

THE ARISAIG PARTNERS FOUNDATION

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022

Trustees

Charles Duff Lord Carnegie (Resigned on 29 July 2022)
Alan Joseph Healy (Resigned on 29 July 2022)
Vatsal Mody
Lilian Wang
Charlotte Carter (Resigned on 30 June 2023)
Steven Bryce (Appointed on 1 July 2022)
Rebecca Jane Lewis (Appointed on 8 August 2023)

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

Keystone Law Limited
48 Chancery Lane London WCSA 1JF United Kingdom

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 2022

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 2022 to 31 December 2022.

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 £380,859 (2021: £106,881) were made to 3 (2021: 2) main charity organisations and beneficiaries during the year ended 31 December 2022. The beneficiaries of the donations were as follows:

- **EMpower** is a registered charity in India. 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 programmes 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 programmes 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 2022

Achievements and performance (continued)

b. Review of activities (continued)

- **Second Chance** - Pratham's Second Chance programme provides those who have dropped out of school, especially women, another chance at re-entering the education system, completing their secondary education and successfully passing Grade 10 board examinations. With support from the Foundation, Pratham is implemented the Second Chance programme across Bicchiwada block in Rajasthan and Jinnaram block in Telangana in 2022. The Bicchiwada block is located in rural Rajasthan, whereas the Jinnaram block is in a semi-urban region of Telangana. The programme benefited approximately 220 enrolled women.

c. 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 loss on all investments for 2022 was 18.2% (2021: net gain of 8.7%). The portfolio achieves diversification by investing in a broad range of consumer sectors and geographical markets. As at 31 December 2022, the portfolio contained 25 holdings (2021: 26).

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

d. 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 may be conducted 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.

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 2022 were £18,394,036 (2021: £21,302,927).

THE ARISAIG PARTNERS FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022, the Foundation received £79,789 (2021: £243,742) 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

Vatsal Mody, Lilian Wang, Charlotte Carter and Steven Bryce are trustees for 2022.

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. Charlotte Carter resigned as trustee on 30 June 2023. Rebecca Jane Lewis has been appointed as a trustee on 8 August 2023.

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 2022

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 until her resignation as trustee on 4 May 2021.

Steven Bryce manages the Foundation's investment portfolio (2021: Charles Duff Lord Carnegie manages the Foundation's investment portfolio until his resignation on 29 July 2022).

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 2022

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 focuses 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.

Keeping in mind the limitations of our size and resources, the Trustees decided to begin this journey with a focus on a few specific aspects of female empowerment in India. The first couple of years saw us find the most promising initiatives within sanitary hygiene (approximately 20% of menstruating women in India use sanitary pads for instance) and microfinance. Uninhibited, one of our partners whom we have now supported over the last three years, is a fine example of leading organisations working towards improving menstrual hygiene in India.

Over the course of 2022, we gradually expanded into education and vocational training for women, an important means to empower women via employment. Our partnership with Pratham with its "Second Chance" programme is an example of such a foray. We have already agreed to support Pratham's initiatives for a second year in 2023 and aim to find one or two more such organisations to partner with on education and vocational training over the course of the next couple of years.

We have also found it useful to partner with other organisations who are aligned with our objective of identifying the best organisations working towards female empowerment. With this in mind, we have partnered with EMpower, who works with dozens of organisations in India. Over the course of the next year, we aim to start working with UBS Foundation to help us find well aligned partners.

The Trustees are very excited by the progress made in 2022 and look forward to deepening our relationships with new and existing partners in the year ahead.

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 2022

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 Foundation and of the incoming resources and application of resources of the Foundation 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 Foundation 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 Foundation 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 Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees on 16 October 2023 and signed on their behalf by:



Vatsal Mody
Trustee

THE ARISAIG PARTNERS FOUNDATION

Independent auditors' report to the Trustees of The Arisaig Partners Foundation

Report on the audit of the financial statements

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 2022 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 2022; 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.

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.

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.

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.

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.

THE ARISAIG PARTNERS FOUNDATION

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

Report on the audit of the financial statements (continued)

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 non-compliance of the Charities Act 2011, 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. 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. This description forms part of our auditors' report.

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.

THE ARISAIG PARTNERS FOUNDATION

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

Other required reporting

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
16 October 2023

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

		2022 £	2021 £
	Note		
Income from donations and legacies			
Donations and legacies	3	79,789	243,742
Investment income	4	200,276	179,588
Total		<u>280,065</u>	<u>423,330</u>
 Expenditure on:			
Custodian fees		14,541	14,731
Charitable activities	5	335,502	154,553
Total		<u>350,043</u>	<u>169,284</u>
Net (expense)/income before investment gain		<u>(69,978)</u>	<u>254,046</u>
 Net (loss)/gain on investments	11	<u>(2,838,913)</u>	<u>1,737,496</u>
Net movement in funds		<u>(2,908,891)</u>	<u>1,991,542</u>
 Reconciliation of funds:			
Total funds brought forward		<u>21,302,927</u>	<u>19,311,385</u>
 Total funds carried forward		<u><u>18,394,036</u></u>	<u><u>21,302,927</u></u>

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 2022**

	Note	£	2022 £	£	2021 £
Long-term assets					
Investments	11		15,558,968		20,082,402
Loan receivable	12		300,694		-
Current assets					
Debtors	13	85,003		257,137	
Cash and cash equivalents	17	2,466,517		991,423	
		2,551,520		1,248,560	
Creditors: amounts falling due within one year	14	(17,146)		(28,035)	
Net current assets			2,534,374		1,220,525
Net assets			18,394,036		21,302,927
The funds of the charity					
Unrestricted	15		18,394,036		21,302,927
Total charity funds			18,394,036		21,302,927

The financial statements on pages 11 to 20 were approved by the Trustees on 16 October 2023 and signed on their behalf by:

Vatsal Mody

THE ARISAIG PARTNERS FOUNDATION**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	16	<u>(411,193)</u>	<u>7,011</u>
Cash flows from investing activities			
Dividend received		196,412	179,588
Interest received		5,354	-
Addition of investments	11	<u>(527,936)</u>	-
Disposal of investments	11	<u>2,212,457</u>	<u>2,342</u>
Net cash generated from investing activities		<u>1,886,287</u>	<u>181,930</u>
Change in cash and cash equivalents in the year		1,475,094	188,941
Cash and cash equivalents brought forward		<u>991,423</u>	<u>802,482</u>
Cash and cash equivalents carried forward	17	<u><u>2,466,517</u></u>	<u><u>991,423</u></u>

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 2022

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 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 and governance 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 (loss)/gain on investments' in the Statement of financial activities.

THE ARISAIG PARTNERS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2022

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 initially at the settlement amount and subsequently measured at amortised cost using effective interest method less any impairment. 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 the Sterling Pounds ("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.

1.12 Loan receivable

Loan receivable is initially recognised and measured at the amount paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment. The loan is unsecured, interest free and have final repayment dates at the end of the effective period.

THE ARISAIG PARTNERS FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022****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 2021 and 2022.

3. DONATIONS AND LEGACIES

	2022 £	2021 £
Cash donations from AP Holdings	79,789	243,742

4. INVESTMENT INCOME

	2022 £	2021 £
Dividend income	194,922	179,588
Interest income	5,354	-
	<u>200,276</u>	<u>179,588</u>

5. CHARITABLE ACTIVITIES

	2022 £	2021 £
Charitable activities comprise:		
Support (income)/costs (note 6)	(45,357)	47,672
Activities costs (note 7)	380,859	106,881
	<u>335,502</u>	<u>154,553</u>

6. SUPPORT (INCOME)/COSTS

	2022 £	2021 £
Net exchange (gain)/loss on cash	(72,422)	23,426
Auditors' remuneration - statutory audit (note 9)	10,000	9,000
Bank charges	44	300
	<u>(62,378)</u>	<u>32,726</u>
Other support costs	17,021	14,946
	<u>(45,357)</u>	<u>47,672</u>

THE ARISAIG PARTNERS FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022****7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY**

	Grant of funding of activities 2022 £	Support costs 2022 £	Total 2022 £	Total 2021 £
Female empowerment	380,859	(45,357)	335,502	154,553
	380,859	(45,357)	335,502	154,553
Female empowerment			2022 £	2021 £
EMpower			177,106	58,209
Uninhibited Foundation (previously Sukhibava Foundation)			119,133	48,672
Second Chance			84,620	-
			380,859	106,881

All grants in the above tables were paid to institutional beneficiaries during the year 2022 and 2021.

8. TRUSTEES' REMUNERATION AND EXPENSES

During the year 2022 and year 2021, no Trustees received any remuneration.

During the year 2022 and year 2021, no Trustee received reimbursement of travel expenses for site visits to beneficiaries' locations.

9. AUDITORS' REMUNERATION

During the year 2022, the Auditors' remuneration amounts to £10,000 (2021 - £9,000).

10. STAFF COSTS

During the year 2022 and year 2021, 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 2022

11. INVESTMENTS

	Listed securities £	Unlisted securities £	Total £
As at 1 January 2021	11,854,104	6,493,144	18,347,248
Disposals	-	(2,342)	(2,342)
Net gain on investments	1,735,217	2,279	1,737,496
As at 31 December 2021	13,589,321	6,493,081	20,082,402
As at 1 January 2022	13,589,321	6,493,081	20,082,402
Additions	527,936	-	527,936
Disposals	(1,929,737)	(282,720)	(2,212,457)
Net loss on investments	(1,263,833)	(1,575,080)	(2,838,913)
As at 31 December 2022	10,923,687	4,635,281	15,558,968

Investments at market value comprise:

	UK 2022 £	Overseas 2022 £	Total 2022 £	Total 2021 £
Listed investments	1,112,535	9,811,152	10,923,687	13,589,321
Unlisted investments	-	4,635,281	4,635,281	6,493,081
	1,112,535	14,446,433	15,558,968	20,082,402

As at 31 December 2022, 70% (2021 - 68% of the investments) were listed investments and 30% (2021 - 32%) were unlisted investments.

The Foundation written off its Iranian investment, Turquoise Fund on 31 December 2022, given the risk associated with a sanctioned country and its inability to sell this investment. Subsequent to year-end, the Foundation has given away its shareholding in Turquoise Fund on 3 March 2023 to the issuer Turquoise Group Limited.

Valuation

The historical cost of the investments above is £12,274,032 (2021 - £13,008,772).

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:

	2022 £	2021 £
Arisaig Next Generation Feeder ICAV	4,635,281	6,102,665
Findlay Park American Fund	1,171,384	1,322,813
FP WHEB Sustainability Fund	1,032,805	1,258,215
Montanaro Better World G D (LIP)	949,664	1,348,323
	7,789,134	10,032,016

THE ARISAIG PARTNERS FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022****12. LOAN RECEIVABLE**

	2022 £	2021 £
Loan receivable	300,694	-

During the financial year ended 31 December 2022, the Foundation gave a loan to Dhosa Chandaneswar Bratyajana Samity ("DCBS") to carry out charitable activities in relation to provide microfinance loans to female entrepreneurs looking to grow their businesses in rural Bengal. The loan is unsecured, interest free and has an effective period from 23 March 2022 to 31 March 2025. The loan is to be repaid in full at the end of the effective period. The Foundation may only early terminate the loan by giving DCBS 30 calendar days' notice in writing upon the occurrence of events of default which have not occurred as at 31 December 2022.

13. DEBTORS

	2022 £	2021 £
Dividend receivable	11,905	13,395
Donation receivable	73,098	243,742
	<u>85,003</u>	<u>257,137</u>

14. CREDITORS: Amounts falling due within one year

	2022 £	2021 £
Other creditors	17,146	28,035

15. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Investment Gain/(Loss) £	Carried Forward £
2021					
General Funds - all funds	19,311,385	423,330	(169,284)	1,737,496	21,302,927
2022					
General Funds - all funds	<u>21,302,927</u>	<u>280,065</u>	<u>(350,043)</u>	<u>(2,838,913)</u>	<u>18,394,036</u>

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

	2022 £	2021 £
Net movement in funds (as per Statement of financial activities)	(2,908,891)	1,991,542
Adjustment for:		
Net loss/(gain) on investments	2,838,913	(1,737,496)
Dividend income	(194,922)	(179,588)
Interest income	(5,354)	-
Decrease/(increase) in debtors	170,644	(70,225)
(Decrease)/increase in creditors	(10,889)	2,778
Increase in loan receivable	(300,694)	-
Net cash (used in)/provided by operating activities	<u>(411,193)</u>	<u>7,011</u>

THE ARISAIG PARTNERS FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022****17. CASH AND CASH EQUIVALENTS**

	2022	2021
	£	£
Cash at bank	2,466,517	991,423

18. RELATED PARTY TRANSACTIONS

During the year 2022 and year 2021, 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 £79,789 (2021: £243,742) from AP Holdings.

In 2021, Rebecca Lewis, a trustee was a director of AP Holdings until her resignation as trustee on 4 May 2021.

AP Asia

In 2021, Rebecca Lewis, a 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.

	2022	2021
	£	£
Arisaig Next Generation Feeder ICAV	4,635,281	6,102,665
Arisaig Africa Consumer Fund Limited ("AFCF") *	-	2,952
	4,635,281	6,105,617

*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.

19. 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.

20. SUBSEQUENT EVENT

Charlotte Carter resigned as trustee on 30 June 2023.

Rebecca Jane Lewis has been appointed as a trustee on 8 August 2023.