

PELORUS FOUNDATION
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

PELORUS FOUNDATION

CONTENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Page
Trustees' report	1 - 6
Independent examiner's report	7
Statement of financial activities	8
Balance sheet	9
Notes to the financial statements	10 - 14

PELORUS FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their report and financial statements for the year ended 31 December 2022.

The accounts have been prepared in accordance with the accounting policies set out in note 1.1 to the accounts and comply with the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)".

Reference and Administrative details

Registered charity number 1189966

Registered office and
operational address 126 New Kings Road
London
SW6 4LZ

Bankers Barclays Bank, Leicester, LE87 2BB

Independent Examiners Gravita Business Services Limited
Finsgate
5-7 Cranwood Street
London
EC1V 9EE

Trustees

Trustees, who served during the year and up to the date of this report were as follows:

- George Mackay-Lewis (Chair)
- Duncan Grossart
- James Guernsey

PELORUS FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Achievements and performance

In 2022, Pelorus Foundation invested into the development of the charity, and in its second year of operation, we hired our first two employees in the roles of Head of Foundation, and Marketing and Communications Executive. These roles were essential to the future growth of the charity, enabling Pelorus Foundation to build its income generation and increase brand presence through our marketing and communications.

With this added staff capacity, we were also able to expand our reach to five new countries, working together with new project partners to support environmental conservation.

Working with our project partner Frontier, we supported the deployment of a Specialist Advisor to provide urgent assistance to Field Rangers facing an escalating poaching crisis in the Upemba National Park in the Democratic Republic of Congo.

Through our main corporate benefactor, PelorusX, their staff helped to raise funds during the year, undertaking fundraising challenges including scaling three of the UK's highest peaks in 24 hours and scaling seven peaks across the Atlantic Seaboard in South Africa, all helping to raise £4,000 for Pelorus Foundation.

In July 2022, Pelorus Foundation introduced the Climate Investment Fund, a dynamic portfolio dedicated to conscientiously addressing carbon emissions associated with travel.

This initiative arose from a corporate social responsibility meeting with PelorusX, where Pelorus Foundation assessed their carbon offsetting programme. It was recognised that there was a need for more impactful and innovative solutions, particularly in relation to addressing direct emissions from travel.

After extensive research, key stakeholder consultations, and engagement with industry experts, the concept of the Climate Investment Fund was conceived. This fund focuses on collaborating with carbon-credited projects that actively remove carbon dioxide from the atmosphere, encompassing both nature-based and technology-driven solutions. The aim is to promote the transition towards more enduring carbon storage methods. Furthermore, the fund supports projects that enhance the well-being of individuals and communities on the frontline of the climate crisis, while also investing in the advancement of innovative technologies dedicated to carbon removal. Through these additional projects, Pelorus Foundation added three new project partners to our portfolio, working to sequester soil carbon in Mongolia, forest carbon in Timor Leste and blue carbon in Iceland and USA.

Through the generous support of PelorusX and their clients, an initial investment of £17,900 was made into the fund, facilitating crucial grassroots environmental initiatives. A total of 675 tonnes of carbon was captured and re-balanced through our project partners.

The Climate Investment Fund has garnered considerable attention within the travel industry due to its innovative approach to a longstanding environmental issue. It represents a departure from the conventional practice of carbon offsetting commonly observed in the travel sector.

PelorusX has echoed this sentiment, noting that since its launch, 100% of their clients have expressed satisfaction and interest in contributing to the Climate Investment Fund.

Performance of programmes

Supporting the rangers of Upemba National Park

Following a call for financial assistance from our project partner Frontier, we launched a special appeal to garner support for the training of rangers within Upemba National Park, an often-overlooked conservation area situated in the Democratic Republic of the Congo. This call to action was precipitated by a series of tragic incidents involving ranger casualties, including assaults on the park's central administration and along vital logistical routes.

In response to an urgent request, Frontier promptly deployed a Specialist Mentor to mitigate the escalating situation. Pelorus Foundation played a pivotal role as a substantial benefactor to the project, contributing more than 15% of the total project costs.

PELORUS FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The park's diverse wildlife, which include the nation's last remaining free-roaming zebra, pivotal African forest and savannah elephants, and the critically endangered shoebill stork, face an alarming rate of depletion at the hands of both subsistence and commercial poachers.

Field Rangers within the park are not immune to violent assaults either. Operating on the forefront of conservation efforts, these individuals undertake one of the most perilous vocations worldwide.

Faced with confrontations of high intensity and close encounters with untamed fauna, a staggering 82% of field rangers are subjected to life-threatening encounters. Regrettably, more than one hundred dedicated men and women lose their lives annually in the valiant endeavour to safeguard Africa's wilderness.

Our overarching goal was to assist in stabilising the security of the headquarters, whilst also enhancing the basic skills of the locally stationed rangers and improving their morale. The project achieved the following goals:

- An initial group of five rangers trained on how to give basic lessons on weapon maintenance, safety, and marksmanship to enable cascade training to the whole force of 200 Field Rangers.
- An assessment conducted of the camp security and plan of action for future attacks by poachers.

"The Specialist Mentor provided a stop gap, which had a positive impact and has enabled us to continue operations, despite a period of huge challenge and numerous threats."

- Tina Lain, Director, Forgotten Parks, Upemba National Park

With grateful thanks to our supporters and all those who donated to our special appeal, we were able to ensure the deployment of the Special Advisor to the DRC to deliver this vital ranger training, the effect of which will continue to be cascaded to the whole Upemba ranger unit.

Capturing carbon through the Climate Investment Fund

With the launch of our carbon sequestration Climate Investment Fund, we developed three new project partnerships. We established new relationships with two Plan Vivo registered grassroots community-based local organisations, Mongolian Society for Range Management (MSRM) and FCOTI in Timor Leste, and blue carbon new technology innovator, Running Tide.

Soil carbon

Through MSRM the objective is to restore degraded grasslands in collaboration with herding communities ensuring carbon is sequestered in the soil. By utilising micro-loans to empower herders and fostering new skills development, herders have been able to create and develop alternative income sources. During 2022 this has led to the:

- establishment of a local market and cafeteria, with profits directed back into the community.
- successful implementation of sustainable land management over 77,482 hectares, benefiting 174 nomadic families.

Forest carbon

FCOTI supports smallholder farmers to improve their land through tree growth and management, capturing carbon from the atmosphere through their forest canopy. In 2022:

- Over 950 Timorese farmers have enhanced their livelihoods.
- 40 students from subsistence farming backgrounds received senior level education scholarships.

Blue carbon

Based in the USA and Iceland, Running Tide are developing new carbon capture technologies, by harnessing the power of our seas. During 2022 we provided support to their ongoing technology development to build solutions to scaling ocean-based carbon storage. Significant progress was achieved in their research and development, resulting in the production of approximately 10,000 metric tonnes of substrate, poised for deployment in 2023. This advancement enhances the ocean's natural capacity to sequester carbon dioxide.

PELORUS FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Plans for the future

The climate crisis and loss of global biodiversity continues to create demand for our work. We need more than ever to support the delivery of sustainable, cost effective and transformative impact in the protection and preservation of our planet's wildlife and wild places.

We will continue to support local high-impact grass-roots partners, empowering local people to create proactive, positive change for their wild environments.

We will continue to support the mitigation of threats upon field rangers in their fight to combat wildlife crime.

We will continue to improve the effectiveness of our work by supporting new partners and projects in response to need and opportunities, helping to protect endangered species and ecosystems.

We will continue to build and diversify our range of income sources and sustainably build our fundraising income so that Pelorus Foundation not only covers its costs but can invest in our partners environmental projects. Our fundraising and communications will aim to grow supporter engagement, developing our marketing outreach through social media platforms and increasing opportunities to donate and fundraise for the charity.

Specific objectives

In line with our vision and mission we will:

1. Deliver sustainable, cost effective and transformative environmental and conservation impact through developing new and existing project partnerships, to empower local people to protect the environment, endangered species and help combat the effects of climate change.
2. Continue to develop a sustainable financial platform by building and diversifying our income from individuals, corporates, and trusts. We will develop our fundraising by recruiting a Fundraising Manager to help build supporter relationships and test out raising funds from new sources and activities.
3. Develop our brand to increase effectiveness and efficiency of our work through focused communications, raising awareness of our projects and project partners to improve the narrative and sharing what we do in environmental conservation.
4. Continue to develop the Climate Investment Fund, increasing investment into a range of new and existing carbon capture project partners and promoting the scheme to the private sector to increase engagement and support.

Public benefit

We act as a catalyst to a network of individuals and organisations who are on the front lines of conservation and environmental protection, providing them with crucial support in their fight to protect and defend species and habitats from the myriad of threats they face.

Through targeted donations and grants, sharing of knowledge and expertise, and amplification of their remarkable stories to our global audience, we are enabling our partners to enhance their impact and continue doing their work.

PELORUS FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Financial review

This was the charity's first active year of fundraising, to begin to build charity funds to support work with our project partners. The charity's income for the year amounted to £35,532 (2021 - £63,674) and the expenditure for the year was £81,814 (2021 - £14,004). The resulting net expense was £46,282 (2021 - £49,670 net income).

During the year the charity was in receipt of £13,257 of restricted grants in total. Of this amount, £1,552 was remaining.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three- and six-month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity is a Charitable Incorporated Organisation registered with the Charity Commission.

The CIO was established under a CIO constitution which established the objects and powers of the CIO.

The trustees who served during the year and up to the date of signature of the financial statements were:

George Mackay-Lewis

Duncan Grossart

James Guernsey

New trustees are appointed due to their interest in the work of the charity and their recognised experience in specific fields which will further support the work of the CIO.

PELORUS FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of trustees' responsibilities

The trustees, who are also the directors of Pelorus Foundation for the purpose 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

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

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

The trustees' report was approved by the Board of Trustees.



George Mackay-Lewis

Trustee

Dated: 30/10/2023 | 6:25:41 PDT

PELORUS FOUNDATION

INDEPENDENT EXAMINER'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

I report to the trustees on my examination of the financial statements of Pelorus Foundation (the charity) for the year ended 31 December 2022.

Responsibilities and basis of report

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

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

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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 that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

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

Gravita Business Services Limited

Gravita Business Services Limited

Chartered Accounts

Dated: 30/10/2023 | 1:00:54 GMT

PELORUS FOUNDATION**STATEMENT OF FINANCIAL ACTIVITIES*****FOR THE YEAR ENDED 31 DECEMBER 2022***

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
<u>Income:</u>					
Donations and legacies	3	22,275	13,257	35,532	63,674
Total income		22,275	13,257	35,532	63,674
<u>Resources expended:</u>					
Direct charitable expenditure	4	66,250	-	66,250	1,306
Grants	5	3,859	11,705	15,564	12,698
Total charitable expenditure		70,109	11,705	81,814	14,004
Total resources expended		70,109	11,705	81,814	14,004
Net income/(expenditure) for the year/ Net movement in funds		(47,834)	1,552	(46,282)	49,670
Fund balances at 31 December 2022		2,516	1,552	3,708	49,990

PELORUS FOUNDATION**BALANCE SHEET****FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	£	2022 £	£	2021 £
Current assets					
Cash at bank and in hand		29,516		50,890	
Debtors		509		-	
		<u>30,025</u>		<u>50,890</u>	
Creditors: amounts falling due within one year	8	<u>(26,317)</u>		<u>(900)</u>	
Net current assets/(liabilities)			<u>3,708</u>		<u>49,990</u>
Income funds					
Restricted funds			1,552		-
Unrestricted funds			<u>2,516</u>		<u>49,990</u>
			<u>3,708</u>		<u>49,990</u>

The financial statements were approved by the trustees on 30/10/2023 | 6:25:41 PDT

George Mackay-Lewis

 George Mackay-Lewis
Trustee

PELORUS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

Pelorus Foundation is a charitable incorporated organisation registered with the Charity Commission in England and Wales. The registered office is 126 New Kings Road, London SW6 4LZ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's CIO constitution, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations, but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

PELORUS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Governance costs comprise those costs associated with meeting the constitutional and strategic requirements of the charity and the accountancy fees and costs linked to the strategic management of the charity.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

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

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

PELORUS FOUNATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.8 Taxation

The charity is exempt from corporation tax on its charitable activities.

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

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

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

PELORUS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Donations and gifts	22,275	13,257	35,532	63,674
	<u>22,275</u>	<u>13,257</u>	<u>35,532</u>	<u>63,674</u>

4 Direct charitable expenditure

	2022 £	2021 £
Governance costs	2,712	540
	<u>2,712</u>	<u>540</u>
Costs of raising awareness and programme development	24,214	-
Costs of raising funds	39,324	766
	<u>66,250</u>	<u>1,306</u>

PELORUS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

5 Grants

	2022	2021
	£	£
Grants to Institutions	15,564	12,698
	<u>15,564</u>	<u>12,698</u>

6 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

7 Employees

Number of employees

The average monthly number of employees during the year was:

2022 Number	2021 Number
<u>2</u>	<u>-</u>

8 Creditors: amounts falling due within one year

	2022 £	2021 £
Notes		
Accruals and deferred income	1,500	900
Amounts due to related parties	2,427	-
Trade creditors	268	-
Other trade creditors	5,595	-
Social security and taxation	16,289	-
	<u>26,317</u>	<u>900</u>

9 Analysis of net assets between funds

	Restricted funds £	Unrestricted funds £	Total 2022 £	Total 2021 £
Fund balances at 31 December 2022 are represented by:				
Current assets/(liabilities)	<u>1,552</u>	<u>2,516</u>	<u>3,708</u>	<u>49,990</u>
	<u>1,552</u>	<u>2,516</u>	<u>3,708</u>	<u>49,990</u>