

Charity registration number 1199692

Company registration number 13871372 (England and Wales)

ECOLOGICAL RESTORATION FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

ECOLOGICAL RESTORATION FUND

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr D Hotz Dr A L K Rausing Dr S Rausing
Charity number	1199692
Company number	13871372
Registered office	12 Penzance Place London UK W11 4PA
Auditor	Bright Grahame Murray Emperor's Gate 114a Cromwell Road Kensington London UK SW7 4AG
Bankers	C. Hoare & Co 37 Fleet Street Temple London EC4Y 1BT

ECOLOGICAL RESTORATION FUND

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ECOLOGICAL RESTORATION FUND

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees present their annual report and financial statements for the year ended 31 December 2023. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's memorandum and articles, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The Ecological Restoration Fund was set up to provide benefit to other charitable institutions in the advancement of their charitable work or to benefit other groups provided the work they carry out is charitable.

The trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives, planning future activities, and setting the grant-making policy for the Trust.

The Trust furthers its charitable purposes for the public benefit by promoting the values and principles of ecological restoration and supporting the preservation of nature from further degradation.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Incorporated status

The Ecological Restoration Fund was established as a charitable registered company limited by guarantee on the 25th January 2022.

Grant-making

The Ecological Restoration Fund's grants during the period were dedicated to supporting organisations that protect and restore biodiversity and rejuvenate degraded landscapes. We align the Ecological Restoration Fund with international actions and intentions, including COP 15 targets and the ecosystem categories set out with the UN Decade of Ecosystem Restoration.

More details about our grants and decision-making can be found on our website.

Grant making policy

Trustees review the Trust's grant-making policies regularly to ensure they reflect the charity's objects and advance public benefit.

Trustees currently do not invite unsolicited applications for funding, given the limited annual budget, the Trust's wide geographic reach and our small team. Instead, the Trust's experienced programme staff look for influential, well-run organisations working in the Trust's fields of interest. Trustees may also bring potential applicants to the attention of programme staff. After an initial review, programme staff propose potential applicants to trustees, who will decide whether or not to invite a full application.

Organisations invited to apply are allocated to one of the Trust's programmes. Applications are assessed by programme staff. They aim to gain an in-depth understanding of the applicant's objectives, organisation and effectiveness, and to assess the applicant's fit with the overall objectives of the Trust. Where possible, staff will make a site visit. Each application is also reviewed for compliance with UK charitable laws, with legal advice if necessary, and a financial review of past performance and future projections is undertaken.

Trust staff prepare reports and recommendations for each organisation's application. These are considered at regular review meetings where the founder and Chairman, Daniel Hotz, will decide if the information is sufficient to take to the Trustees. Trustees can raise concerns or questions and approve or reject referred grants. Trustees' decisions are final. Once the successful applicant has accepted the terms and conditions of the grant, the grant will be paid out. Further instalments of multiyear grants are paid on receipt of satisfactory interim reports.

The Trust's grants generally provide core and project support. The Trust typically either makes a one-off grant or will offer grants up to three years. The potential for long-term flexible support is greatly valued by grantees.

ECOLOGICAL RESTORATION FUND

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Monitoring and Follow up: how the Trust's grant giving has delivered public benefit

Grantees are required to complete annual progress reports and a final report after the end of the grant period. The reports cover progress made, problems encountered, and any organisational changes. Grantees also provide a financial statement showing how the grant has been used.

These reports are reviewed, and any queries are raised directly with the grantee to ensure that the grant has been used in compliance with the original application.

Grantees can be visited at any time during the grant. The Trust schedules regular visits, both to see the operation of grantees first-hand and to learn more about the current challenges in each country or region. International grantees are encouraged to visit the Trust offices should they be travelling to the UK. Staff report back to trustees on visits, and trustees regularly review the impact of the grants made.

Achievements and performance

During the period, the Trust has awarded £13,700,000 in grants (2022: £250,000). The financial statements and accounts contained later in this report reflect the total value of grants awarded and paid by trustees during 2023.

The Trust has also awarded £26,000,000 (2022: £nil) in grants as part of multi-year awards, due over the period through two years following year end.

All grantees report on the progress of their funded projects within six months (interim report) and then again after 12 months (final report).

Financial review

The results for the period are set out on pages 9-11.

Grant awards totalling £13,700,000 were made during the year (2022: £250,000).

In addition, the Trust spent £135,532 (2022: £14,298) in administrative costs, making a total of £13,835,532 in direct charitable expenditure (2022: £264,298). Support costs were thus 0.98% of total charitable expenditure (2022: 5.72%).

The Trust benefited from donations of £16 million during the year (2022: £1 million). This donation was distributed as the grant awards during the 2023 year, with a proportion carried forward and distributed as grants during the 2024 financial year.

Risk Management

The trustees have examined the major strategic, business and operational risks to which the charity is exposed and maintain these in a register which is reviewed and updated regularly and formally by the trustees. They are satisfied that appropriate mitigations and resources are in place to manage the risks faced by the Trust and its staff.

The trustees assess the risks associated with each grant as it is made. They are mindful of the risks faced by grantees working to protect and restore ecosystems and species and the risk to staff of visiting current and potential grantees in certain countries. Trustees and staff draw on their own expertise and the advice of country experts and then take appropriate measures to safeguard staff and strengthen grantee security.

The considerable combined expertise of the Trust's staff and trustees, and the external experts it can call on for an independent opinion, ensure that the Trust can evaluate the applications received and mitigate the risk of ineffective grant making.

As part of the Trustees' duties, they manage risk to the organisation, including overseeing financial reporting, the processes related to risk management and internal control, including financial, reputational, compliance and other strategic and operational risks, and overseeing the audit processes.

ECOLOGICAL RESTORATION FUND

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Plans for future periods

In 2024, the Fund will continue seeking potential donations to make, and meet the contribution commitments per the multi-year support agreements. With the support of Lenke Balint, the Fund's new Director, trustees will also work on a new strategic plan in 2024 which will be implemented in 2025 and subsequent years.

Structure, governance and management

The Ecological Restoration Fund was established as a charitable registered company limited by guarantee on the 25th January 2022.

The following acted as directors and trustees during the year ended 31st December 2023:

Mr D Hotz
Dr A L K Rausing
Dr S Rausing

The power of appointing new or additional trustees is vested in the current trustees. The number of trustees shall at no time be fewer than three individual trustees.

The Board of Trustees meets regularly, with an agenda focusing on strategic questions, future scanning and any significant questions of organisational risk.

All trustees are aware of their obligations to the Trust and on behalf of the Trust.

Details of trustee remuneration and expenses and any related party transactions are disclosed in note 9 to the accounts. Trustees are required to disclose all relevant interests and register them annually with the Trust's administration, and in accordance with the Trust's Overlap of Interest Policy to withdraw from decisions where a conflict of interest arises.

The trustees consider that the Board of Trustees and the Programme Officer comprise the key management personnel of the charity in charge of directing and controlling the charity and its day-to-day operation.

The pay of the charity's senior managers and other staff is reviewed annually and is normally increased in line with accepted measures of price and wage inflation.

Reserves policy

The Trustees have established the level of reserves that the charity ought to have. Unrestricted funds are needed to:

- cover support and management costs;
- provide funds which can be designated to specific projects to enable them to be undertaken at short notice;
- achieve a liquid reserve to provide cover for further charitable expenditure.

The Trustees continue to monitor and review periodically the level of reserves in conjunction with the setting of annual budgets and the development of the long-term strategy to meet the targets of the charity. The charity's policy is to maintain adequate funds for its commitments for charitable projects across the globe.

ECOLOGICAL RESTORATION FUND

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Statement of trustees' responsibilities

The trustees, who are also the directors of Ecological Restoration Fund 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.

In so far as the trustees are aware:

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

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.

Auditor

In accordance with the company's articles, a resolution proposing that Bright Grahame Murray be reappointed as auditor of the company will be put at a General Meeting.

The Trustees' report is approved by the Trustees of the Charity. The Strategic Report, which forms part of the annual report, is approved by the Trustees in their capacity as directors in company law of the charity.

ECOLOGICAL RESTORATION FUND

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report is approved by the Trustees of the Charity. The Strategic Report, which forms part of the annual report, is approved by the Trustees in their capacity as directors in company law of the charity.

Daniel Hotz

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Mr D Hotz

Trustee

13/08/2024
Date:

ECOLOGICAL RESTORATION FUND

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ECOLOGICAL RESTORATION FUND

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

ECOLOGICAL RESTORATION FUND

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ECOLOGICAL RESTORATION FUND

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which our procedures are capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Charity, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the tax legislation, Charities Act.
- We enquired of the trustees and reviewed trustees' meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the trustees have in place to ensure compliance.
- We gained an understanding of and evaluated the controls that the trustees have in place to prevent and detect fraud. We enquired of the members about any incidences of fraud that had taken place during the accounting period.

ECOLOGICAL RESTORATION FUND

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ECOLOGICAL RESTORATION FUND

- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: income recognition, management override, misappropriation of assets.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the trustees about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgments made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Brian Clifford

Brian Clifford (Senior Statutory Auditor)
for and on behalf of Bright Grahame Murray

Chartered Accountants

Statutory Auditor

Emperor's Gate
114a Cromwell Road
Kensington
London
SW7 4AG

19/08/2024
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ECOLOGICAL RESTORATION FUND

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

		Unrestricted funds for year ended 31 December 2023 £	Unrestricted funds for period ended 31 December 2022 £
	Notes		
Income from:			
Donations and legacies	2	16,000,000	1,000,000
Investments	3	16,721	-
		<hr/>	<hr/>
Total income		16,016,721	1,000,000
 Expenditure on:			
Charitable activities	4	13,835,521	264,298
		<hr/>	<hr/>
Total expenditure		13,835,521	264,298
		<hr/>	<hr/>
Net income and movement in funds		2,181,200	735,702
 Reconciliation of funds:			
Fund balances at 1 January 2023		735,702	-
		<hr/>	<hr/>
Fund balances at 31 December 2023		2,916,902	735,702
		<hr/>	<hr/>

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

ECOLOGICAL RESTORATION FUND

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Current assets					
Debtors	12	726		-	
Cash at bank and in hand		4,547,533		754,510	
		<u>4,548,259</u>		<u>754,510</u>	
Creditors: amounts falling due within one year	13	(1,631,357)		(18,808)	
Net current assets			<u>2,916,902</u>		<u>735,702</u>
The funds of the charity					
Unrestricted funds	15		<u>2,916,902</u>		<u>735,702</u>
			<u>2,916,902</u>		<u>735,702</u>

The financial statements were approved by the trustees on 13/08/2024

Daniel Hotz

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Mr D Hotz

Trustee

Company registration number 13871372 (England and Wales)

ECOLOGICAL RESTORATION FUND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	17		3,776,302		749,510
Investing activities					
Investment income received		16,721		-	
Net cash generated from/(used in) investing activities			16,721		-
Financing activities					
Proceeds from borrowings		-		5,000	
Net cash (used in)/generated from financing activities			-		5,000
Net increase in cash and cash equivalents			3,793,023		754,510
Cash and cash equivalents at beginning of year			754,510		-
Cash and cash equivalents at end of year			4,547,533		754,510

ECOLOGICAL RESTORATION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

Ecological Restoration Fund is a private charitable company limited by guarantee incorporated in England and Wales. The registered office is 12 Penzance Place, London, W11 4PA, UK.

1.1 Reporting period

The entity has prepared the financial statements for a 12 month period, however the comparative amounts are presented for a short period from incorporation on 25 January 2022 to 31 December 2022. Therefore the amounts presented in the financial statements (including the related notes) are not entirely comparable.

1.2 Accounting convention

The financial statements have been prepared in accordance with the charity's memorandum and articles, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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.

1.3 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.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

There are no restricted funds as at the year end.

There are no endowment funds as at the year end.

1.5 Income

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.

ECOLOGICAL RESTORATION FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.7 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.

1.8 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.

Derecognition of financial liabilities

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

ECOLOGICAL RESTORATION FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

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.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Grants payable

Grants and donations approved by the Trustees are recognised in the Statement of Financial Activities and Balance Sheet when financing required to fulfil these grants is received by the Trust. Funding commitments covering multiple years made by the Fund as at year end are disclosed in note 7 at the value awarded over the full length of the award. Trustees consider that given the Trust's funding arrangements there is no material discounting required to reflect the time value of the money.

2 Income from donations and legacies

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Donations and gifts	16,000,000	1,000,000
	<u>16,000,000</u>	<u>1,000,000</u>
Donations and gifts		
Gifts and Legacies	16,000,000	1,000,000
	<u>16,000,000</u>	<u>1,000,000</u>

The £16,000,000 donation received in the year (2022: £1,000,000) was from a trust set up in the name of a family member of a trustee.

3 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	16,721	-
	<u>16,721</u>	<u>-</u>

ECOLOGICAL RESTORATION FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

4 Expenditure on charitable activities

	Support costs 2023 £	Support costs 2022 £
Direct costs		
Staff costs	66,342	-
Sundry Expenses	1,545	1,508
Bank Fees	987	490
Professional Fees	13,097	-
Travel	4,582	-
Subscriptions	384	-
IT Software and Consumables	35,538	-
	<u>122,475</u>	<u>1,998</u>
Grant funding of activities (see note 6)	13,700,000	250,000
Share of support and governance costs (see note 5)		
Governance	13,046	12,300
	<u>13,835,521</u>	<u>264,298</u>
Analysis by fund		
Unrestricted funds	<u>13,835,521</u>	<u>264,298</u>

5 Support costs allocated to activities

	Support costs 2023 £	Total 2022 £
Governance	<u>13,046</u>	<u>12,300</u>

Governance costs includes payments to the auditors of £13,046 (2022: £12,300) for audit fees.

ECOLOGICAL RESTORATION FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

6 Grants payable

	Grant Making 2023 £	Grant Making 2022 £
Grants to institutions:		
BIOM Association	-	25,000
Birdlife Sverige	-	25,000
Blue Marine	-	25,000
Bulgarian Biodiversity Foundation	-	25,000
Cheshire Beaver Trust	-	25,000
Polish Society for Protection of Birds	-	25,000
Portuguese Society for the Study of Birds	-	25,000
Rewilding Portugal	-	25,000
Wildlife and Wetlands Trust	-	25,000
Zoological Society of London	-	25,000
Rewilding Chile	3,750,000	-
Rewilding Europe	3,000,000	-
Wildlife Trust	2,000,000	-
Oceans 5	1,600,000	-
RSPB	1,000,000	-
World Land Trust	500,000	-
Client Earth	500,000	-
Hutan	500,000	-
European Environmental Bureau	300,000	-
The Lifescape Project	250,000	-
Durrell Wildlife Conservation Trust	100,000	-
Pole Pole	100,000	-
Environmental Law Foundation	50,000	-
Beaver Trust	50,000	-
	<u>13,700,000</u>	<u>250,000</u>

7 Funding Commitments

The company has commitments worth £26,400,000 (2022: £nil) due over the period through two years following year end. Issue of these donations is contingent on donees showing positive progress towards goals established by the award confirmation contract. The trustees determine that sufficient funding will be made available to the fund as and when these funding commitments are expected to arise. The commitments are recognised in the Statement of Financial Activities and Balance Sheet when financing required to fulfil these grants is received by the Trust.

8 Net movement in funds	2023 £	2022 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	<u>13,046</u>	<u>12,300</u>

ECOLOGICAL RESTORATION FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

9 Trustees

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

10 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
	1	-
	<u>1</u>	<u>-</u>
Employment costs	2023	2022
	£	£
Wages and salaries	59,548	-
Social security costs	2,025	-
Other pension costs	4,769	-
	<u>66,342</u>	<u>-</u>
	<u>66,342</u>	<u>-</u>

There were no employees whose annual remuneration was more than £60,000.

11 Taxation

The charity is exempt from taxation on its activities as all of its income is applied for charitable purposes.

12 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	26	-
Prepayments and accrued income	700	-
	<u>726</u>	<u>-</u>
	<u>726</u>	<u>-</u>

ECOLOGICAL RESTORATION FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

13 Creditors: amounts falling due within one year

	2023 £	2022 £
Directors' loan	5,000	5,000
Trade creditors	1,612,997	-
Accruals and deferred income	13,360	13,808
	<u>1,631,357</u>	<u>18,808</u>

Trade creditors includes £1,600,000 (2022: £nil) of grants payable.

14 Retirement benefit schemes

Defined contribution schemes	2023 £	2022 £
Charge to profit or loss in respect of defined contribution schemes	<u>4,769</u>	<u>-</u>

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

15 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2023 £	Incoming resources £	Resources expended £	At 31 December 2023 £
General funds	<u>735,702</u>	<u>16,016,721</u>	<u>(13,835,521)</u>	<u>2,916,902</u>
Previous period:	At 1 January 2022 £	Incoming resources £	Resources expended £	At 31 December 2022 £
General funds	<u>-</u>	<u>1,000,000</u>	<u>(264,298)</u>	<u>735,702</u>

ECOLOGICAL RESTORATION FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

16 Related party transactions

Where trustees have an interest in a grant making decision they register that interest and withdraw from the assessment, discussion and decision.

£5,000 (2022: £5,000) was owed to a trustee at the year end. The balance is interest free and repayable on demand.

During the year, £5,227 (2022: £nil) of expenditure incurred on behalf of the Ecological Restoration Fund was recharged from a trust controlled by one of the trustees. Of this balance, £1,474 (2022: £nil) remained outstanding at year end.

There exists a balance of £1,474 (2022: £nil) relating to expenses incurred on behalf of the Ecological Restoration Fund due to a trust whereby significant control is held by a trustee.

In addition to the above, a trustee has given guarantees to the Trust's bankers in the amount of £15,000.

Donations received from related parties are disclosed in note 2.

17 Cash generated from operations	2023 £	2022 £
Surplus for the year	2,181,200	735,702
Adjustments for:		
Investment income recognised in statement of financial activities	(16,721)	-
Movements in working capital:		
(Increase) in debtors	(726)	-
Increase in creditors	1,609,366	13,808
Cash generated from operations	3,773,119	749,510

18 Analysis of changes in net funds

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	754,510	3,793,023	4,547,533
Loans falling due within one year	-	(5,000)	(5,000)
	<u>754,510</u>	<u>3,788,023</u>	<u>4,542,533</u>