computer equipment £	Total £
Cost		
At 1 February 2022	-	-
Additions	229	229
	229	229
At 31 December 2022	229	229
	229	229
Amortisation		
At 1 February 2022	-	-
Charge for year	57	57
	57	57
At 31 December 2022	57	57
	57	57
Net book value		
At 31 December 2022	172	172
	172	172
At 31 January 2022	-	-
	-	-

13 Debtors

	31 Dec 2022 £	31 Jan 2022 £
Prepayments	892	127
	892	127
	892	127

14 Creditors

	31 Dec 2022 £	31 Jan 2022 £
Loans	-	270
Accruals and deferred income	19,061	13,658
Other creditors	41	-
	19,102	13,928
	19,102	13,928

EARTHPERCENT
(A company limited by guarantee)
Period ended 31 December 2022

NOTES TO THE ACCOUNTS (cont....)

15a Movement in funds

	Balance at 1 February 2022 £	Incoming £	Outgoing £	Transfers £	Balance at 31 December 2022 £
Unrestricted funds					
General fund	92,599	132,413	(131,445)	-	93,567
Total unrestricted funds	<u>92,599</u>	<u>132,413</u>	<u>(131,445)</u>	<u>-</u>	<u>93,567</u>
Restricted funds					
Grantmaking fund	10,250	211,221	(122,371)	-	99,100
Total restricted funds	<u>10,250</u>	<u>211,221</u>	<u>(122,371)</u>	<u>-</u>	<u>99,100</u>
Total funds	<u><u>102,849</u></u>	<u><u>343,634</u></u>	<u><u>(253,816)</u></u>	<u><u>-</u></u>	<u><u>192,667</u></u>

15b Movement in funds (prior year)

	Balance at 1 February 2021 £	Incoming £	Outgoing £	Transfers £	Balance at 31 January 2022 £
Unrestricted funds					
General fund	9,168	135,568	(52,137)	-	92,599
Total unrestricted funds	<u>9,168</u>	<u>135,568</u>	<u>(52,137)</u>	<u>-</u>	<u>92,599</u>
Restricted funds					
Grantmaking fund	-	10,250	-	-	10,250
Total restricted funds	<u>-</u>	<u>10,250</u>	<u>-</u>	<u>-</u>	<u>10,250</u>
Total funds	<u><u>9,168</u></u>	<u><u>145,818</u></u>	<u><u>(52,137)</u></u>	<u><u>-</u></u>	<u><u>102,849</u></u>

EARTHPERCENT
(A company limited by guarantee)
Period ended 31 December 2022

NOTES TO THE ACCOUNTS (cont....)

16 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 31 Dec 2022 £	Total Funds 31 Jan 2022 £
Fixed assets	3,712	-	3,712	3,872
Current assets	96,586	111,471	208,057	112,905
Creditors less than 1 year	(6,731)	(12,371)	(19,102)	(13,928)
	93,567	99,100	192,667	102,849
	93,567	99,100	192,667	102,849

17 Related Party Transactions

During the period under review the charity received donations of £56,010 from Trustees or companies controlled by Trustees.

18 Taxation

As a charitable company, EarthPercent is exempt from tax on income and gains to the extent that these are applied to its charitable objects. No tax charges have arisen within the charitable company.

EARTHPERCENT

England & Wales - Charity number 1188391

Accounts

EarthPercent

A Company Limited by Guarantee

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 January 2022

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 January 2022

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EARTHPERCENT
(A company limited by guarantee)
Year ended 31 January 2022

Reference and administration information

Charity Name: EarthPercent
Charity Registration Number: 1188391
Company Registration Number: 12407439
Registered Office:
C/O EarthPercent
17-19 Foley Street
London, England
W1W 6DW

Trustees

Adam Callan (appointed 16 January 2020)
Brian Eno (appointed 16 January 2020)
Hiroki Shirasuka (appointed 16 January 2020)
Michael Smith (appointed 29 September 2020)
Elizabeth Payne-James (appointed 22 September 2021)
Ssegawa Ssekintu Kiwanuka (appointed 08 February 2022)

Independent Examiner

J Watkin FCA BA (Hons)
Purple Cat Accountancy Limited
87 Highgate Road
Walsall
West Midlands
WS1 3JA

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 January 2022

Report of the Trustees for the year ended 31 January 2022

The Trustees, who are directors for the purposes of company law, present their annual report and financial statements of the charity for the year ended 31 January 2022.

Structure, governance and management

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's Memorandum and Articles of Association, the Charities Act 2011 and Accounts and Reporting by Charities: Statement of Recommended Practice Applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

EarthPercent is a company limited by guarantee and not having share capital and is governed by its memorandum and articles of association. It was incorporated as a company on 16 January 2020 and registered as a charity on 6 March 2020. The maximum liability of each member on the winding up of the company is £1.

The Trustees, who are also directors for the purposes of company law, are listed on page 1. All Trustees give of their time voluntarily and received no benefits from the charity. New Trustees are appointed by the existing Trustees. They are selected on the basis of their sympathy with EarthPercent's charitable objects and their ability to further them as a trustee. New Trustees are elected by resolution and approved by a majority of trustees where a Board quorum is present. Our newest Trustee was appointed in September 2021, and one of our founding Trustees stood down in January 2022 after going on maternity leave.

EarthPercent is an equal opportunities employer. In all our recruitment, we strongly encourage applicants from all backgrounds and walks of life. We believe that diversity and inclusion in our team is critical to our success. We seek to recruit, develop and retain the most talented people from a diverse candidate pool and welcome applications from all qualified candidates. We do not discriminate on the basis of race, colour, religion, ethnicity, gender, disability, sexual orientation or gender identity.

New Trustees are provided with induction material on the charity and their role, including governing documents and guidance on the role and responsibilities of trustees. EarthPercent's governance is undertaken by the Trustees who meet approximately monthly. At Trustees' meetings, the Trustees agree the broad strategy and areas of activity, including consideration of fundraising, grant making, investment and performance.

In September 2021 we recruited an Executive Director on a consultancy contract, to develop our funding strategy and fundraising plan and build the organisational infrastructure and culture capable of achieving our purpose and aims. This role will become a full-time salaried role from 1 March 2022. As of April 2021 we have retained a consultant Head of Programs to manage the grant-making processes and the management of the Expert Advisory Panel (EAP). We have worked with other freelance support in the areas of: communications; digital; artist liaison.

Organisational strategy, policies and procedures

In the current financial year, we have finalised and adopted the following policies and procedures:

- Anti-bribery & Corruption Policy
- Complaints Policy & Procedure
- Safeguarding Policy & Procedure
- Reserves Policy
- Volunteer Management Policy

in addition to reviewing and maintaining up to date these policies adopted in our previous year:

- Risk Management Policy
- Trustees Code of Conduct and Conflicts of Interest

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 January 2022

An operational budget has been approved by the board of Trustees. Financial controls are in place, including the requirement of two authorisations for all payments.

Administration of the grant making

An Expert Advisory Panel (“EAP”) has been appointed to assist the Trustees in ensuring that funding is invested in initiatives and organisations that are credible, impactful and align with our strategic objectives. The role of the EAP is to review and score grant proposals, including pre-grant due diligence, provide feedback and make recommendations to the Trustees. The EAP will also consider monitoring performance of grants and will make recommendations to Trustees concerning the extension, cessation or suspension of grant approvals.

The EAP does not have decision-making power. Trustees have responsibility for approving grant recipients but rely on the advice and recommendations of the EAP in making these decisions. It is intended that applications will be considered bi-annually.

The EAP currently comprises 17 members who participate on a pro-bono basis. However, Trustees will offer to pay EAP members a £500 annual honorarium based on need and upon request (in the current year 3 members have requested and been paid this honorarium). Panel members are experts representing multiple relevant disciplines such as climate science, conservation and ecology, science communications, climate activism and climate justice. Minimum term of office is two years, after which members may be invited to consider renewing their membership for another two-year term. Members may resign at any time in writing (by email or letter). We have developed a Terms of Reference and Confidentiality Agreement, which each EAP member must sign.

In the current year, we have undertaken our first pilot grant making cycle, including inviting grant applicants to develop and submit full grant proposals and convening the EAP to review and score proposals and provide feedback and recommendations to the Trustees. It is anticipated that the first round of grant disbursements will be made in May/June 2022.

Expert Advisory Panel members

Nnimmo Basse
Helena Bennett
Delara Burkhardt MEP
Dr Stuart Capstick
Dr Brian Cox
Dr Kyle Devine
Amy Duchelle
Dr Tamsin Edwards
Prof Saleemul Huq
Fatima Ibrahim
Sophia Kianni
Lilian Liu
Wilson Oryema
Sophie Shnapp
Tori Tsui
Dr Michael Wironen
Baroness Lola Young OBE

Purposes and aims

Our charity’s purposes, as set out in the objects contained in the company’s memorandum of association, are to:

1. Promote and advance the enhancement, restoration, conservation and protection of the environment; and
2. Advance all other charitable purposes under the laws of England and Wales.

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 January 2022

The Trustees confirm that they have referred to the guidance contained in the Charity Commission’s general guidance on public benefit when reviewing our aims and objectives and in planning future activities.

We carry out these objects by raising money from the music industry to support credible and impactful organisations addressing the climate emergency.

Our charity has developed a Theory of Change which serves to guide our grant making strategy and activities. Within the next five years, our aims, objectives and priorities are:

KEY AIMS	KEY OBJECTIVES	FUNDING PRIORITIES	
A greener music industry	Better understand and reduce the music industry’s environmental impacts	Comprehensive, up-to-date science-based industry research	Climate literacy, awareness raising and training
	Drive a bigger conversation on the climate crisis and climate justice across the music industry	More and better green tools for artists, companies and fans	
Our climate and natural world are protected and restored	Contribute to a measurable reduction in GHG emissions in line with the Paris Agreement, limiting global warming to 1.5°C above pre-industrial levels	Preventing, reducing and removing GHG emissions	Ending the use of fossil fuels
	Contribute to the measurable protection, repair and restoration of crucial habitats, ecosystems and species	Advancing renewable and citizen-powered energy	Protecting and restoring forests, soil, water, air, biodiversity
Cleaner, healthier, fairer, thriving communities	Contribute to positive outcomes on climate change that are led by grassroots movements and benefit the most affected and marginalised communities	Supporting environmental and climate justice	Climate-friendly jobs, housing, food and transport
	Contribute to a change in laws, regulations and policies that advance an industry and global economy which works for people and the planet	Empowering communities to define and advocate for systemic change	Holding big polluters to account New and improved laws and regulations

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 January 2022

Grant making policy and procedures

Our grant making focuses on funding efforts that bring about changes to existing policies, systems and approaches that provide tangible, long-term benefits to nature and people's lives. Our funding supports organisations fighting climate change and working for climate justice all over the world.

Our charity funds organisations and initiatives that address five key 'Action Areas'

1. *Improving environmental impacts of the music industry*
We invest in efforts to understand and take action to reduce the environmental impacts of the music industry. We fund organisations that create tools and guidance to help those within music to reduce their carbon/environmental impacts. We support projects that equip artists and industry professionals to speak out and act together on climate change.

1. *Reducing greenhouse gas emissions and supporting clean energy*
We invest in efforts to end the use of fossil fuels, prevent and reduce greenhouse gas emissions, remove greenhouse gases from the atmosphere and support renewable and citizen-powered energy in order to limit global warming to 1.5°C above pre-industrial levels.

1. *Securing climate justice and equitable environmental stewardship*
We invest in approaches that bridge social justice, gender equity and climate change. We fund organisations that support grassroots-led efforts to build resilience in communities that are most affected by the climate crisis. We provide support for activities which respect and support local and indigenous knowledge while ensuring that these communities have a say on and are at the heart of climate action.

1. *Advancing systemic economic, legal and policy change*
We invest in efforts to change the laws, economic drivers and systems that have created and contribute to the climate crisis. We fund projects that work to empower civil society and provide support for their legal capacity to advocate for stronger and more ambitious policies and legislation for the environment. We also fund work to influence how governments address the climate crisis and deliver on their obligations, and fund efforts to hold big polluters to account and stop them from damaging the environment through litigation and divestment.

1. *Protecting, conserving and restoring nature*
We invest in efforts to preserve, protect and repair habitats which humans and wildlife depend on. We fund projects that prevent and reverse deforestation, pollution, desertification, habitat destruction, soil erosion and biodiversity loss. We support efforts to restore wilderness and agricultural practices that remove carbon from the atmosphere and lead to healthier food.

Grant recipients must fall within one of the following categories:

- English/Welsh registered charities;
- organisations that carry out activities that are charitable under English law; or
- individual charitable beneficiaries.

Grants will be made only for activities that are charitable in English law (although the activities may be worldwide). Grants must not be used to pay costs that have already been incurred and applicants working with children or vulnerable people must have safeguarding policies which meet the standards and criteria set out in our grant terms and conditions.

EARTHPERCENT
(A company limited by guarantee)
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Our grant making process

Our charity has designed the grant making process to be robust, credible, constructive, transparent and efficient as possible. We do not currently accept unsolicited applications for funding. Applicants must be referred by individuals or organisations known to the Trustees. We conduct pre-grant due diligence and all applications are reviewed and scored by our EAP, before being recommended to the Board of Trustees.

We will fund organisations for a one-year period, and if they prove successful then consider further support. We review our grant partnerships and consider new grant proposals on a biannual basis. As we scale, we will look to fund partners for longer periods (up to 3-year agreements) as we know this allows organisations greater stability, flexibility and a better opportunity to achieve long-term, transformative impacts. We also intend to develop the potential for a rapid response funding stream that can respond to urgent need outside of our twice-yearly cycle.

Risk management

The Trustees identify the major risks to which the charity is exposed on an ongoing basis, in particular those related to the operations and finances of the charity. A Risk Register has been established and is updated and reviewed quarterly. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. The charity is satisfied that systems are in place to mitigate their exposure to the major risks, which have been identified and reviewed.

Financial review

The detailed figures are included in the financial statements. The charity achieved a surplus of income over expenditure for the period of £93,681 Free reserves as at 31 January 2022 were £92,599 with restricted funds of £10,250.

Principal Funding Sources

The Covid 19 pandemic has continued to impact on EarthPercent's fundraising activities. We have secured a number of Founding Donors from the industry to cover our core costs. Funds raised from artists or organisations who sign up to one of the charity's principal activations are currently attributed in full to grantmaking to be available as funds for our first grant disbursements. Fundraising activities commenced in the current year include: donating a % of gross tour income; donating a % of organisational income; or making a direct donation. During the current year, we have also begun securing rights in songs to be sold on Earth Day 2022 with proceeds (sales less third-party platform fees and applicable taxes) to go to EarthPercent's grantmaking fund.

In support of our fundraising efforts, and as part of building a wide movement across music for action on climate, we offer speakers at industry and environmental gatherings. In the current year we also participated in events such as COP26, in addition to convening a group of people from across music, climate and philanthropy to explore EarthPercent's mission of unlocking the power of music in service of the planet.

Reserves Policy

The Board of Trustees have adopted a Reserves Policy to determine annually, as part of the year end accounts process, the risk-based reserve level to be set aside. Under the current Reserves Policy the level of reserves (that is those funds that are freely available) to maintain adequate working capital and maintain the core infrastructure of the company has been established as at least three months of core operating costs, plus 10% contingency.

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Plans for the future

Structure, governance and management

Following a governance review, it is planned to appoint a Trustee Treasurer in the coming year to oversee the charity's financial governance and performance, and form and lead the Finance & Risk Committee. We also plan to appoint a chair of the Board of Trustees, and one further Trustee.

The Executive Director role will be a full-time, salaried position from March 2022. The Executive Director will manage an approved operating budget and develop a three-year strategic plan to include fundraising and grant-making activities, in coordination with EarthPercent US (in the process of being established). An agreement will be put in place to govern the management of the UK/US relationship. The charity's website will be refreshed and a review of digital requirements concluded.

It is planned to establish a trading subsidiary of the charity for the purposes of managing trading income expected to be generated through some of the fundraising activations (such as the sale of music or merchandise). We will also seek to establish routes for charitable giving from EU donors via fiscal sponsors through the Transnational Giving Europe network.

Develop organisational strategy, policies and procedures

In the following financial year, we will have finalised the following policies and procedures:

- Grant Agreement template
- Data Protection Policy
- Ethical Funding Policy
- Investment Policy
- Finance Management Framework and Budget
- plus HR policies and procedures necessary to complete our Staff Handbook (including leave, disciplinary, grievance, data protection, social media, IT, holidays and sickness policies).

Grant agreements and disbursements

In the following financial year (by June 2022), we will make our first round of grant disbursements, following our initial process, and embark on a second full grant making cycle, including inviting grant applicants to develop and submit full grant proposals and convening the EAP to review and score proposals and provide feedback and recommendations to the Trustees. Subject to the amount of raised income, the Trustees aim to make the second grant disbursements at the end of 2022.

Small Companies' Exemption

The company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Income and Corporation Taxes Act, 1988

The company is entitled to the exemption contained in Section 505 of the above Act.

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Trustees' responsibilities in relation to the financial statements

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards. The law applicable to charities in England and Wales 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 incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

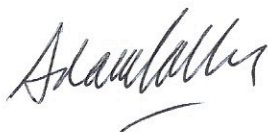
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed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

Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and enable them to ascertain to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations 2008. 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. The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website.

Date approved by the Board

25 May 2022

Signed on behalf of the Board



ADAM CALLAN
Trustee

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 January 2022

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF EARTHPERCENT

Year ended 31 January 2022

I report to the trustees on my examination of the financial statements of EarthPercent ('the charity') for the year ended 31 January 2022.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act').

In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.



J Watkin
Independent Examiner
For and on behalf of Purple Cat Accountancy Limited
87 Highgate Road
Walsall
West Midlands
WS1 3JA

25 May 2022

EARTHPERCENT
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Year ended 31 January 2022

Statement of Financial Activities (including income and expenditure account)

	Note	Unrestricted funds	Restricted funds	Total funds 2022	Total funds 2021
Income from:					
Voluntary income	4	135,546	10,250	145,796	25,000
Investment income	5	22	-	22	5
Total income		135,568	10,250	145,818	25,005
Expenditure on:					
Charitable activities	6	52,137	-	52,137	15,837
Total resources expended		52,137	-	52,137	9,168
Net income / (expenditure) for the year before other recognised gains and losses					
		83,431	10,250	93,681	9,168
Net movement in funds		83,431	10,250	93,681	9,168
Reconciliation of funds					
Fund balance at 31 January 2021		9,168	-	9,168	-
Fund balance at 31 January 2022	12	92,599	10,250	102,849	9,168
		92,599	10,250	102,849	9,168

The accompanying notes form part of these financial statements.

The statement of financial activities includes all gains and losses recognised in the period.

All activities derive from continuing operations.

EARTHPERCENT
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Year ended 31 January 2022

BALANCE SHEET
31 January 2022

Registered company number: 12407439

	Notes	2022 £	2021 £
Fixed assets			
Intangible assets	9	3,872	3,755
Current assets			
Debtors	10	127	-
Cash at bank and in hand		112,778	21,603
		<hr/>	<hr/>
		112,905	21,603
Creditors: amounts falling due within one year	11	(13,928)	(16,190)
		<hr/>	<hr/>
Net assets		102,849	9,168
		<hr/>	<hr/>
Represented by			
Unrestricted funds			
General funds	12	92,599	9,168
Restricted funds	12	10,250	-
		<hr/>	<hr/>
Total		102,849	9,168
		<hr/> <hr/>	<hr/> <hr/>

For the financial period in question the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

No members have required the company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

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

Approved by the Board on 25 May 2022



 Adam Callan

The accompanying notes form part of these financial statements.

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 January 2022

NOTES TO THE ACCOUNTS

1. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented unless otherwise stated.

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 Companies Act 2006.

3. Accounting policies

Basis of preparation

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

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, its amount can be measured reliably and any conditions of receipt have been met.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred.

- expenditure on raising funds includes the costs of all fundraising activities.
- 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.

EARTHPERCENT
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Year ended 31 January 2022

NOTES TO THE ACCOUNTS (cont....)

Intangible assets

The charity has intangible fixed assets, that is, non monetary assets that do not have physical substance but are identifiable and are controlled by the charity through custody or legal rights. Intangible assets are amortised over their useful life as follows:

Patents: Over 10 years on a straight line basis

Taxation

Earthpercent is a registered Charity and is therefore exempt from paying corporation tax on charitable activities.

Financial instruments

A financial asset or a financial liability is recognised only when the entity 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, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. 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.

EARTHPERCENT
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Year ended 31 January 2022

NOTES TO THE ACCOUNTS (cont....)

4 Voluntary income

	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Total 2021 £
Donations	135,546	10,250	145,796	25,000
	<u>135,546</u>	<u>10,250</u>	<u>145,796</u>	<u>25,000</u>
	<u><u>135,546</u></u>	<u><u>10,250</u></u>	<u><u>145,796</u></u>	<u><u>25,000</u></u>

In 2021 all donations were attributable to unrestricted funds.

5 Investment income

	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Total 2021 £
Bank interest receivable	22	-	22	5
	<u>22</u>	<u>-</u>	<u>22</u>	<u>5</u>
	<u><u>22</u></u>	<u><u>-</u></u>	<u><u>22</u></u>	<u><u>5</u></u>

6 Expenditure on charitable activities

	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Total 2021 £
Executive director	11,550	-	11,550	-
Head of programs	13,785	-	13,785	-
Other freelance	7,499	-	7,499	-
HR consultancy	500	-	500	-
Fundraising expenses	610	-	610	-
Advertising and marketing	247	-	247	-
Postage	20	-	20	-
IT and computer costs	341	-	341	-
Insurance	627	-	627	-
Advisory board costs	1,500	-	1,500	-
Professional / legal fees	10,521	-	10,521	14,100
Travel	1,398	-	1,398	-
Design costs	2,000	-	2,000	-
Amortisation	477	-	477	417
Governance costs	1,033	-	1,033	1,320
Bank charges	29	-	29	-
	<u>52,137</u>	<u>-</u>	<u>52,137</u>	<u>15,837</u>
	<u><u>52,137</u></u>	<u><u>-</u></u>	<u><u>52,137</u></u>	<u><u>15,837</u></u>

In 2021 all of the expenditure was attributable to unrestricted funds

EARTHPERCENT
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NOTES TO THE ACCOUNTS (cont....)

7 Expenditure on governance costs

	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Total 2021 £
Independent examiner fees	1,020	-	1,020	1,320
Companies House fees	13	-	13	-
	<u>1,033</u>	<u>-</u>	<u>1,033</u>	<u>1,320</u>
	<u><u>1,033</u></u>	<u><u>-</u></u>	<u><u>1,033</u></u>	<u><u>1,320</u></u>

8 Trustee remuneration

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year. Expenses of £951 (2021: £Nil) were reimbursed to trustees during the year.

9 Intangible fixed assets

	Trade marks and patents £	Total £
Cost		
At 1 February 2021	4,172	4,172
Additions	594	594
	<u>4,766</u>	<u>4,766</u>
At 31 January 2022	4,766	4,766
Amortisation		
At 1 February 2021	417	417
Charge for year	477	477
	<u>894</u>	<u>894</u>
At 31 January 2022	894	894
Net book value		
At 31 January 2022	<u><u>3,872</u></u>	<u><u>3,872</u></u>
At 31 January 2021	<u><u>3,755</u></u>	<u><u>3,755</u></u>

EARTHPERCENT
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Year ended 31 January 2022

NOTES TO THE ACCOUNTS (cont....)

10 Debtors

	2022	2021
	£	£
Prepayments	127	-
	127	-
	127	-

11 Creditors

	2022	2021
	£	£
Loans	270	6,770
Accruals and deferred income	13,658	9,420
	13,928	16,190
	13,928	16,190

12 Movement in funds

	Balance at 1 February 2021	Incoming	Outgoing	Transfers	Balance at 31 January 2022
	£	£	£	£	£
Unrestricted funds					
General fund	9,168	135,568	(52,137)	-	92,599
Total unrestricted funds	9,168	135,568	(52,137)	-	92,599
Restricted funds					
Grantmaking fund	-	10,250	-	-	10,250
Total restricted funds	-	10,250	-	-	10,250
Total funds	9,168	145,818	(52,137)	-	102,849

13 Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£
Fixed assets	3,872	-	3,872	3,755
Current assets	102,655	10,250	112,905	21,603
Creditors less than 1 year	(13,928)	-	(13,928)	(16,190)
	92,599	10,250	102,849	9,168
	92,599	10,250	102,849	9,168

EARTHPERCENT
(A company limited by guarantee)
Year ended 31 January 2022

NOTES TO THE ACCOUNTS (cont....)

14 Related Party Transactions

During the period under review the charity received donations of £69,045 from Trustees or companies controlled by Trustees.

15 Taxation

As a charitable company, EarthPercent is exempt from tax on income and gains to the extent that these are applied to its ritable objects. No tax charges have arisen within the charitable company.