

**Charity number: 1101494**

# **THE ARISAIG PARTNERS FOUNDATION**

## **ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

## **THE ARISAIG PARTNERS FOUNDATION**

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## **THE ARISAIG PARTNERS FOUNDATION**

### **REFERENCE AND ADMINISTRATIVE DETAILS OF THE FOUNDATION, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **Trustees**

Charles Duff Lord Carnegie (resigned on 29 July 2022)  
Alan Joseph Healy (resigned on 29 July 2022)  
Vatsal Mody (Appointed on 5 May 2021)  
Lilian Wang (Appointed on 5 May 2021)  
Charlotte Carter (Appointed on 5 May 2021)  
Steven Bryce (Appointed on 1 July 2022)  
Alice Louisa Townshend (resigned on 4 May 2021)  
Rebecca Jane Lewis (resigned on 4 May 2021)

#### **Charity registered number**

1101494

#### **Registered office**

Tricor Suite, 4th Floor  
50 Mark Lane  
London  
EC3R 7QR

#### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
One Kingsway  
Cardiff  
CF10 3PW

#### **Bankers**

HSBC  
24 Market Place, Frome, Somerset, BA13 1AJ

#### **Solicitors**

Stone King LLP  
Thirty Station Road, Cambridge, CB1 2RE

#### **Custodian**

UBS AG  
Wealth Management, 1 Curzon Street, London, W1J 5UB

#### **Administrator**

Citco Fund Services (Singapore) Pte. Ltd.  
10, Changi Business Park Central 2, #05-01, Hansapoint@CBP, Singapore 486030

## THE ARISAIG PARTNERS FOUNDATION

### TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their annual report together with the audited financial statements of the Arisaig Partners Foundation (the "Foundation") for the year from 1 January 2021 to 31 December 2021.

#### Objectives and Activities

##### a. Policies and objectives

The objective of the Foundation is to make grants for charitable purposes for the benefit of the public in any part of the world as the Trustees may in their absolute discretion think fit. Historically the grants made by the Trustees focused on providing education opportunities for the young in the less developed countries, but from 2021 onwards the focus has shifted towards female empowerment in emerging markets, primarily in India, with a bias towards menstrual hygiene and microfinance projects. This alteration more closely aligns the Foundation's objectives with that of key donor Arisaig Partners.

##### b. Strategies and activities for achieving objectives and grant making policies

The Foundation delivers its objectives through established charity organisations, which are short-listed based on their track record, financial transparency and operational capability. Relationships with new partner organisations tend to commence with a trial project and on successful execution, the Trustees look to establish multi-year projects that aims to achieve high impact at scale. Reviews are performed by Trustees pre and post the trial period, and at pre-agreed intervals as agreed with charity partnerships at the outset of projects. Reviews consist of report updates provided by partner organisations and site visits by the Trustees or appointed representatives from the Arisaig Partners Group.

#### Achievements and performance

##### a. Review of activities

The Trustees review periodic updates from the sponsored organisations on a number of key aspects including financial position, operational capability, and impact delivered to the beneficiaries. Reviews are performed via on-site visits to beneficiary locations and/or virtual meetings by a Trustee or an employee of the Arisaig Partners Group.

Charitable donations totalling £106,881 (2020: £368,410) were made to 2 (2020: 12) main charity organisations and beneficiaries during the year ended 31 December 2021. The Trustees also agreed to support two additional initiatives, the financing of which will take place in the first half of 2022. The beneficiaries of the donations were as follows:

- **EMpower** is a registered EMpower's roots reach back to 2000, when a group of finance professionals came together around giving back to the emerging market countries where they did business, much like Arisaig Partners. Its strategic focus is on marginalised youth—especially girls—to help them realise their potential. We undertook a trial project that provided grants to a number of underlying charities tackling gender inequality issues in India. To date, the programs have reached hundreds of people and trained dozens of future leaders to combat these issues in their local communities. We particularly like EMpower's philosophy of creating girl groups to identify major issues and to prioritise them in finding solutions.
- **Uninhibited Foundation** (previously Sukhibhava Foundation) is a registered charity in India, co-founded by Dilip Pattubala. Uninhibited's mission is to make menstruation a non-issue in marginalised communities across India; this is the sole focus of the organisation meaning it strongly aligns with the Foundation's objective of reducing gender inequality (by improving menstrual hygiene levels in India). Our maiden project with Uninhibited involved delivering menstrual hygiene awareness sessions in person (pre-COVID) and via telecalling (post-COVID) via a structured four-point module program that was created in-house. There is also an option to consult doctors for free via tele-calling, an accessible option for marginalised women and girls. Uninhibited aims to reach 1.8 million menstruators, men and boys by 2027.

## **THE ARISAIG PARTNERS FOUNDATION**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **Achievements and performance (continued)**

##### **b. Investment policy and performance**

The Foundation's investment strategy is to ensure that excess cash holdings are put to good use for generating healthy returns from a diversified portfolio of long-term sustainable investments to fund the charity projects. The aim of the Foundation's investments is to generate steady, predictable returns that can support the underlying projects and to hold at least one third of the portfolio in companies that generate positive social impact.

The net gain on all investments for 2021 was 8.7% (2020: net gain of 4.6%). The portfolio achieves diversification by investing in a broad range of consumer sectors and geographical markets. As at 31 December 2021, the portfolio contained 26 holdings (2020: 26).

The majority of the Foundation's investments are administered and custodied by UBS AG under a managed account.

##### **c. Factors relevant to achieve objectives**

The sponsored organisations are selected based on their track records, financial transparency, and charitable objectives. The Foundation monitors the achievement of its objectives by receiving periodic updates to ensure the grants made are focused on improving female empowerment and also by conducting site visits to these sponsored organisations who share a similar objective with the Foundation.

Site visits may be conducted by the Trustees or employees of Arisaig Partners Group. Site visits are conducted mainly to determine the sentiments on the ground, the partner organisation's operational capabilities, and to also assess the general well-being and progress of the ultimate beneficiaries. Typically the observations from the site visit, including photographs, are collated into a site visit report. Due to COVID-19 pandemic and the resultant border restrictions imposed by various governments, the trustees were not able to conduct site visits during the financial year 2021. Instead, virtual meetings reviews are performed by the trustees with the beneficiaries.

#### **Financial review**

##### **a. Going concern**

After making appropriate enquiries and preparing cash flow projections for the Foundation, the Trustees have assessed that it is reasonable to expect that the Foundation has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

##### **b. Reserve policy**

In the long term, the Foundation aims to accumulate reserves through donations and investment returns. The unrestricted reserves shall be invested with a long-term view to achieve steady returns to fund the underlying programmes.

The Trustees review the reserve policy annually and accordingly make decisions with respect to the utilisation of the reserves amount. The unrestricted reserves as at 31 December 2021 were £21,302,927 (2020: £19,311,385).

## **THE ARISAIG PARTNERS FOUNDATION**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **Financial review (continued)**

##### **c. Principal funding**

The Foundation is funded by donations from Arisaig Partners (Holdings) Ltd. ("AP Holdings"), and its subsidiaries. Donation amounts are determined based on overall group profits each year.

During the year ended 31 December 2021, the Foundation received £243,742 (2020: £174,413) cash donation from AP Holdings.

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

##### **Public benefit**

The Trustees believe that carrying out the aims of the Foundation provides a public benefit in a number of areas, including: uplifting women and girls who are in conditions of need, hardship or distress; and up until 2021, the advancement of education and training of children living in disadvantaged communities. The Trustees have complied with their duty to have due regard to the commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

The Trustees also believe that the degree of public access is sufficient for the Foundation's aims to be carried out for the public benefit. The main activity of the Foundation is the making of grants to communities outside the UK, particularly in the less developed world, to help reduce poverty and hardship and to improve the quality of life for beneficiary communities. There are no restrictions on who may apply to the Foundation for grants or programme related investments, subject to qualifying under the objects of the Foundation.

##### **Structure, governance and management**

Charles Duff Lord Carnegie, Alan Joseph Healy, Alice Louisa Townshend and Rebecca Jane Lewis are trustees for 2021.

Alice Louisa Townshend and Rebecca Jane Lewis resigned as trustees on 4 May 2021. Charlotte Carter, Vatsal Mody and Lilian Wang have been appointed as trustees on 5 May 2021. Steven Bryce has been appointed as a trustee on 1 July 2022. Charles Duff Lord Carnegie and Alan Joseph Healy resigned as trustees on 29 July 2022.

##### **a. Method of appointment or election of Trustees**

The management of the Foundation is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

##### **b. Policies adopted for the induction and training of Trustees**

The procedures to induct Trustees are detailed in the Trust deed of the Foundation. Trustees are entitled to hold office for life. A Trustee will cease to hold office if he/she is disqualified under the Charities Act 2011, mentally or physically incapable of managing his/her own affairs, absent from three consecutive meetings of the Trustees, resigns by written notice or removed by a resolution passed by all other Trustees. There should be at least two Trustees holding office at any one time. The power of appointing new Trustees is vested in the Trustees, who shall make such appointments by deed.

The Trustees are aware of their responsibilities as detailed in the Trust deed. The Trustees are kept up to date of their responsibilities through circulars issued by the Charity Commission. Where applicable, Trustees will devise the necessary action plans arising from circulars.

## THE ARISAIG PARTNERS FOUNDATION

### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

#### Structure, governance and management (continued)

##### c. Organisational structure and decision making

At regular Trustees' meetings, the Trustees agree strategy and areas of activity, including charity reviews and performance, grant making, investments and reserves, and risk management policies. The operational duties of the Foundation are split among the Trustees. The Foundation does not have any employees.

##### d. Related party relationships

Certain investments held by the Foundation are investments in funds managed or sub managed by Arisaig Partners (Asia) Pte. Ltd. ("AP Asia"). In 2021, Rebecca Jane Lewis was a director of AP Asia. Rebecca Jane resigned as trustee on 4 May 2021. As at 31 December 2020, Rebecca Jane Lewis was a director of AP Holdings and AP Asia.

Charles Duff Lord Carnegie manages the Foundation's investment portfolio.

##### e. Risk management

The Trustees have considered the major risks to which the Foundation is exposed and have established systems and procedures to manage those risks. The Trustees consider variability of investment returns and fluctuating exchange rates as the Foundation's major risks. These risks are mitigated by a well-diversified portfolio of investments. The expenses of the Foundation, including grants to organisations supported by the Foundation, are mainly paid in US dollars and the majority of the investment portfolio is denominated in US dollars to minimise foreign exchange risk.

The following statements summarise the Foundation's policy in managing identified forms of financial risk:

**Foreign exchange risk** — the Foundation's investments are valued in Euro ("EUR"), Swiss Franc ("CHF"), Great Britain Pound ("GBP") and United States Dollar ("USD"). Therefore, it is exposed to foreign exchange risks due to fluctuations in the exchange rates. The Foundation does not undertake any actions to hedge its foreign exchange risk as the portfolio is well diversified by construction.

**Credit risk** — the Foundation's exposure to credit risk is minimal as there is an immaterial balance of accounts receivable in the financial statements and cash transactions are limited to high credit quality firms and institutions.

**Liquidity risk** — the Foundation retains a cash balance at all times which is sufficient to meet the short-term liabilities and expenditures. The majority of the investment portfolio is invested in mostly highly liquid listed equities (refer to Note 11 for more details) which are readily convertible to cash.

**Interest rate and cash flow risk** — the Foundation has limited exposure to interest rate risk and invests in dividend paying equities to ensure a continuous stream of cash flow is generated throughout the year.

The Trustees determined that there are no significant non-financial risks. The Foundation follows the same policies and procedures as AP Holdings and its subsidiaries.

## THE ARISAIG PARTNERS FOUNDATION

### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

#### Plans for the future

The Foundation was created in 2004 as a charitable organisation under provisions of its trust deed, as varied with the objective of providing education opportunities for the young in less developed countries. The Foundation previously provided grants to institutions in a number of countries, mainly in emerging markets, but today just focusses on India.

Post year end 2020 the Trustees conducted a review of the vision, mission and strategy of the Foundation. The conclusion of this review was that the Foundation's main objective should focus on female empowerment in underprivileged countries.

We believe that supporting women's livelihood is the key to building more prosperous communities across Asia, Africa and Latin America. Empowering women both socially and economically – enabling them to make choices and take decisions – is proven to accelerate development and sustainably reduce poverty.

Indeed, when resources are placed in women's hands, they typically 'invest' in their households and communities significantly more than men. This in turn leads to greater child school attendance and lower dropout rates at puberty; less malnourishment; better understanding of the right to live free from abuse and exploitation; less urban drift to city slums; improved community integration and, ultimately, a greater quality of life for themselves and their families.

We plan to find and partner with social empowerment projects in the Water, Sanitation & Hygiene (WASH), livelihood training and microfinance spaces. In 2020 we identified two partners based in India, namely Uninhibited and Myna Mahila, that are doing great work raising awareness of menstrual hygiene issues at scale.

Since then we identified a couple more, EMpower and Pratham, that closely align with the Foundation's objectives. EMpower has been onboarded as a long-term partner while a trial project is currently underway with Pratham. Furthermore, the Trustees identified a partner in the microfinance field that we are very excited about and a multi-year project recently commenced.

At the same time, the Foundation's investment portfolio has begun increasing the allocation towards companies that not only achieve positive financial outcomes but also positive societal outcomes. The Trustees added Arisaig's Next Generation Impact Fund and a couple of external managers to aid with this process. This transition should largely be complete by the end of 2022.

During the year the Trustees launched the Foundation's first website which can be found at <https://www.arisaig-foundation.com>. Prospective partners can apply for grant funding directly through this new website.

The Trustees are very excited by the progress made in 2021 and look forward to deepening our relationships with new and existing partners in the year ahead.

#### Impact of COVID-19

Subsequent to the outbreak of the Coronavirus Disease 2019 ("COVID-19 outbreak") in early 2020, a series of government measures to curb the COVID-19 outbreak was implemented within UK and many other countries throughout the world. These include quarantines, and travel and border restrictions, which have led to business disruptions, and caused general economic uncertainty. These government measures were eased in 2021 in UK and other countries.

The Foundation has evaluated all subsequent events and has determined that no additional items require disclosure. The Foundation is continuously monitoring the development of the COVID-19 pandemic and its related impact on the Foundation's activities and investments. As at the date of these financial statements, the Foundation is not aware of any material impact on the financial statements arising from the COVID-19 pandemic.

#### Independent auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Foundation will be proposed at the next Trustees' meeting.



## **THE ARISAIG PARTNERS FOUNDATION**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **Statement of Trustees' responsibilities**

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102, 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 business.

The trustees are responsible for keeping proper 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

This report was approved by the Trustees on 27 October 2022 and signed on their behalf by:



**Vatsal Mody**  
Trustee

## THE ARISAIG PARTNERS FOUNDATION

# Report on the audit of the financial statements

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### Opinion

In our opinion, The Arisaig Partners Foundation's financial statements (the "financial statements"):

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Regulation 8 of The Charities (Accounts and Reports) Regulations 2008.

We have audited the financial statements, included within the Annual Report (the "Annual Report"), which comprise: the balance sheet as at 31 December 2021; the statement of financial activities for the year then ended, cash flow statement for the year then ended; the accounting policies; and the notes to the financial statements, which include a description of the significant accounting policies.

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### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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### Conclusions relating to going concern

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 the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charity's ability to continue as a going concern.

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

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### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Charities Act 2011 requires us also to report certain opinions and matters as described below.

## THE ARISAIG PARTNERS FOUNDATION

# *Independent auditors' report to the Trustees of The Arisaig Partners Foundation (continued)*

### *Trustees' Report*

Under the Charities Act 2011 we are required to report to you if, in our opinion the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

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### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the trustees for the financial statements*

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

#### *Auditors' responsibilities for the audit of the financial statements*

We are eligible to act and have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Based on our understanding of the charity/industry, we identified that the principal risks of non-compliance with laws and regulations related to the Charity, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011 and relevant regulations made or having an effect thereunder, including The Charities (Accounts and Reports) Regulations 2008. We evaluated the incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) by the trustees and those responsible for, or involved in, the preparation of the financial statements, and determined that the principal risks were related to the posting of inappropriate journal entries to show higher income and endowments and the misappropriation of cash by removing cash from the business. Audit procedures performed included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, testing accounting estimates (because of the risk of management bias), and evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

THE ARISAIG PARTNERS FOUNDATION

***Independent auditors' report to the Trustees of The Arisaig Partners Foundation (continued)***

**Use of this report**

This report, including the opinions, has been prepared for and only for the charity's trustees as a body in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act (Part 4 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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**Other required reporting**

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**Charities Act 2011 exception reporting**

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept by the charity; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cardiff  
27 October 2022

**THE ARISAIG PARTNERS FOUNDATION****STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>Note</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Income from donations and legacies</b>			
Donations and Legacies	3	<b>243,742</b>	174,413
Investment income	4	<b>179,588</b>	199,037
<b>Total</b>		<b>423,330</b>	373,450
<b>Expenditure on:</b>			
Raising funds		<b>14,731</b>	11,045
Charitable activities	5	<b>154,553</b>	603,077
<b>Total</b>		<b>169,284</b>	614,122
<b>Net income/(expense) before investment gain</b>		<b>254,046</b>	(240,672)
Net gain on investments	11	<b>1,737,496</b>	837,249
<b>Net movement in funds</b>		<b>1,991,542</b>	596,577
<b>Reconciliation of funds:</b>			
Total funds brought forward		<b>19,311,385</b>	18,714,808
<b>Total funds carried forward</b>		<b>21,302,927</b>	19,311,385

All of the funds of the Foundation are unrestricted.

The notes on pages 14 to 20 form part of these financial statements.

## THE ARISAIG PARTNERS FOUNDATION

BALANCE SHEET  
AS AT 31 DECEMBER 2021

	Note	£	2021 £	£	2020 £
<b>Fixed assets</b>					
Investments	11		20,082,402		18,347,248
<b>Current assets</b>					
Debtors	12	257,137		186,912	
Cash and cash equivalents	16	991,423		802,482	
			<u>1,248,560</u>	<u>989,394</u>	
<b>Creditors:</b> amounts falling due within one year	13	(28,035)		(25,257)	
			<u>1,220,525</u>	<u>964,137</u>	
<b>Net current assets</b>					
			<u>21,302,927</u>	<u>19,311,385</u>	
<b>Net assets</b>					
<b>The funds of the charity</b>					
Unrestricted	14		21,302,927		19,311,385
			<u>21,302,927</u>	<u>19,311,385</u>	
<b>Total charity funds</b>			<u><u>21,302,927</u></u>	<u><u>19,311,385</u></u>	

The financial statements on pages 11 to 20 were approved by the Trustees on 27 October 2022 and signed on their behalf by:

Vatsal Mody

**THE ARISAIG PARTNERS FOUNDATION****CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>Note</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	15	<b>7,011</b>	(614,413)
<b>Cash flows from investing activities</b>			
Dividend income		<b>179,588</b>	197,274
Interest income		-	1,763
Purchase of investments		-	(7,366,785)
Disposal of investments		<b>2,342</b>	6,930,349
<b>Net cash generated from/(used in) investing activities</b>		<b>181,930</b>	(237,399)
<b>Change in cash and cash equivalents in the year</b>		<b>188,941</b>	(851,812)
Cash and cash equivalents brought forward		<b>802,482</b>	1,654,294
Cash and cash equivalents carried forward	16	<b>991,423</b>	802,482

The notes on pages 14 to 20 form part of these financial statements.

## THE ARISAIG PARTNERS FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared to give a 'true and fair' view and 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 relevant version of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these financial statements. The financial statements have been prepared in accordance with the relevant version of 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) and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice.

##### 1.2 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Foundation and which have not been designated for other purposes.

##### 1.3 Income from donations and legacies

Donations received in cash are recognised as income when the Foundation's right to receive payment is established.

Donations in specie are recognised on the trade date, being the date, the Foundation legally received the rights to the donated shares. This income is valued at fair value based on the quoted market price on the trade date.

##### 1.4 Expenditure

Support costs are those costs incurred directly in support of expenditure on the objects of the Foundation. Governance costs are those incurred in connection with administration of the Foundation and compliance with constitutional and statutory requirements. Support costs are recorded on an accruals basis.

Expenditure on raising funds are costs incurred in attracting voluntary income and includes fees of the investment manager which are accounted for on an accruals basis.

Charitable activities costs are costs incurred on the Foundation's educational operations, including support costs and costs relating to the governance of the Foundation apportioned to charitable activities. Support costs are recognised as noted above. Costs of grants made by the Foundation are recognised in full when the grant is approved by the Trustees.

##### 1.5 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at cost and subsequently measured at fair value at the balance sheet date. The fair value of investments traded in active markets is based on quoted market bid prices at the close of trading on the reporting date. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'net gains on investments' in the Statement of financial activities.



## THE ARISAIG PARTNERS FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

#### 1. ACCOUNTING POLICIES (continued)

##### 1.6 Dividend receivable

Dividends on financial assets are recognised in the Statement of financial activities when the Foundation's right to receive payment is established.

##### 1.7 Debtors

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

##### 1.8 Cash and cash equivalents

Cash at bank and 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.

##### 1.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Foundation anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

##### 1.10 Interest income

Interest income is recognised using the effective interest method.

##### 1.11 Foreign currencies

###### Functional and presentation currency

The Foundation's functional and presentational currency is GBP. The Trustees determined the functional currency of the Foundation to be GBP. The Trustees evaluated, among other factors, in particular the regulatory and economic environment of the Foundation.

###### Transactions and balances

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the statement of financial activities and within the year to which they relate.

**THE ARISAIG PARTNERS FOUNDATION****NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2021****2. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances. There were no significant critical judgements and estimation uncertainty at the end of reporting year for 2020 and 2021.

**3. DONATIONS AND LEGACIES**

	2021 £	2020 £
Cash donations from AP Holdings	<u>243,742</u>	<u>174,413</u>

**4. INVESTMENT INCOME**

	2021 £	2020 £
Dividend income	179,588	197,274
Interest income	-	1,763
	<u>179,588</u>	<u>199,037</u>

**5. CHARITABLE ACTIVITIES**

	2021 £	2020 £
Charitable activities comprise:		
Support costs (note 6)	47,672	234,667
Activities costs (note 7)	106,881	368,410
	<u>154,553</u>	<u>603,077</u>

**6. SUPPORT COSTS**

	2021 £	2020 £
Net exchange loss on cash	23,426	207,737
Auditors' remuneration - statutory audit (note 9)	9,000	6,670
Bank charges	300	50
Subtotal	<u>32,726</u>	<u>214,457</u>
Other support costs	14,946	20,210
	<u>47,672</u>	<u>234,667</u>

**THE ARISAIG PARTNERS FOUNDATION****NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2021****7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY**

	Grant of funding of activities 2021 £	Support costs 2021 £	Total 2021 £	Total 2020 £
Female empowerment	106,881	47,672	154,553	157,734
Education and training	-	-	-	430,343
Community	-	-	-	15,000
	<b>106,881</b>	<b>47,672</b>	<b>154,553</b>	<b>603,077</b>

Female empowerment	2021 £	2020 £
Empower	58,209	-
Uninhibited Foundation (previously Sukhibava Foundation)	48,672	20,200
Myna Mahila Foundation	-	20,200
	<b>106,881</b>	<b>40,400</b>

Education and training	2021 £	2020 £
Street Child Africa	-	50,011
ACE Africa	-	50,318
Green Gecko Project	-	46,938
Mercy Centre Preschool	-	44,861
Virlanie Foundation	-	39,209
Magic Bus India	-	29,278
The Akanksha Foundation	-	28,046
Temple Garden Foundation	-	20,349
The Cooperation for Advancement, Rehabilitation and Education	-	4,000
	-	<b>313,010</b>

Community grants	2021 £	2020 £
The Arisaig Community Council's Fund	-	15,000
	-	<b>15,000</b>

All grants in the above tables were paid to institutional beneficiaries during the year 2021 and 2020.

**8. TRUSTEES' REMUNERATION AND EXPENSES**

During the year 2021 and year 2020, no Trustees received any remuneration.

During the year 2021 and year 2020, no Trustee received reimbursement of travel expenses for site visits to beneficiaries' locations.

**9. AUDITORS' REMUNERATION**

During the year 2021, the Auditors' remuneration amounts to £9,000 (2020 - £6,670).

**10. STAFF COSTS**

During the year 2021 and year 2020, the Foundation has no employees other than the Trustees, who did not receive any remunerations.

# THE ARISAIG PARTNERS FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

### 11. INVESTMENTS

	<b>Listed securities £</b>	<b>Unlisted securities £</b>	<b>Total £</b>
As at 1 January 2020	12,002,369	5,071,194	17,073,563
Additions	2,004,000	5,362,785	7,366,785
Disposals	(2,566,474)	(4,363,875)	(6,930,349)
Net gain on investments	414,209	423,040	837,249
As at 31 December 2020	<u>11,854,104</u>	<u>6,493,144</u>	<u>18,347,248</u>
As at 1 January 2021	<b>11,854,104</b>	<b>6,493,144</b>	<b>18,347,248</b>
Disposals	-	(2,342)	(2,342)
Net gain on investments	<b>1,735,217</b>	<b>2,279</b>	<b>1,737,496</b>
As at 31 December 2021	<u><b>13,589,321</b></u>	<u><b>6,493,081</b></u>	<u><b>20,082,402</b></u>

#### Investments at market value comprise:

	<b>UK 2021 £</b>	<b>Overseas 2021 £</b>	<b>Total 2021 £</b>	<b>Total 2020 £</b>
Listed investments	1,224,383	12,364,938	<b>13,589,321</b>	11,854,104
Unlisted investments	-	6,493,081	<b>6,493,081</b>	6,493,144
	<u>1,224,383</u>	<u>18,858,019</u>	<u><b>20,082,402</b></u>	<u>18,347,248</u>

As at 31 December 2021, 68% (2020 - 65% of the investments) were listed investments and 32% (2020 - 35%) were unlisted investments.

#### Valuation

The historical cost of the investments above is £13,008,772 (2020 - £13,022,095).

The net revaluation loss comprises all increases and decreases in the market value of investments held at any time during the year.

#### Material investments

Investments included in the above with a market value greater than 5% of the total portfolio's market value at 31 December are as follows:

	<b>2021 £</b>	<b>2020 £</b>
Arisaig Next Generation Feeder ICAV	<b>6,102,665</b>	6,077,983
Findlay Park US Smaller Companies Fund	<b>1,322,813</b>	1,044,255
FP WHEB Sustainability Fund	<b>1,258,215</b>	1,097,987
Montanaro Better World G D (LIP)	<b>1,348,323</b>	1,123,490
	<u><b>10,032,016</b></u>	<u>9,343,715</u>

**THE ARISAIG PARTNERS FOUNDATION****NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2021****12. DEBTORS**

	2021 £	2020 £
Dividend receivable	13,395	12,661
Donation receivable	243,742	174,251
	<u>257,137</u>	<u>186,912</u>

**13. CREDITORS: Amounts falling due within one year**

	2021 £	2020 £
Other creditors	28,035	25,257

**14. STATEMENT OF FUNDS**

	Brought forward £	Income £	Expenditure £	Investment Gain £	Carried Forward £
<b>2020</b>					
General Funds - all funds	18,714,808	373,450	(614,122)	837,249	19,311,385
<b>2021</b>					
General Funds - all funds	19,311,385	423,330	(169,284)	1,737,496	21,302,927

**15. NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES**

	2021 £	2020 £
Net income for the year (as per Statement of financial activities)	1,991,542	596,577
Adjustment for:		
Net gain on investments	(1,737,496)	(837,249)
Dividend income	(179,588)	(197,274)
Interest income	-	(1,763)
Increase in debtors	(70,225)	(174,634)
Increase/(decrease) in creditors	2,778	(70)
Net cash provided by/(used in) operating activities	<u>7,011</u>	<u>(614,413)</u>

**16. CASH AND CASH EQUIVALENTS**

	2021 £	2020 £
Cash at bank	991,423	802,482

**THE ARISAIG PARTNERS FOUNDATION****NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2021****17. RELATED PARTY TRANSACTIONS**

During the year 2021 and year 2020, no Trustee received any reimbursement of travel expenses for site visits to the beneficiaries' location.

**AP Holdings**

The Foundation received donations in the amount of £243,742 (2020: £174,413) from AP Holdings.

As at 31 December 2020, one trustee, Rebecca Jane Lewis, is also a director of AP Holdings. In 2021, the trustee was a director of AP Holdings until her resignation as trustee on 4 May 2021.

**AP Asia**

As at 31 December 2020, Rebecca Jane Lewis, is a director of AP Asia. In 2021, the trustee was a director of AP Asia until her resignation as trustee on 4 May 2021.

The following investments held by the Foundation are investments in funds managed or sub managed by AP Asia.

	<b>2021</b>	2020
	<b>£</b>	£
Arisaig Next Generation Feeder ICAV	<b>6,102,665</b>	6,077,983
Arisaig Africa Consumer Fund Limited ("AFCF") *	<b>2,952</b>	7,163
	<b>6,105,617</b>	6,085,146

\*The net asset value ("NAV") for AFCF was suspended and accordingly, the subscription and redemption of shares in the fund, from 19 February 2020 to 26 March 2020. This was mainly due to prolonged stock market liquidity deterioration of the fund's key investment markets and the shrinkage of the fund's asset under management causing several of these illiquid positions to become a larger portion of the NAV. The NAV suspension was lifted on 27 March 2020, after the constitution was changed and the liquidity profile had changed to 12 months. The lifting of the suspension did not mean that redemptions could commence.

On 26 March 2020, through a special meeting, the shareholders approved to commence the orderly sales of AFCF's assets and return capital to shareholders within the next 12 months. Subsequent to the special meeting, the fund has returned capital over a few tranches to shareholders and the Foundation received USD236,333 representing 83% of the total capital at the start of this process. On 8 July 2022, the Foundation received its final distributions from AFCF.

**18. TAXATION**

The Foundation is a registered charity and tax exemption applies to the income arising from and expended on charitable activities and to any investment income and gains.

**19. SUBSEQUENT EVENT**

Steven Bryce has been appointed as a trustee on 1 July 2022.

Charles Duff Lord Carnegie and Alan Joseph Healy resigned as trustees on 29 July 2022.