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ANNUAL REPORT 2022

Annual report and unaudited financial statements.

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

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Annual report and unaudited financial statements.

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REMARKS FROM THE CHAIR



On behalf of the Board of Trustees, it is my pleasure to welcome you to the Pangea Trust's Annual Report for 2022.

This has been a landmark year for Pangea, one in which we ultimately moved from concept into reality. In December, we finalised a deal to acquire a 1000-acre estate in Portugal. As you will read in this report, the site in question is exactly what we have been striving for, providing the opportunity to create both a sanctuary for elephants and a haven for native wildlife.

This is also the year in which we have focused on developing key technical partnerships. The in-principal support of the governing authorities was vital to our decision to move forward with the land acquisition, our advisory group has been bolstered with both Portuguese and international experts, and dozens of leading scientists from a range of backgrounds have endorsed our elephant management approach. These long-term collaborations mean that the team can review and modify plans with expert input as they evolve.

The strategic priorities for 2023-4 outlined in this report are designed to ensure that we remain firmly on the critical path to open an elephant-ready sanctuary by 2025. Given that a project of this ambition requires significant investment in its formative years, we are extremely fortunate that operational spend can be met by the generous contributions of our members. This means that the team can focus on raising the funds urgently needed for the first phase of construction. We are now seeking new partners and donors who are passionate about the cause to invest in this financially robust, high-impact initiative - the first of its kind in Europe.

Tenacity is the order of the day, where each step takes us closer to our goal of welcoming our first elephants. Pangea's very small team simply could not have got this far without the army of supporters who have generously given their time, expertise, and financial backing. Thank you to you all, we look forward to moving on to the next chapter together.

Michael Reynier

Chair, Board of Trustees, the Pangea Trust



OVERVIEW

Elephants are keystone species that help to define whole ecosystems in their range states in Asia and Africa. They are also amongst the most sentient, intelligent and social of all animals, and they lead complex lives in the wild.

Sadly, scientific research has proven that elephants suffer physically and psychologically in captivity. Like whales and dolphins, they need access to expansive, natural habitats to meet their basic welfare needs.

Performing wild animals in circuses are banned in most EU states and some zoos are phasing out elephant collections on welfare grounds. Despite this, over 630 elephants are still held in zoos and circuses across Europe. Large-scale elephant sanctuaries exist in Africa, Asia and the Americas, but there is no such facility in Europe.



GOAL

To create a haven for both native wildlife and Europe's elephants in need.

IMPACT



Give individual elephants a fulfilling life.

Demonstrate the welfare benefits of the provision of expansive, natural habitats.



Provide a solution to Europe's circuses and zoos looking to retire their elephants.

Facilitate governments that wish to enforce animal welfare legislation.



Improve the ecological health of the reserve for the benefit of the resident elephants, native wildlife, and local communities.



Gain insights into the impacts on elephant welfare and site ecology to inform future practice both at Pangea and beyond.



Connect people with stories of native wildlife, elephants at Pangea and elephants in the wild in Africa and Asia.

Inspire action at multiple levels of society for the benefit of elephants and the wider natural world.

PROGRESS, 2022

Land in sight

After a Europe-wide feasibility study and an intensive two-year property search, the perfect site for Pangea has been secured in Alentejo, Portugal.

Of the 90 sites evaluated, three were shortlisted and taken through a rigorous evaluation process which included environmental and economic screenings, and government consultations before a final decision was made.

The thousand-acre estate in question has abundant water and diverse habitat. There are several large dams, a spring and stream and a mix of grasslands, wood, and scrubland set across rolling hills. The areas that have been degraded from cattle grazing and eucalyptus cultivation will be restored to create a haven for both elephants and native wildlife.

Standard finance options were not available due to the complexities of the acquisition. Fortunately, the acquisition was unlocked with a philanthropic loan, and the transaction is expected to complete in 2023. Work on improving soil quality and habitat will then begin in preparation for phase one of construction.



Building partnerships in Portugal

Portugal's standard legislative frameworks do not address large-scale reserves for elephants. The national and regional wildlife authorities were therefore consulted throughout the site selection process and their feedback was invaluable. The environmental impact assessment is underway in line with their guidance to support the licence applications for construction and other operations.

Developing Pangea's partner network within Portugal has been a key focus this year, and the goodwill and interest has been most encouraging.

The mayors of the two governing districts of Alandroal and Vila Viçosa have confirmed their backing, and we very much look forward to working with them and other local partners as we move ahead with the development.



'Pangea's vision is inspiring and their team professional in their approach. The initiative is aligned with our biodiversity plans, it will help to stimulate a nature-based local economy and will undoubtedly be a source of pride for our local community. We look forward to welcoming elephants to Alandroal, they deserve a good life.'

*João Grilo,
President,
Municipality
of Alandroal*

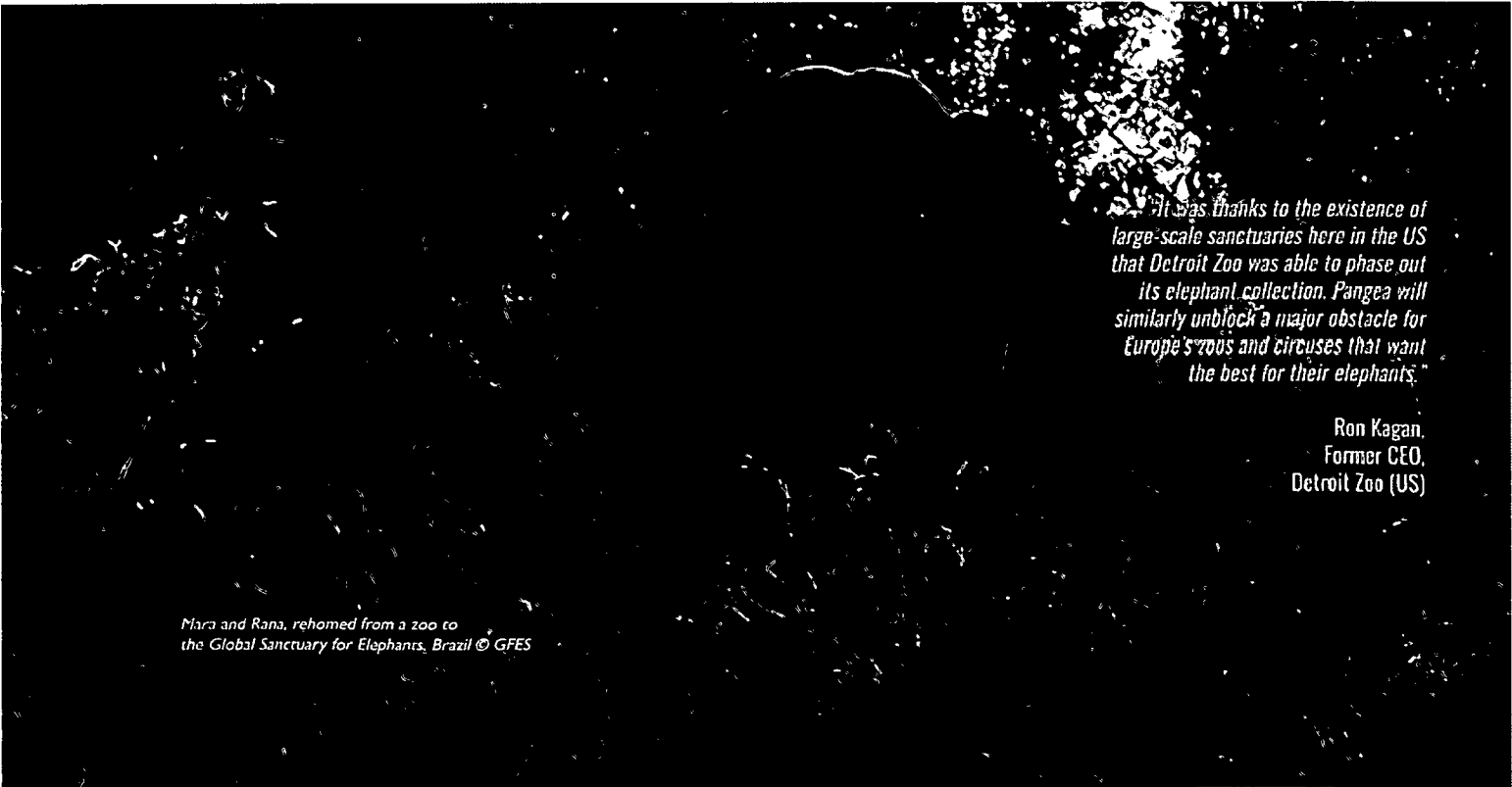
Developing an informed elephant management approach

Providing every resident elephant with the best possible quality of life is central to Pangea's ethos. It is therefore critical that our elephant management approach is rooted in science and informed by best practice.

This year, Pangea's Chief Scientific Advisor, Dr Rob Atkinson, together with Dr Keith Lindsay, produced a study in which they evaluated through scientific review the life quality opportunities in wild, semi-wild and captive conditions. They concluded that for captive elephants with no realistic chance of a return to the wild, access to diverse, natural habitat in a warm climate gives elephants the chance of lives worth living. This amount of space provides them with agency and chances to exhibit strongly motivated behaviours such as meaningful walking and natural foraging, and allows them to control their social interactions.

More freedom, however, does not mean less care. Each elephant will have a tailored care programme that exceeds all recognised elephant management guidelines and standards. We will work together with the local authorities, identify in-country expertise, and develop a plan for building the necessary capacity. Where applicable we will deliver intensive, long-term rehabilitation to support individual elephants with acclimatising to their new surroundings and the company of new elephants.

Although Pangea will be the first of its kind in Europe, dedicated, experienced operators elsewhere in the world run successful large-scale elephant facilities. We are grateful for their guidance to date.



"It was thanks to the existence of large-scale sanctuaries here in the US that Detroit Zoo was able to phase out its elephant collection. Pangea will similarly unblock a major obstacle for Europe's zoos and circuses that want the best for their elephants."

Ron Kagan,
Former CEO,
Detroit Zoo (US)

*Mira and Rana, rehomed from a zoo to
the Global Sanctuary for Elephants, Brazil © GFES*

Working to restore nature

Elephants naturally forage for around 12 hours a day on dozens of plant species, eating fruits, buds, leaves, shoots, flowers, growing stems, woody stems and branches, bark and roots. The opportunity to express this behaviour is key to good welfare, and elephants that have been rehomed from circuses and zoos into natural, expansive habitats adapt within a matter of months to display many of the foraging behaviours seen in the wild.

This year, planning has commenced to restore what is currently a degraded cattle farm and ex-eucalyptus plantation to create a healthy, balanced ecosystem, using a combination of principles from rewilding and sustainable land management. This approach will have multiple benefits beyond elephant welfare, improving soil quality and water retention, reducing erosion and the risk of wildfires, and ultimately creating a haven for native wildlife.

With carefully-managed stocking densities, we are in a unique position to explore the potentially positive impact of these mega-herbivores on the ecological value of the site, in comparison to their role as keystone species in their natural habitats in Asia and Africa. A partnership with specialists in applied ecology and biodiversity at the University of Évora has been secured to inform our land management approach and test this hypothesis. We look forward to sharing these findings with our partners and other interested parties.



I couldn't be more excited about Pangea's plan to rehome circus and zoo elephants on such a tract of wild Mediterranean habitat. Pangea's management plans are firmly grounded in science, and beyond the benefits to the elephants, the ecological value of the landscape will increase. I urge you to join us in helping to turn this extraordinary initiative into reality."

**Ben Goldsmith,
Environmentalist
& Philanthropist**

GOALS & STRATEGIC PRIORITIES, 2023-5

1. Establish an elephant-ready sanctuary

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

2. Secure an agreement for the first group of elephants

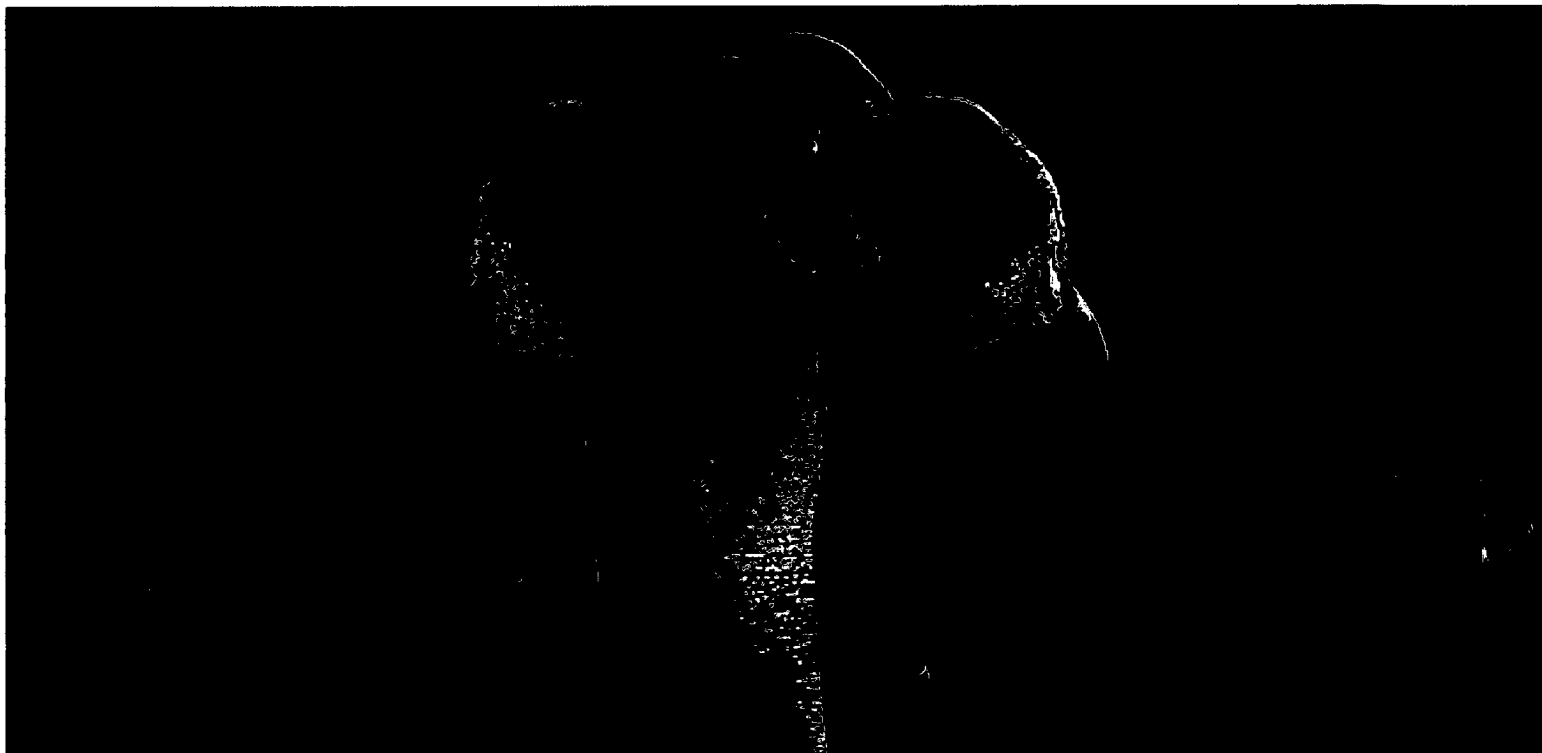
- Collaborate with elephant owners, NGOs, and governments in priority countries.

3. Raise funds for construction

- Launch a capital appeal for major financial or in-kind donations and begin public fundraising.
- Secure additional fundraising resource.

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

- Continue to work closely with the technical advisory board.
- Build partnerships with government agencies, NGO's, sanctuaries, and local businesses and communities.
- Employ skilled and passionate on-site staff for elephant care and other operations and build capacity.



REFERENCE & ADMINISTRATIVE INFORMATION

Overview

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

The Pangea Trust was registered in 2017 with the UK Charity Commission (no. 1177137) and Companies House (10893190). It is a Company limited by Guarantee and not having a Share Capital. It was incorporated in Portugal under the name of Associação Natureza Pangea in 2022 as a private law association with legal personality and nonprofit applicable Portuguese laws (no. 517038110).

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

Trustees

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

M J Reyner (Chair)
E Gerome-Delgado (resigned 23 February 2022)
N. Katugampola (appointed 10 July 2023)
F Teneau (appointed 24 February 2022)
L Jacquet
J Olsen (appointed 10 July 2023)
S Olsen
E Olson-Williams (resigned 1 February 2023)

Executive Management

The trustees delegate day-to-day management of the charity to the Managing Director. Kate Moore was promoted to Managing Director in December 2022 and continues to serve in this position at the time of writing this report.

Organisations providing services or professional advice

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

STRUCTURE, GOVERNANCE & MANAGEMENT

Title and Objects

The Pangea Trust is a company Limited by Guarantee and not having a Share Capital. Our guiding document is our Articles of Association, most recently reviewed on 24th February 2022.

The objects of the Charity, as laid out in our Articles of Association are, for the public benefit:

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

Governing Body and Structure

Our governing body is a Board of Directors. The Directors are the Trustees of the charity. On 31 December 2022, there were 5 Trustees. The minimum number of Trustees shall be three and the maximum number shall be twelve. The Board meets quarterly.

Decision Making

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

Operational responsibility is delegated to the Managing Director.

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

Trustees

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

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

Partners

Thank you to all our partners, as below:

Members

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

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

Philanthropic lenders

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

Other partnerships

- The governing municipalities of Vila Do Alandroal, Vila Viçosa Camara Municipal
- Universidade de Evora: partner on research and monitoring
- PLMJ Advogados SP RL: pro-bono legal support
- STRIX: environmental impact assessment and coordination of licences

Advisory group

The Pangea Trust has 12 individuals on its Technical Advisory Group (as of 31st December 2022). These individuals are experts in fields relevant to the objects and vision of the charity. All Technical Advisors and Advisors to the Board are listed and kept up to date on the charity's website.

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

FINANCIAL REVIEW

Overview

In the financial year of 2022, unrestricted income from member donations was £543,496, representing a year-on-year increase of 31% from £406,188 in 2021. Net income during the same period increased by 26%, from £320,045 to £404,506.

Total expenditure has increased from £86,143 in 2021 to £138,990 primarily due to the additional resources required to support the land acquisition, linked to our core goal of establishing a sanctuary for elephants and native wildlife.

Due to downpayments on the land in December 2022, fixed assets of £655,230 are now registered in the balance sheet. These payments were met by funds from Pangea's unrestricted reserves. The final balance of £1,510,353 will be paid in 2023, £1,300,000 of which will be funded through philanthropic loans.

Total charity funds stood at £915,871 on 31st December 2022 – up on the previous period of £511,365 in 2021.

Thanks to the support of the members, Pangea is in a strong financial position, ensuring that loan repayments and operations costs can be met in 2023. In order to meet the strategic objectives for 2023-4, as outlined in this report, funds must be raised to meet the capital costs of phase one of site development.

Future Planning and Risks

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

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

Reserves Policy

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

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

Plans for Future Periods

A 5-year business plan and associated budget has been approved by the Trustees, and the corresponding strategic priorities for 2023-5 are outlined earlier in this report. In terms of financial planning, member contributions are allocated to core operations costs and philanthropic loan repayments, meaning that fundraising activities can focus on meeting the shortfall on capital expenditure.

Statement of Responsibilities of the Trustees

The trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing those financial statements the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the applicable Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Independent Examiners

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

Approved by the trustees on 30 July 2022 and signed on their behalf by



Michael Reynier - Chair, the Pangea Trust

INDEPENDENT EXAMINER'S REPORT

To the trustees of

The Pangea Trust

I report to the trustees on my examination of the accounts of The Pangea Trust (the charitable company) for the year ended 31 December 2022, which are set out on pages 18 to 29.

Responsibilities and basis of report

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

Having satisfied myself that the accounts of the charitable 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 charitable company'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 in England and Wales (ICAEW), which is one of the listed bodies. Godfrey Wilson Limited also provides bookkeeping and payroll services to the charitable company. I confirm that as a member of the ICAEW I am subject to the FRC's Revised Ethical Standard 2016, which I have applied with respect to this engagement.

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

- (1) accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts 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 accounts 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).

INDEPENDENT EXAMINER'S REPORT

To the trustees of

The Pangea Trust

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.

Rob Wilson

Date: 21 August 2023

Rob Wilson FCA

Member of the ICAEW

For and on behalf of:

Godfrey Wilson Limited

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BSI 4QD

The Pangea Trust

STATEMENT OF FINANCIAL ACTIVITIES *(incorporating an income and expenditure account)*

For the year ended 31 December 2022

				2022	Restated 2021
	Note	Restricted £	Unrestricted £	Total £	Total £
Income from:					
Donations	2	-	543,496	543,496	406,188
Total income		-	543,496	543,496	406,188
Expenditure on:					
Raising funds		-	20,912	20,912	12,020
Charitable activities		-	118,078	118,078	74,123
Total expenditure	3	-	138,990	138,990	86,143
Net income and net movement in funds		-	404,506	404,506	320,045
Reconciliation of funds:					
Total funds brought forward		-	511,365	511,365	191,320
Total funds carried forward		-	915,871	915,871	511,365

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. In the current and prior years all income and expenditure was unrestricted

Prior period income and expenditure have been reclassified to reflect the requirements of the Charities SORP (FRS 102) and to be comparable with the current year. The restatements are purely reclassifications of expenditure and do not affect net income.

The Pangea Trust

BALANCE SHEET

As at 31 December 2022

	Note	£	2022 £	2021 £
Fixed assets				
Tangible assets	7		<u>655,230</u>	<u>-</u>
			655,230	-
Current assets				
Debtors	8	450		97,674
Cash at bank and in hand		<u>263,346</u>		<u>417,271</u>
		263,796		514,945
Liabilities				
Creditors: amounts falling due within 1 year	9	<u>(3,155)</u>		<u>(3,580)</u>
Net current assets			<u>260,641</u>	<u>511,365</u>
Net assets			<u><u>915,871</u></u>	<u><u>511,365</u></u>
Funds				
Unrestricted funds				
General funds			<u>915,871</u>	<u>511,365</u>
Total charity funds			<u><u>915,871</u></u>	<u><u>511,365</u></u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477(2), and that no member or members have requested an audit pursuant to section 476 of the Act.

The Pangea Trust

BALANCE SHEET

As at 31 December 2022

The directors acknowledge their responsibilities for:

- (i) ensuring that the Company keeps proper accounting records which comply with section 386 of the Act; and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

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

Approved by the trustees on 30 July 2023 and signed on their behalf by

Michael Reyner - Chair



The Pangea Trust

STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	2022 £	2021 £
Cash used in operating activities:		
Net movement in funds	404,506	320,045
Adjustments for:		
Decrease in debtors	97,224	49,075
Increase / (decrease) in creditors	(425)	2,080
Net cash provided by operating activities	501,305	371,200
Cash flows from investing activities:		
Purchase of tangible fixed assets	(655,230)	-
Net cash (used in) investing activities	(655,230)	-
Increase / (decrease) in cash and cash equivalents in the year	(153,925)	371,200
Cash and cash equivalents at the beginning of the year	417,271	46,071
Cash and cash equivalents at the end of the year	263,346	417,271

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

The Pangea Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

I. Accounting policies

a) Basis of preparation

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

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

b) Going concern basis of accounting

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

c) Income

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

d) Funds accounting

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

e) Expenditure and irrecoverable VAT

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

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

The Pangea Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

I. Accounting policies (continued)

f) Allocation of support and governance costs

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

Raising funds	25.0%
Charitable activities	75.0%

g) Tangible fixed assets

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

Freehold buildings	30 years
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Items of equipment are capitalised where the purchase price exceeds £1,000.

h) Debtors

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

i) Cash at bank and in hand

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

j) Creditors

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

The Pangea Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. Accounting policies (continued)

k) Pension costs

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

l) Foreign currency transactions

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

m) Accounting estimates and key judgements

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

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

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are depreciation as described in note 1g above.

2. Income from donations and legacies

	2022	2021
	Total	Total
	£	£
Brigitte Bardot Foundation	202,247	175,925
Born Free Foundation	200,000	172,675
Olsen Animal Trust	141,249	57,588
Total income from donations and legacies	543,496	406,188

In the current and prior period all income from donations was unrestricted.

The Pangea Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

3. Total expenditure

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

Total governance costs were £4,240 (2021: £2,050)

The Pangea Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

3. Total expenditure Prior period comparative (restated)				Restated
	Raising funds £	Charitable activities £	Support and governance costs £	2021 Total £
Legal and professional fees	-	33,470	9,796	43,266
Staff costs (note 5)	7,211	21,633	7,211	36,055
Bank charges	-	-	110	110
Travel	-	4,513	-	4,513
Printing, postage and stationery	-	80	-	80
Telephone and internet	-	-	69	69
Accountancy fees	-	-	2,050	2,050
Sub-total	7,211	59,696	19,236	86,143
Allocation of support and governance costs	4,809	14,427	(19,236)	-
Total expenditure	12,020	74,123	-	86,143

The Pangea Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

4. Net movement in funds

This is stated after charging:

	2022 £	2021 £
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	Nil	Nil
Independent examiner's remuneration:		
▪ Independent examination (including VAT)	3,240	2,055
▪ Under accrual for prior year	1,000	Nil
	<u>4,240</u>	<u>2,055</u>

5. Staff costs and numbers

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	51,000	36,000
Social security costs	1,351	55
	<u>52,351</u>	<u>36,055</u>

No employee earned more than £60,000 during the current or prior year.

The key management personnel of the charitable company comprises the Trustees, none of whom were remunerated in the current or prior years.

	2022 No.	2021 No.
Average head count	<u>1.00</u>	<u>1.00</u>

6. Taxation

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

The Pangea Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

7. Tangible fixed assets

	Total Land and buildings £
Cost	
At 1 January 2022	-
Additions in year	<u>655,230</u>
At 31 December 2022	<u>655,230</u>
Depreciation	
At 1 January 2022	-
Charge for the year	<u>-</u>
At 31 December 2022	<u>-</u>
Net book value	
At 31 December 2022	<u><u>655,230</u></u>
At 31 December 2021	<u><u>-</u></u>

Additions in the year relate to initial payments made purchasing land and buildings. The sale has not been finalised at the date of signing the accounts, though as a signed contract is in place the downpayments have been capitalised and the outstanding amounts are detailed in note 11. Depreciation will be provided for when the asset is bought into use.

8. Debtors

	2022 £	2021 £
Other debtors	<u>450</u>	<u>97,674</u>
	<u><u>450</u></u>	<u><u>97,674</u></u>

The Pangea Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

9. Creditors : amounts due within 1 year

	2022 £	2021 £
Accruals	2,940	2,550
Other creditors	215	-
Other taxation and social security	-	1,030
	<u>3,155</u>	<u>3,580</u>

10. Related party transactions

S Olsen is a trustee of Olsen Animal Trust, who donated £141,249 in 2022 (2021: £57,588). M Reyner and E Olson-Williams are trustees of the Born Free Foundation who donated £200,000 in 2022 (2021: £172,675). There were no other related party transactions during the current or prior years.

11. Capital commitments

At 31 December 2022 The Pangea Trust had committed to the purchase of land and buildings located in São Brás dos Matos (Mina do Bugalho), Portugal. Non-refundable costs have been recognised in the year to 31 December 2022 with a balance of £655,320 being held in fixed assets comprising two initial payments made in the year. The total purchase price outstanding in GBP at the year end conversion rate (excluding legal and survey costs) is £1,510,353, £1,300,000 of which will be funded via interest free philanthropic loans from three individuals. Contracts were exchanged on 12 December 2022 with completion due to take place in April 2023.

With special thanks to our members and partners:



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