



AKO Foundation

Report and Financial Statements

31 December 2022



AKO Foundation

Trustees

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

S Procopis
H Syse
D Woodburn

Senior Management Personnel

P Lawford; Chief Executive Officer

Auditor

Sayer Vincent LLP
Chartered accountants and statutory auditor
Invicta House
108-114 Golden Lane
London, EC1Y 0TL

Bankers

Svenska Handelsbanken AB
35 Hay's Mews
London, W1J 5PY

Santander UK plc.
Santander Corporate & Commercial Banking
2nd Floor, Santander House
100 Ludgate Hill
London, EC4M 7RE

Registered Office

One Newman Street
London, W1T 1PB

Registered Company No: 8385711
Registered Charity No: 1151815

www.akofoundation.org

About the AKO Foundation

During the year the Foundation continued to make grants to charities and charitable projects within its three priority areas – to improve education, to promote the arts, and to combat the climate emergency. While continuing to help to start up, or to be the catalyst for, new charitable projects which otherwise might not be realised, the Foundation is also willing, where appropriate, to offer unrestricted support, recognising the need among its beneficiaries for financial flexibility. Mirroring the long-term thinking and investment strategy of AKO Capital, the Foundation aims to be a significant and reliable partner to its beneficiaries, and generally seeks multi-year relationships with them.

Within the field of education, the Trustees recognised that a proportion of the grants that they had made could more accurately be considered as falling within the general heading of young people's wellbeing, including mental health. Accordingly, Trustees formally created a new grant-making category, Wellbeing of Young People.

The Foundation takes pride in the leanness of its administration, which results in fast decision-making, and in the greatest possible proportion of its resources being available to support beneficiaries. Our vision is to be recognised as a cost-effective and fast-moving organisation that stands out for its responsiveness and speed of decision-making.

The Foundation adopts a proactive approach to grant-making; accordingly, it does not seek applications for grants, nor does it make grants in response to unsolicited applications.

The Trustees re-iterate their gratitude for the past generosity of the founder and Settlor of the Foundation, Nicolai Tangen, particularly with regard to the arrangements made following his (and Katja Tangen's) departure from the Board upon Nicolai's appointment as Chief Executive Officer of the Norwegian sovereign wealth fund. This has allowed the Foundation to sustain the significant level of grant-making of the last few years.

A selection of the Foundation's work is summarised in the pages that follow. A full list of grants made during the year appears in Note 6 to the Financial Statements.

Education

The Foundation believes that education is the key to a successful future both for individuals and for societies as a whole, and thus supports educational projects in both developing and developed regions of the world.

Developing countries

The Foundation's approach is not to select specific countries in which to operate; rather, it supports trusted partners in their work, enabling them to use their local knowledge, expertise, and networks to judge where an intervention will have the greatest, or most widespread, impact. A number of large-scale studies have demonstrated the substantial positive social, economic and environmental impacts of giving girls, who would otherwise be disadvantaged or excluded, access to a good education; the Trustees therefore have a particular interest in this area.



CAMFED

Campaign for Female Education (CAMFED)

AKO Foundation support since 2019

CAMFED is a UK charity that tackles poverty and inequality through education, primarily in sub-Saharan Africa. It supports marginalised girls to attend school, to succeed academically, and then, as young women, to realise their potential to be leaders of change. In its 25 years of existence, CAMFED has helped more than 3 million children to attend school, and has recruited nearly 140,000 educated young women into the CAMFED Association (CAMA), where they are able to leverage investment in girls' education by supporting even more girls to stay in school, and to thrive as young adults. The Foundation initially supported CAMA in pioneering ways to combat the effects of climate change on health, welfare and education, through direct support to vulnerable children, alongside strategies to reduce vulnerability in the longer term; it is hoped that this approach will in due course prove to be replicable in other countries. This was followed by a second, unrestricted grant.

Educate Girls

AKO Foundation support since 2019

More than 4 million school-age girls in India regularly fail to attend the school where they belong – one of the largest such populations, out of a global total of around 130 million. Yet a World Bank report has shown that girls' education, especially at secondary level, can be transformative in key areas, including earnings and standards of living; child marriage and early childbearing; health, nutrition and well-being; and agency and decision-making.

Over the course of five years, involving an extensive 'boots on the ground' approach, Educate Girls aims to enrol 1.6 million girls back into school; improve learning outcomes within the school system by implementing a remedial and life-skills curriculum that will supplement the state curriculum; and strengthen the school governance system and its infrastructure so that the improved enrolment figures, once achieved, are sustained. The Foundation has joined a collaborative funding initiative, together with a group of other prominent philanthropists, to support this project.

Educate Girls



Education Partnerships Group

AKO Foundation support since 2021

Education Partnerships Group (EPG) is an affiliate of Ark (see below). EPG is a non-profit consultancy that supports governments in low- and middle-income countries to shape and strengthen their education systems. In 2021 the Foundation made a grant to support EPG's work in Côte d'Ivoire (Ivory Coast), where EPG is advising the government with regard to the funding of the secondary schooling sector, with a view to achieving both equitable access and greater financial viability.

Little Sun Foundation

AKO Foundation support since 2018

The Little Sun Foundation is a German non-profit organisation, founded by Danish-Icelandic artist Olafur Eliasson. Little Sun creates solar-powered hand-held lamps, designed by Eliasson himself; they can be charged during the day and allow work to be undertaken during hours of darkness. The solar lamps also provide significant health and economic benefits, as they replace harmful kerosene lamps and expensive torches. The Foundation has made grants to enable Little Sun to provide solar lamps to students in several African countries, to allow them to undertake homework, and thus to increase their study time and academic attainment.



Little Sun

Lively Minds

AKO Foundation support since 2017

Lively Minds, a UK charity, works in remote rural villages in Africa and trains ‘Volunteer Mothers’ to run free and informal play schemes for all pre-school children in their villages. The Volunteer Mothers are also given monthly parenting workshops to help them provide better care at home. The Foundation supports Lively Minds’ work in both Ghana and Uganda.



Lively Minds

Partnership for Change

AKO Foundation support since 2018

Partnership for Change is a Norwegian non-profit organisation that works for the economic independence of women in Myanmar and Ethiopia. As in many developing countries, girls – particularly in rural communities – face obstacles in accessing formal education. To address this inequality and the unmet educational needs of such girls, the Foundation is funding an intensive programme of financial support and academic and life skills training in rural Ethiopia to prevent girls from deprived backgrounds from dropping out of high school.

Prattham

AKO Foundation support new in 2022

Pratham, one of two NGOs working in India for which the Foundation initiated support during 2022, conducts high-quality, low-cost, replicable interventions to address gaps in the education system, most notably through its Teaching at the Right Level programme. This teaches literacy and numeracy at the level appropriate to a child’s educational attainment, rather than chronological age. The Foundation is supporting Pratham’s work in the state of Odisha, on India’s east coast.

Social Finance

AKO Foundation support since 2021

After years of civil war and disease, Liberia faced the twin problems of several cohorts of under-educated young people, and one of the lowest rates of public expenditure per capita on education of any country. Social Finance, a UK non-profit entity, acts as project manager for ‘LEAP’ – Liberian Education Advancement Programme. This is an innovative programme whereby the Liberian Ministry of Education has outsourced the management of a significant proportion of the country’s schools to third-party operators, with a view to identifying a replicable model or models, and to raising standards nationally. The Foundation is one of a small group of major funders supporting this programme.



Partnership for Change

Strømme Foundation

AKO Foundation support since 2013

Strømme Foundation (Strømmestiftelsen) is a Norwegian development organisation that uses education to pursue its mission of creating a world free from poverty. Its approach is holistic; in its support for children, adolescents and their families within selected communities, Strømme invariably works with and through local delivery partners, thereby strengthening sustainability and maximising impact.

The Foundation supports a number of strands of Strømme's work, including:

Educational work in Uganda: RISING and PACES projects

With 1.2 million refugees, Uganda is Africa's largest refugee-hosting country, with recent significant influxes from South Sudan, DRC and Burundi. Among other problems, this creates a large out-of-school population among adolescents, particularly girls, a large proportion of whom have suffered gender-based or sexual violence. Both the RISING and PACES projects seek to enrol large numbers of children into formal education.

Educational work in West Africa

School attendance and literacy rates in Burkina Faso and Niger, two of the world's poorest and least developed nations, are low, with female literacy rates less than 20%. Without even a primary education, children lack the skills and knowledge required to improve their situation and are likely to remain impoverished for the remainder of their lives. Strømme's programmes provide out-of-school children, half of whom are girls, with accelerated learning courses designed to get them to the educational level necessary to enrol in formal school.

SAMVAD programme

SAMVAD (meaning 'dialogue' in Sanskrit), is a non-formal, community-based, participatory education system designed especially for adolescent girls at risk of dropping out of school and being trafficked. At SAMVAD centres, the girls follow a course that includes life skills, functional literacy, building self-confidence and vocational skills. The Foundation supports Strømme's existing SAMVAD programme in Nepal and Bangladesh. During 2021 we enhanced our support for the programme in Nepal, aiming to bring SAMVAD graduates together and to create a long-term platform for sharing their knowledge, educating those who are left behind, and supporting livelihood improvement for those in need.

Teach for India

AKO Foundation support new in 2022

Teach for India's core activity is not dissimilar to those of Teach First (see below) in the UK or Teach for America: college graduates (and others) do intensive training followed by a commitment to (at least) 2 years of teaching. Currently 1,000 'Fellows' are actively teaching; there are around 4,000 ex-Fellows, three-quarters of whom have remained in the education sector in India. The Foundation has made an unrestricted grant.

World Association of Girl Guides and Girl Scouts

AKO Foundation support since 2020

The World Association of Girl Guides and Girl Scouts (WAGGGS) is the world's largest voluntary movement dedicated to girls and young women. Now over 100 years old, the Girl Guiding and Girl Scouting Movement represents ten million girls and young women from 150 countries, helping them through non-formal education programmes, leadership development, advocacy and community action, thereby empowering them to develop the skills and confidence needed to make positive changes in their lives, their communities and countries.

The Foundation is supporting a new programme designed by WAGGGS, being implemented in partnership with member organisations (i.e. local Guiding Associations), initially in three countries in sub-Saharan Africa. It aims to increase awareness of climate related issues, to support direct adaptation and mitigation action at community or national level, and to increase the future capacity for women to take leadership roles in climate change response. The initial success of the programme has recently allowed it to be replicated in other countries.

In early 2022 the Foundation made a further grant to WAGGGS, towards the work of member organisations in Eastern Europe that are responding directly to the Ukrainian refugee crisis.



World Association of Girl Guides and Girl Scouts: Advocacy champion speaking at COP27 in Sharm-El Sheikh

Strømme Foundation



The UK and other developed countries

In the United Kingdom, the Foundation supports a number of charities that, broadly, share a common mission – to support students from less advantaged and under-represented backgrounds to raise both their aspirations and their achievements, frequently – though by no means exclusively – with the goal of assisting them to attain a place at one of the more competitive universities. These charities include:

Brightside

AKO Foundation support since 2021

Provides online mentoring, raising aspirations in school, supporting students in higher education, providing insights into careers, and learning skills for work. Brightside has mentored over 100,000 young people since 2003.

Brilliant Club

AKO Foundation support since 2019

The 'Scholars Programme', now largely delivered online, recruits, trains and places PhD researchers to deliver university-style courses, based on their research, to small groups of pupils aged 9-17. This charity was introduced to the Foundation by an analyst at AKO Capital who served as a trustee of The Brilliant Club.

Generating Genius

AKO Foundation support since 2020

Introduced to the Foundation through the Give Back programme, Generating Genius works with talented and able students, primarily from BAME backgrounds, to enable them to gain a place to study STEM subjects at leading universities, and then to excel in STEM-related careers.

IntoUniversity

AKO Foundation support new in 2022

IntoUniversity works with schools, universities and communities to provide local learning centres across England, Wales and Scotland where young people, aged 7 and above, are offered both tuition and also the tailored support and advice regarding educational pathways which is readily available in more affluent homes.

Other charities receiving support include the following.

Ark

AKO Foundation support since 2015

Ark seeks to transform the lives of under-privileged children by providing a great education, with a core focus on the school: it runs around three dozen Academy schools, at both primary and secondary levels, in the UK. Its schools are typically in areas of economic deprivation with a history of educational underachievement, which Ark seeks to change by setting high academic and behavioural expectations, thus providing more time for learning and improving the quality of teaching.

The Foundation has worked with Ark since 2015 and has supported a range of projects. These include Ark Start, which seeks improved ways of delivering pre-primary education; and the 'Pathways and Enrichment' programme, which is the 'added-value' services that Ark seeks to offer to its pupils, over and above the core academic curriculum, to prepare them for life beyond school.

See also Education Partnerships Group above.

Get Further

AKO Foundation support new in 2022

Without a GCSE in Maths or English, a person's life chances are severely impaired, with opportunities in both education and employment heavily restricted. Get Further employs specialist tutors to assist students who have not yet obtained a pass in GCSE Maths and / or English, but who have moved into Further education, to do so.

ImpactEd

AKO Foundation support since 2021

'What works' in education is not an easy question to answer. Using robust research methodologies to make evaluation quicker, easier and more effective, ImpactEd supports schools and education organisations, including some of the charities supported by the Foundation and whose work is summarised in these pages, to evaluate their impact, to learn from it, and to prioritise what works best in improving outcomes for young people. The Foundation has made an unrestricted grant over 3 years.



Ark

Now Teach



Now Teach

AKO Foundation support since 2018

Whereas Teach First seeks to address the difficulty of recruiting and retaining excellent teachers by recruiting some of the country's best graduates, Now Teach recruits and supports high calibre, experienced professionals who have already had at least one successful career. Working in challenging schools across the country, they not only increase teaching capacity, but also bring vital links to employers, universities and other post-school options. The Foundation's grant will help Now Teach to expand its work and reach more disadvantaged areas across the United Kingdom.

Place2Be

AKO Foundation support new in 2022

Place2Be is a children's mental health charity with over 25 years' experience working with pupils, families and staff in UK schools. It provides mental health support in schools through one-to-one and group counselling; and offers expert training and professional qualifications.

The Foundation's Trustees are increasingly aware that good mental health is often a prerequisite for successful teaching and learning.

Stiftelsen Fullriggeren Sørlandet

AKO Foundation support since 2020

Stiftelsen Fullriggeren Sørlandet is a Norwegian educational non-profit foundation which owns, maintains, and preserves the Tall Ship *Sørlandet*. This vessel had been more or less continually in use as an educational facility for 100 years; it recently required significant upgrading to meet modern safety, environmental and conservation standards. Meanwhile, the cancellation of a school year because of the Covid-19 pandemic also allowed the foundation to refresh the curriculum, and to seek ways to broaden the diversity of students attending the on-board Academy, particularly those from countries other than Norway.

The Foundation's grant funded the re-design of the curriculum, and also provides bursary funding for international students who would not otherwise be able to attend.

Teach First

AKO Foundation support since 2014

The Foundation continues to support the following programmes:

Careers Leaders

Teach First's Careers and Employability Programme provides a comprehensive programme of training for teachers that combines careers expertise and leadership development. Focused on schools where a high proportion of pupils live in poverty, the programme aims to advance the quality of careers education, enabling schools to design and implement a high-quality, whole school programme that ultimately increases their pupils' employability.

Leading Together

The quality of school leadership has a significant impact on the future performance of a school. Leading Together is a two-year programme of support for a school's entire senior leadership team, helping schools to build and sustain strong and effective leadership. The ultimate objective is to improve pupil attainment by improving teacher retention and the quality of teaching throughout the school.

Work experience

Teach First's work experience programme, a programme instigated in partnership with the AKO Foundation, provides week-long, paid work experience placements for pupils from schools in which Teach First works at a wide range of organisations, including AKO Capital.

University of the Arts

AKO Foundation support since 2017

The University of the Arts London (UAL) is Europe's largest specialist arts and design university. It offers courses in arts, design, fashion and communication and is attended by over 19,000 students from more than 130 countries.

In recent years, UAL has established a new model of academic delivery, *UAL Institutes*, which overlay UAL's six art and design colleges. The Foundation previously provided seed funding for two of these: the Creative Computing Institute, and the Social Design Institute. UAL has now established a new Institute, the Storytelling Institute, which it is intended will become an influential academic leader in a wide range of narrative disciplines, while also enhancing UAL's public programme and audience engagement. The Foundation's grant provides the seed funding for the Institute's first few years.

The Foundation also continues to provide bursary support targeted at those students who have come to UAL under its 'Insights' programme, through which UAL seeks to recruit talented students from disadvantaged and otherwise under-represented backgrounds.

The Wharton School of the University of Pennsylvania

AKO Foundation support since 2013

The Foundation has an ongoing relationship with the internationally renowned Wharton School of the University of Pennsylvania. The Foundation, and Nicolai Tangen privately, have endowed undergraduate scholarships to support more than 20 international students at any one time who would otherwise be unable to meet the cost of their education. The scholarships benefit the individual recipients and, due to the recipients' global background and international perspective, enrich the student community. Their education will also benefit the communities and organisations they go on to lead after graduating.

The Foundation previously made a major grant to spearhead construction of a new campus building, Tangen Hall, which opened in 2021. This provides a space dedicated to cross-campus student entrepreneurship at the University of Pennsylvania.

Wellbeing of young people

Within the field of education, the Trustees recognised that certain of the grants that they had made could more accurately be considered as falling within the general heading of young people's wellbeing; and they are increasingly aware that wellbeing generally, and good mental health in particular, is often a prerequisite for successful teaching and learning. Accordingly, Trustees formally created a new grant-making category, Wellbeing of Young People.

Babyzone

AKO Foundation support new in 2022

Babyzone was recently created to give families with very young children opportunities equivalent to those that young people have at their local OnSide Youth Zone (see below). Early years activities and classes are made available at Youth Zones during the school day, when the facilities would otherwise be unused.

Bite Back 2030

AKO Foundation support since 2019

The Foundation and the Jamie Oliver Group together founded Bite Back 2030, with the goal of halving the rate of childhood obesity in the United Kingdom by 2030, while at the same time eliminating the gap in obesity rates between children from more and less affluent backgrounds. Bite Back aims to build a youth movement that will have sufficient authenticity and critical mass so that it can act as a credible advocate to government (national and local), schools, hospitals and other entities delivering food on a large scale to young people, and will make progress towards identifying the creative media through which to engage key audiences. The Foundation continues to provide core support.



Bite Back

Frontline

AKO Foundation support since 2018

Frontline recruits, trains and supports outstanding individuals to become social workers through a 2-year programme which gives an opportunity for high-potential graduates and career changers to make a difference to the lives of some of the most vulnerable children in England.

The Foundation continues to provide unrestricted support.

Institutt for Spiseforstyrrelser

AKO Foundation support new in 2022

The Institutt for Spiseforstyrrelser (Institute for Eating Disorders Foundation) undertakes a number of related activities: treatment, research, teaching and education. It offers psychotherapy treatment programmes tailored to people with eating disorders, and to the wishes and needs of their relatives.

OnSide Youth Zones

AKO Foundation support since 2017

OnSide provides modern, world class, custom-built youth centres ('Youth Zones') for young people aged 8-19 (up to 25 for those with additional needs). Located in disadvantaged neighbourhoods, the Youth Zones offer a wide range of sport, art and enterprise activities, giving young people somewhere to go, something to do and someone to talk to. An independent study found that anti-social behaviour drops by between 30% and 77% around a Youth Zone.

Having started in northwest England, OnSide subsequently expanded into London and elsewhere in England. The Foundation has renewed its support for two of the London Youth Zones – those in Barnet and in Barking & Dagenham; and has also made an unrestricted grant towards further development and rollout of the Onside model.

The Foundation has a particular interest in the visual arts, reflecting the interest and expertise of its founder, Nicolai Tangen. It seeks to develop close relationships with a limited number of partner institutions, primarily in the UK and Norway.

AKO Kunststiftelse

AKO Foundation support since 2016

AKO Kunststiftelse is a Norwegian non-profit foundation whose objective is to advance the public's access to Nordic visual arts from 1900 onwards. To achieve this objective AKO Kunststiftelse is building a collection of such art for public exhibition; it is intended that SKMU (see below) will have the right to use this collection free of charge and on a perpetual basis, and that the public exhibition of the collection will be in a new museum, the Kunstsilo Museum, in Kristiansand. The establishment of this new museum is being undertaken by SKMU in cooperation with the Kristiansand municipal authorities, the Norwegian government and other Norwegian institutions; it is expected to open in 2024.

The Foundation has provided significant levels of support to most aspects of this project since its inception.

To date the main focus of AKO Kunststiftelse has been on building the collection and overseeing the development of the new Museum building, while SKMU has undertaken the building out of the Museum's organisation and artistic vision. The ultimate combined vision is to create a public art collection of international importance housed in an art museum of outstanding architectural quality.

British Museum

AKO Foundation support since 2018

The Foundation has supported a number of exhibitions at the British Museum in recent years. More recently, it has also agreed to support two other initiatives:

- A strand of what the Museum calls the 'Rosetta Project', a comprehensive review of how the permanent collection is displayed, as well as an overhaul of the Museum's physical infrastructure; and
- Support over 5 years towards the Museum's collection of Nordic prints and drawings, through funding a dedicated curatorship, and facilitating acquisitions.



Painting workshop at stART at SKMU Sørlandets Kunstmuseum

The Courtauld Institute of Art

AKO Foundation support since 2014

The Courtauld Institute of Art is an international centre for the study of the history and conservation of art and is also home to one of the finest small art museums in the world. Its Institute of Art, a college of the University of London, is the pre-eminent centre for the study of the history of art in Europe. The Foundation has endowed an academic post for the study of European art of the 20th century, in particular, German Expressionism. The gift was made by the Foundation in honour of the late Dr Shulamith Behr, Honorary Research Fellow at the Courtauld, who taught Nicolai Tangen during his MA studies there. More recently, the Foundation has presented an annual AKO Curatorial Prize, open to graduates of the Courtauld's MA programme. The AKO Curatorial Prize is the only such prize available to MA graduates in the UK.

During 2022 the Foundation supported the exhibition at the Courtauld of works by Edvard Munch, which were lent by the KODE Museums of Bergen.

National Museum, Oslo

AKO Foundation support new in 2022

Following the creation of the National Museum (Nasjonalmuseet) and its relocation to a purpose-built building in Oslo, the Foundation commenced its support for the Museum by acting as principal supporter of a temporary exhibition ('Fitting In and Standing Out') of works by the British artist Grayson Perry.

National Portrait Gallery

AKO Foundation support since 2021

The Foundation has agreed to support an exhibition of portraits by Edvard Munch; this will be one of the first exhibitions at the National Portrait Gallery following its re-opening, after a major refurbishment project, most likely taking place in 2025.

SKMU Sørlandets Kunstmuseum

AKO Foundation support since 2015

The SKMU Sørlandets Kunstmuseum is a regional art institution, located in Kristiansand, Norway, which, since its formation in 1995, has collected high quality modern and contemporary art and crafts objects from the local area. The Foundation has made a number of grants to SKMU to be used for the acquisition of such objects. It has also supported an initiative by SKMU to cover the cost of transport to bring school children to the museum.

SKMU will take over the Kunstsilo Museum upon the expected completion of the latter in 2024. (See AKO Kunststiftelse above.) The Foundation has also supported SKMU's preparations for the opening of the Kunstsilo Museum.

During the year, the Foundation agreed to support an exhibition of works by Axel Salto and Edmund de Waal, to be shown at the CLAY Museum in Denmark, and at the Kunstsilo Museum in Kristiansand.



Courtauld Institute of Art

Climate

The AKO Foundation Trustees have become increasingly concerned by the effect of the changing climate on current and future generations and on global biodiversity. While acknowledging that they might have done so earlier, in 2019 they initiated a third principal strand of grant-making, under the category heading ‘Climate’

By flying, driving and so on the Trustees do not live a carbon-neutral life, and would not wish to imply that they do. Nevertheless, they believe it is better to do something than nothing. Accordingly, they seek to support charitable entities which they believe will have significant and lasting impact.

Several of the Foundation’s beneficiaries within this Climate category are themselves re-granting organisations. The Foundation is thereby able to benefit from their research, scale and networks, which in turn benefit, in many cases, from the experience and expertise of other major funders. The Foundation has also been able to take advantage of the knowledge and advice offered by the Climate Leadership Initiative.

Having developed a portfolio of beneficiaries within this field, the Trustees now focus their grant-making in three sub-categories: ‘coal-to-clean’, carbon disclosure, and natural solutions. Although these are widely used terms, this classification is somewhat artificial; in practice, many of these organisations work across more than one of these three sub-categories.



Client Earth (*Getty images*)

Coal-to-Clean

Client Earth

AKO Foundation support since 2020

Client Earth is a UK charity that uses legal advocacy, advice and, where necessary, litigation in order to ensure that government policies and corporate investment behaviours comply with existing environmental, energy markets and state aid legislation in countries around the world. The Foundation provides unrestricted support; and in 2021 also made a grant specifically towards Client Earth’s work in the area of deforestation.

Energy Foundation China

AKO Foundation support since 2019

Energy Foundation China (EFC) is the largest climate-related grantmaker operating in China. Dedicated to facilitating China’s sustainable energy development, and working closely with a wide range of both public and private sector bodies, EFC acts as regrantor, facilitator, and strategic adviser. Its Beijing-based staff support policy research, the development of new standards, capacity building, and dissemination of best practices across multiple sectors of the economy, for example in key areas such as transport electrification, cooling efficiency, power sector reform, and green finance. It makes around 200 grants per annum to research institutes, academies, think tanks, and other NGOs.

European Climate Foundation

AKO Foundation support since 2020

Founded in 2008, the European Climate Foundation (ECF) is a strategic re-granter whose aims are to promote climate and energy policies that will reduce Europe’s greenhouse gas emissions, and to help Europe play a stronger international leadership role in mitigating climate change. It undertakes research and technical analysis and strategic communications, convenes partnerships between policy-makers and other representative groups, and co-ordinates high-level political and diplomatic action.

The Foundation provides unrestricted support to ECF; and has also made grants to the Pooled Fund on International Energy (PIE), a re-granting entity within ECF, towards shifting both the power and steel sectors from coal to clean.

Foundation for International Law for the Environment

AKO Foundation support since 2021

Foundation for International Law for the Environment (FILE) was established to accelerate legal action globally to address the crises in climate and biodiversity. Through a combination of grant-making and in-house legal expertise, FILE collaborates with partners in countries around the world that seek to drive legal innovation and to bring high impact legal action and precedent-setting cases. Rather than bringing cases itself, FILE aims to promote successful legal outcomes through access to key research, strategic communications, campaign alignment, and capacity building.

Carbon Disclosure

CDP

AKO Foundation support since 2019

CDP (formerly the Carbon Disclosure Project) draws on the power and influence of investors and buyers to motivate companies, cities, regions and states to disclose and manage their environmental impacts. It plays an important role as the leading disclosure platform covering more than 7,000 companies and 600 cities globally, on the premise that what cannot be measured, cannot be managed.

Climate Arc

AKO Foundation support new in 2022

Climate Arc’s ambition is to see global capital flows aligned with global climate goals. Through regranting, it assists participants in financial markets to incorporate climate science-based data into investment decisions and corporate transition plans; and it supports organisations that produce the raw data and analytics, anchored in climate science.

The Foundation has made an initial one-off grant to Climate Arc.

Natural Solutions

Basecamp Explorer Foundation

AKO Foundation support since 2019

The Basecamp Explorer Foundation (BEF) is the charitable arm of a Norwegian sustainable tourism business, which operates in the Arctic and in Kenya.

In Kenya, Basecamp has had a long association with tribal chiefs in the Maasai Mara region; by collaborating with the local communities, BEF seeks to halt the diminution of the region's wildlife. The Foundation's support has been used to lease, from local families, corridors of land that are critical for wildlife migrations; and also to contribute towards the capital cost of a new educational entity, the Wildlife Tourism College of Maasai Mara, which will train local people in the tourism and hospitality industries.

Cool Earth

AKO Foundation support since 2020

Introduced to the Foundation through the Give Back programme in 2020, Cool Earth is an environmental charity that works with rainforest communities to halt deforestation and its impact on climate change. Following the expiry of the Give Back grant, made towards Cool Earth's work in Peru, the Foundation renewed its support with an unrestricted grant.

Conservation International

AKO Foundation support since 2020

Conservation International (CI) seeks to protect the earth's natural assets by promoting sustainable economic growth and climate resilience.

Rangelands (grasslands, savannah and shrub lands) cover nearly half the Earth's land surface and provide livelihoods to 180 million people globally, including more than 20 million pastoralists in Africa. For certain African communities, restoration and sustainable management of this land is essential to lift them out of poverty and to provide them with water, food and jobs. In addition, rangelands play an important role in ecological processes across Africa, forming important water catchment areas in dryland countries. The Foundation has agreed to fund a project whereby CI works with women in Kenya and South Africa to assist them in the sustainable management of their rangelands.



Global Greengrants Fund (Wambui Gichobi | Survival Media Agency)

Global Greengrants Fund

AKO Foundation support since 2021

Global Greengrants Fund and its affiliate in the US are re-granting entities, using a widespread network of expert advisers around the world to offer micro-grants to community organisations working in the fields of climate justice, healthy ecosystems and other environmental causes. The Foundation made a 3-year grant to be used towards re-granting in agroecology, a practice and science that uses ecological concepts and principles in the design and management of sustainable agricultural ecosystems, thus empowering local communities to lever traditional knowledge, local seed production, local consumption of food, and crop diversification.

Live Ocean

AKO Foundation support since 2019

Live Ocean is an NGO based in New Zealand, working to protect and preserve the world's oceans, and in particular the oceans around New Zealand. It funds marine research and the transition of research data and conclusions into ocean health action; and it uses sailing events globally to promote ocean-friendly behaviour. The Foundation has made an unrestricted match-funding grant.

The Nature Conservancy

AKO Foundation support since 2021

The Nature Conservancy promotes the conservation, protection and improvement of the physical and natural environment; biodiversity; sustainable development; and the education of the public regarding environmental and conservation issues.

The Foundation's grant supports The Nature Conservancy's work in 'Natural Climate Solutions' – the protection, restoration and sustainable management of forests, farms, wetlands and grasslands as a way both of reducing emissions, and also of enhancing mechanisms of carbon capture and storage.

World Resources Institute (WRI)

AKO Foundation support new in 2022

WRI has convened a group of donors, including the Foundation, to launch the African Forest Landscape Restoration Initiative (AFR100), a pan-African platform for advancing forest landscape restoration during this current critical decade. Endorsed by the African Union in 2015, AFR100 comprises 31 African governments committed to begin restoring at least 100 million hectares by 2030. The project works through local entrepreneurs and social enterprises, who may derive a commercial as well as ecological benefit from tree-planting and reforestation.



The Nature Conservancy (Alfan Subekti, YKAN)



World Resources Institute / Blessed Action for Africa

Local Projects

The Foundation is a London based charity; its founder previously lived, and the majority of the trustees do live, in north London. The founder, Nicolai Tangen, was born and brought up in Kristiansand, Norway; other Trustees also have connections to Norway. The Foundation values these links and has supported the following projects in north London and in Norway.

London

Doorstep Homeless Families Project

AKO Foundation support since 2017

The Foundation supports Doorstep in its mission to provide homeless families living in temporary accommodation in north London with access to services, so that they can enjoy a better quality of life.

Hampstead Theatre

AKO Foundation support since 2014

Based in north London, Hampstead Theatre has as its mission the creation of original theatre without creative restriction. The Foundation has been an important partner over several years, including in the creation of 'The Next Decade' initiative – the commissioning of new plays from leading playwrights – for which the Foundation matched the funding raised by Hampstead Theatre.

Maytree

AKO Foundation support since 2016

Maytree supports people facing a suicidal crisis, in a non-medical setting. The Maytree Suicide Respite

Centre, located in north London, is the only place of its kind in the UK and fills a gap in services between the medical support of the National Health Service and the helplines and drop-in centres of the voluntary sector. Specifically, it provides such individuals with a free five-day stay and the opportunity to be befriended and to speak in complete confidence. The Foundation has contributed to Maytree's core costs over several years.

Roundhouse

AKO Foundation support new in 2022

In addition to being a well-known performance venue, the Roundhouse is a creative youth centre in north London where young people – artists, creatives, performers and creative entrepreneurs – are given the space and facilities to develop their talents.

Norway

Fontenehuset Arendal

AKO Foundation support new in 2021

The Clubhouse model of psychosocial rehabilitation is an international community mental health service model that helps people with a history of mental illness or vulnerability to rejoin society and to maintain their place in it. A new Clubhouse recently opened in the southern Norwegian town of Arendal; the Foundation will contribute towards operating expenses during the first three years.

Fontenehus Norge

AKO Foundation support new in 2022

Fontenehus Norge is the umbrella body of Clubhouses in Norway. The Foundation's grant will enable Fontenehus Norge to employ two members of staff dedicated to working with Clubhouse members across Norway to assist them back into employment.

Røde Kors Kristiansand

AKO Foundation support since 2021

The branch of the Red Cross based in Kristiansand plans a new, purpose-built base for its search and rescue activities in Hovden, a popular centre for winter sports in southern Norway. The Foundation has agreed to provide the majority of the financial support that will be required for the construction of the new building.

Other initiatives

The AKO Give Back Initiative

The AKO Give Back Initiative provides all AKO Capital staff with the opportunity to nominate a charity to receive a grant from the Foundation. As well as nominating charities, the staff collectively determine the recipients of the larger grants. A committee of staff members selects a short list of charitable projects, and all staff then vote on the allocation of a pool that in 2022 amounted to some £880,000.

In 2022 the largest grants were to the following recipients:

- **Breaking Barriers:** Works with refugees to assist them to obtain meaningful employment.
- **Campaign Against Living Miserably (CALM):** Assists those suffering from suicidal feelings.
- **FoodCycle:** Supports communities across the country by providing nutritious hot dinners to anyone who may be hungry or lonely.
- **Pets as Therapy:** Enhances health and wellbeing of thousands of people, regardless of circumstances, through the companionship of an animal.
- **The Access Project:** Works to widen access to top universities for people from disadvantaged and under-represented backgrounds.

The trustees are pleased that certain charities introduced to the Foundation through the Give Back programme have subsequently developed deeper, multi-year relationships with the Foundation. Cool Earth, Generating Genius, Lively Minds, and OnSide Youth Zones, all covered in the sections above, are examples of such relationships.

In addition to the annual opportunity to recommend purely financial support, AKO Capital staff are also encouraged to give their time and expertise to those charities that the Foundation supports, for example by serving as charity trustee, school governor or mentor to young people.

Matched Funding

During 2021 the Foundation initiated a new scheme, whereby certain charitable donations by members of staff of AKO Capital are matched, on a 1:1 basis, by the Foundation. The Foundation gave matching grants of around £450,000 under this scheme in 2022.

The two categories summarised immediately above – Give Back, and Matched Funding – are together described as 'Other' in the following Trustees' report and financial statements.

Report of the Trustees

Independent auditor's report

Financial Statements

Report of the Trustees

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

Reference and administrative information set out on page 2 forms part of this report. The financial statements comply with the current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS 102)).

Structure, governance, management & remuneration

The Foundation is a charitable company limited by guarantee, incorporated on 1 February 2013 and registered as a charity on 29 April 2013. The company was established under a memorandum of association which established the objects and powers of the charitable organisation and is governed under its articles of association.

The Foundation had two wholly owned subsidiaries one of which was dissolved in the year to 31 December 2022. It also has one associated undertaking. Further details on these entities are included in notes 8 and 9 to the financial statements.

The Foundation is managed by the trustees with decisions taken at the regular trustee meetings. Trustees are given training and advice on their responsibilities when they take on the position. They give their time voluntarily and receive no remuneration or benefits from the Foundation. Any expenses reclaimed from the Foundation are set out in note 3 to the financial statements.

Any future trustee appointments are made by the Members of the Foundation. The Members are David Woodburn and Nicola Staples; David Woodburn is also a trustee of the Foundation.

The Foundation has a single employee and its reward and recognition strategy is designed to attract and retain motivated and talented individuals.

Objectives and activities

The objective of the Foundation is to act as a charity for general charitable purposes with a focus on education and the arts, in particular the provision of grants for charitable purposes (as prescribed by the Charities Act 2011).

The Foundation's charitable objectives are:

- The advancement of education;
- The advancement of the arts, culture, heritage and science; and
- All other charitable purposes for the benefit of the public.

The trustees review the aims, objectives and activities of the Foundation each year. In recent years the trustees have become increasingly concerned by the effect of the changing climate on current and future generations and on global biodiversity and in 2019 they initiated a grant making programme in this field. In 2022 the trustees added "Wellbeing of young people" as a separate category of grant making.

This report looks at what the Foundation has achieved and the outcomes of its work in 2022. Details of the grants made in the year are included in the financial statements.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning its future activities. In planning the Foundation's activities, the trustees consider how these will contribute to the aims and objectives that have been set.

In undertaking their management of the Foundation, and the making of grants, the trustees have had regard to their obligations under Section 172 (1)(a)-(f) and 172(2) of the Companies Act 2006 to promote the success of the Foundation to achieve its charitable objectives.

Achievements and performance in the delivery of public benefit

The Foundation's main activity is to make grants to UK charities and for general charitable purposes elsewhere in the world. The primary foci of its grant making activities are initiatives and projects which improve education or the wellbeing of young people, promote the arts, or combat climate change.

During the year to 31 December 2022 the Foundation made grants to a variety of entities involved in these areas. The major grants, considered as being those for an amount of £100,000 or more, are described below, listed in descending size order within the respective categories:

Grants for the advancement of education

- **Teach First** – to build and sustain strong and effective senior leadership teams at schools in areas of greatest need and to develop a programme of work experience placements.
- **Campaign for Female Education (CAMFED)** – to assist in expanding knowledge of climate-smart practices through school and community programmes that bring improved productivity and sustainability to rural ecosystems.
- **Ark** – to develop Ark's affiliate venture programme.
- **Get Further** – to support students in further education in their study towards GCSE English and Maths.
- **Place2Be** – to provide school-based emotional and therapeutic support to improve the emotional wellbeing of children, young people, parents and teachers.
- **Social Finance** – towards the Liberia Education Advancement Program (LEAP) to improve learning outcomes in primary schools in Liberia.
- **Strømme Foundation** – to support Strømme's Nepal Alumni Programme.
- **Now Teach** – to support Now Teach in recruiting and supporting experienced people to re-train as teachers.
- **IntoUniversity** – to provide local learning centres where young people from disadvantaged backgrounds are inspired to achieve their full potential.

- **Pratham UK** – to support the education of young children in Odisha, India.
- **Teach for India** – to support the recruitment of India's best graduates to serve as teachers in India's most under-resourced schools.
- **Education and Employers** – to expand their programme of visits from local employers into primary schools.
- **Lively Minds** – to support informal play schemes for pre-school children in villages in rural Ghana.
- **Street League** – to engage disadvantaged young people in structured football, fitness or dance fitness and education programmes with a view to getting them into work, mainstream education or training.
- **Sandvika Rotary Club** – to support the rebuilding and restoring of bombed schools in Idlib Province, Syria.
- **Christ's Hospital** – scholarships for two A level students from north London.
- **Generating Genius** – helping talented and able students from disadvantaged backgrounds to excel in STEM careers.
- **Royal National Children's Springboard Foundation** – towards the provision of bursaries for disadvantaged young people to attend boarding school.

Grants towards the wellbeing of young people

- **Institutt for Spiseforstyrrelser** – to support their work in addressing eating disorders in young people.
- **OnSide Youth Zones** – towards the work of OnSide Youth Zones in transforming youth provision across the UK.
- **Frontline** – to support Frontline's work in developing excellence in children's social work practice and leadership.
- **Babyzone** – towards the work of Babyzone in transforming the lives of struggling families of babies and toddlers.

Grants for the advancement of art

- **AKO Kunststiftelse** – to support AKO Kunststiftelse's acquisition of Nordic visual works of art, and towards the support of SKMU Sørlandets Kunstmuseum and AKO Kunststiftelse's general administration. The ultimate purpose of this support is the establishment of a permanent public exhibition of Nordic visual works of art in Kristiansand, Norway.
- **CLAY Museum of Ceramic Art Denmark together with SKMU Sørlandets Kunstmuseum** – towards the proposed exhibition *Edmund de Waal in dialogue with Axel Salto*.
- **SKMU Sørlandets Kunstmuseum** – towards the preparation for the opening of the Kunstsilo Museum, and the establishment of a Research Centre for Nordic Modernism.
- **Camden Art Centre** – towards the work of Camden Art Centre in advancing the public's understanding and appreciation of the visual arts.
- **Hampstead Theatre** – furthering the work of Hampstead Downstairs, the studio space at Hampstead Theatre.
- **Nasjonalmuseet Oslo** – to support the exhibition *Grayson Perry: Fitting In and Standing Out*.

Grants to mitigate the effect of climate change

- **CDP Worldwide** – to support CDP's work in accelerating emissions disclosure and other climate action.
- **ClientEarth** – to support the work of ClientEarth in using the law to secure and defend environmental rights for people and the planet, focusing on climate change and biodiversity.
- **European Climate Foundation (ECF)** – general support for ECF's work in helping Europe to develop a low-carbon society and to play an international leadership role in combating climate change; and specific support for the work of the Pooled Fund on International Energy to advance the decarbonisation of the global steel industry.
- **World Resources Institute** – support for the AFR 100 project which promotes sustainable reforestation across Africa.

- **The Nature Conservancy** – to support the 'Natural Climate Solutions' programme of The Nature Conservancy.
- **The Big Give Trust** – provision of match-funding for the Green Match Fund 2022.
- **Cool Earth** – towards the work of Cool Earth in protecting rainforests and combatting climate change.

Local Projects

- **Fontenehus Norge** – towards work of the Fontenehus Norge in supporting people living with mental illness.
- **Maytree Respite Services** – to support the work of Maytree in providing a safe, confidential, and non-medical environment for those facing a suicidal crisis.

Other major grants (through the 'Give Back' programme)

- **Pets as Therapy** – towards the work of Pets as Therapy in arranging visits of volunteers and their temperament-assessed pets to establishments such as care homes, hospitals, hospices, schools and prisons.
- **Campaign Against Living Miserably ("CALM")** – to support the work of CALM in preventing suicide and supporting those impacted by the loss of loved ones.

The Foundation's general grant making policy is for individual trustees or the Chief Executive to identify possible grant recipients, which are then considered by the trustees acting as a body. The Foundation does not seek applications for grants and does not make grants in response to unsolicited applications received.

As a grant making charity the primary key performance indicators for the Foundation are its income and carried forward funds, as these set its ability to make future grants; and the grants made, and cash distributed, in the year. During the year to 31 December 2022 the Foundation had income of £79,111,000 (2021: £268,458,000), made new grants of £34,598,000 (2021: £40,888,000) and carried forward funds of £1,074,296,000 (2021: £1,071,662,000). It distributed cash of £37,083,000 (2021: £29,965,000) to grant recipients. The trustees are satisfied with the performance of the Foundation over the year.

Financial Review

In 2022 the Foundation received its income via Gift Aid donations from AKO Capital Management Limited, and from its interest in AKO Capital LLP held via its trading subsidiary AKO Subsidiary 2020 Limited (2021: donations from Nicolai Tangen, via DSHN Philanthropy LLP and directly, Gift Aid donations from AKO Investment Holdings Limited and AKO Capital Management Limited, and from its interest in AKO Capital LLP). Total donations of £4,000 (2021: total donations of £27,359,000) were received in the year to 31 December 2022 which includes £Nil receivable at 31 December 2022 (2021: £Nil receivable at 31 December 2021). The income arising from its interest in AKO Capital LLP in 2022 was £78,695,000 of which £20,248,000 was receivable at 31 December 2022 (2021: £241,088,000 of which £183,171,000 was receivable at 31 December 2021).

Reserves Policy

At 31 December 2022 the Foundation had total funds of £1,074,296,000 (2021: £1,071,662,000). The Foundation's reserves policy is to ensure it maintains adequate funds to meet its commitments and to hold reserves while it identifies appropriate projects to fund. It does not currently hold any restricted funds and thus characterises all funds as unrestricted reserves.

Investment Policy

Several venture capital type investments have been donated to the Foundation and the nature of these investments means that the Foundation expects to hold them to their maturity.

With respect to its other assets, the Investment Policy of the Foundation is for these to be held in either equity-based investments or as cash or short-term fixed interest instruments. The equity-based component is held in Management Shares in funds managed by AKO Capital LLP. These shares are non-fee paying and the investment is split between NOK, Euro and US\$ denominated share classes. The funds managed by AKO Capital LLP invest in a diversified range of European and Global equities.

The investment objective of the Foundation is to maintain the real value of its investment portfolio over the longer term and to provide capital growth for the furtherance of the Foundation's objectives. In 2022 the investment return of the Foundation, measured in GBP, was disappointing at an overall loss of approximately 4%. However, the trustees remain confident as to the long-term prospects of the Foundation's investments.

In respect of its investments the Foundation seeks an awareness of the social, environmental, or ethical policies of the relevant fund entities but this is not a primary consideration in determining its investments.

The trustees are mindful of their duty to review and monitor the Foundation's investments and receive regular investment reports in respect of the funds in which they are invested.

Costs

The Foundation seeks to minimise its cost base to maximise the funds available for its charitable purposes. As stated elsewhere in this report, the trustees give their time voluntarily and receive no remuneration or benefits; and the largest component of the Foundation's investments is the Management Shares of funds managed by AKO Capital LLP which are non-fee paying. In 2022 the total costs of the Foundation were £202,000 which represents 0.02% of the Foundation's net assets and 0.6% of the grants payable in the year.

Energy usage

The Foundation did not consume more than 40,000 kWh of energy in its reporting period. It therefore qualifies as a low energy user and is exempt from the reporting otherwise required under the United Kingdom's Streamlined Energy and Carbon Reporting regulations.

Risk Statement and Going Concern

The trustees have reviewed the major risks to which the Foundation is exposed and consider that systems are in place to mitigate exposure to these risks. As a grant making charity the main risk facing the Foundation is that it has inadequate income or existing resources to fund its grant making activity. In 2023 the Foundation's main source of income is expected be a profit share from AKO Capital LLP and the main current risk is, therefore, the profitability of AKO Capital LLP. During the year to 31 December 2022 AKO Capital LLP remained profitable. In addition, the Foundation's reserves policy is to ensure it maintains adequate funds to meet its commitments and to allow it to continue as a grant making charity; the Trustees consider that the Foundation's reserves are more than adequate for this purpose. Accordingly, the trustees believe that there is a reasonable expectation that the Foundation will have adequate resources to continue in operational existence for the foreseeable future; they have thus continued to adopt the going concern basis of accounting in preparing the annual financial statements.

Fundraising

The Foundation's main source of future income is expected be a profit share from AKO Capital LLP. The Foundation does not engage in public fundraising and does not use professional fundraisers or commercial participators. The Foundation nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and the Foundation received no complaints relating to its fundraising practice.

Relationship with stakeholders

The Foundation's primary stakeholders are the grant recipients. The Foundation seeks to foster long term and open relationships with these partners.

Plans for the Future

The Foundation plans to continue as a grant making charity with a focus on education, the wellbeing of young people, the arts and combating climate change.

Statement of responsibilities of the trustees

The trustees (who are also directors of AKO Foundation for the purposes of company law) are responsible for preparing the report of the trustees, including the strategic report and the financial statements, in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;

- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

In so far as the trustees are aware:

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2022 was 2. One of the trustees is a Member of the charity but this entitles him only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the Foundation's auditor and has expressed its willingness to continue in that capacity.

The report of the trustees including the strategic report was approved by the trustees on 13 April 2023 and signed on their behalf by

David Woodburn,
Trustee
13 April 2023

Independent auditor's report

to the members of
AKO Foundation

Opinion

We have audited the financial statements of AKO Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the group financial statements section of our report. We are independent of the group and parent

charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company'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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

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 are set out below.

Capability of the audit in detecting irregularities

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

- We enquired of management, and the board of trustees, which included obtaining and reviewing supporting documentation, concerning the group’s policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company’s members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

Date: 17 April 2023
for and on behalf of Sayer Vincent LLP, Statutory Auditors

Sayer Vincent LLP, Invicta House, 108-114 Golden Lane, London, EC1Y 0TL

Group Statement of Financial Activities

Incorporating an income and expenditure account
For the year ended 31 December 2022

		Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Notes			
Income			
<i>Incoming resources from generated funds</i>			
Income from interests in associated undertakings		78,695	241,088
Donations		4	27,359
Investment income		412	11
Total incoming resources		79,111	268,458
Expenditure			
<i>Charitable activities</i>			
Education		7,637	9,685
Wellbeing of young people		1,926	-
Art		13,026	18,101
Climate		10,060	11,549
Local projects		807	886
Other		1,344	902
Total resources expended	2	34,800	41,123
Net incoming resources for the year	3	44,311	227,335
Net gains/(loss) on investments		(41,443)	194,748
Foreign exchange gain/(loss)		(234)	(1,012)
Net income for the year before tax		2,634	421,071
Tax payable		-	(44)
Net income for the year and net movement in funds		2,634	421,027
Total funds brought forward		1,071,662	650,635
Total funds carried forward	16	1,074,296	1,071,662

All of the above results are derived from continuing activities and are unrestricted. There were no other recognised gains and losses other than those stated above. Movements in funds are disclosed in note 16 to the financial statements.

Group Balance Sheet

Registered Company N° 08385711

as at 31 December 2022

	Notes	2022 £'000	2021 £'000
Fixed assets			
Investments	7	968,856	874,424
		968,856	874,424
Current assets			
Debtors	11	20,248	183,171
Cash		111,195	41,471
		131,443	224,642
Current liabilities			
<i>Creditors:</i> amounts falling due within one year	12	17,917	22,046
Net current assets		113,526	202,596
<i>Creditors:</i> amounts falling due in more than one year	13	8,086	5,358
Net assets	15	1,074,296	1,071,662
Funds			
Unrestricted funds – general income funds	16	900,554	799,519
Unrestricted funds – fair value reserve	16	173,742	272,143
Total unrestricted funds and total funds		1,074,296	1,071,662

Approved by the trustees on 13 April 2023 and signed on their behalf by:

David Woodburn
Trustee

Company Balance Sheet

Registered Company N° 08385711

as at 31 December 2022

	Notes	2022 £'000	2021 £'000
Fixed assets			
Investments	7	968,856	874,424
		968,856	874,424
Current assets			
Debtorsh		-	-
Cash		111,022	41,315
		111,022	41,315
Current liabilities			
<i>Creditors:</i> amounts falling due within one year	12	17,911	22,027
Net current assets		93,111	19,288
<i>Creditors:</i> amounts falling due in more than one year	13	8,086	5,358
Net assets		1,053,881	888,354
Funds			
Unrestricted funds – general income funds	16	886,092	622,165
Unrestricted funds – fair value reserve	16	167,789	266,189
Total unrestricted funds and total funds		1,053,881	888,354

Approved by the trustees on 13 April 2023 and signed on their behalf by:

David Woodburn
Trustee

Group Cash Flow Statement

For the year ended
31 December 2022

	2022 £'000	2021 £'000
Reconciliation of net incoming resources to operating cash flow		
Net incoming/(outgoing) resources for the period	44,311	227,335
Foreign exchange gain/(loss)	(234)	(1,012)
Interest receivable	(412)	(11)
Donation of investments	-	(27,278)
(Increase)/decrease in debtors	162,923	(45,794)
Increase/(decrease) in creditors	(1,401)	10,492
Net cash outflow from operating activities before tax	205,187	163,732
Corporation tax paid	-	(44)
Net cash outflow from operating activities after tax	205,187	163,688
Return on investments		
Interest received	412	11
Capital expenditure/receipts		
Additions to investments	(152,105)	(250,431)
Proceeds from sale of investments	16,230	36,892
Increase/(decrease) in cash	69,724	(49,840)
Cash at bank and in hand brought forward	41,471	91,311
Cash at bank and in hand carried forward	111,195	41,471

Notes to the Financial Statements

For the year ended
31 December 2022

1. Accounting policies

- a) AKO Foundation is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office is One Newman Street, London, W1T 1PB.
- b) The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments and in accordance with applicable accounting standards and the Companies Act 2006. They follow the recommendations in the “Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)” (Charities SORP FRS 102).
- The trustees consider that there are no material uncertainties in respect of the Foundation’s ability to continue as a going concern and therefore continue to adopt the going concern basis of accounting in preparing the financial statements.
- c) These financial statements consolidate the results of the Foundation and its wholly owned subsidiaries AKO Subsidiary 2020 Limited and AKO Investment Holdings Limited on a line by line basis with the subsidiaries included from the date of acquisition or establishment. Transactions and balances between the Foundation and its subsidiaries have been eliminated from the consolidated financial statements. Any balances between the Foundation and its subsidiaries are disclosed in the notes to the Foundation’s balance sheet. A separate statement of financial activities, or income and expenditure account, for the Foundation itself is not presented because the Foundation has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.
- Investments in associated undertakings are accounted for under the equity method of accounting such that the investment is initially recognised at cost and is subsequently adjusted to reflect the group’s share of the profit or loss of the associate.
- d) Donations and other income are recognised when the Foundation has entitlement, any performance conditions attached to the income have been met and it is probable that the income will be received. Donations are measured at fair value unless it is impractical to measure reliably the fair value of the donated item.
- e) Resources expended are allocated to the activity where the cost relates directly to that activity. Support costs and Governance costs, which are costs associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity’s activities, are re-allocated to each of the activities on the following basis which is an estimate, based on grants payable, of the amount attributable to each activity:

	2022	2021
Education	22%	24%
Wellbeing of young people	5%	0%
Arts & culture	38%	44%
Climate	29%	28%
Local projects	2%	2%
Other	4%	2%

1. Accounting policies *(continued)*

f) Grants payable are charged to the Statement of Financial Activities in the year in which the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled.

g) Most of the Foundation's financial assets and financial liabilities are of a kind that qualify as basic financial instruments, and these are initially recognised at transaction value. Those parts of the Foundation's investments which do not qualify as basic financial instruments are initially recognised at fair value.

Within the Foundation itself investments in subsidiaries and associates are accounted for at cost less any impairment. All other investments held as fixed assets are revalued at market value at the balance sheet date with the gain or loss for the year taken to the Statement of Financial Activities. Other basic financial instruments are measured at their settlement value.

h) Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange utilised at the date of transaction. Exchange differences are included in the net movement in funds for the year.

i) AKO Foundation meets the definition of a public benefit entity under FRS 102.

2. Total resources expended

2022	Grants Payable (Note 6)	Legal fees	Other Governance and Support Costs	Total	Allocation of Governance and Support Costs	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Education	7,593	-	-	7,593	44	7,637
Arts & Culture	1,915	-	-	1,915	11	1,926
Arts & Culture	12,950	-	-	12,950	76	13,026
Climate	10,002	-	-	10,002	58	10,060
Local Projects	802	-	-	802	5	807
Other	1,336	-	-	1,336	8	1,344
	34,598	-	-	34,598	202	34,800
Governance Costs	-	35	17	52	(52)	-
Support Costs	-	-	150	150	(150)	-
Total resources expended	34,598	15	167	34,800	-	34,800

2. Total resources expended *(continued)*

2021	Grants Payable (Note 6)	Legal fees	Other Governance and Support Costs	Total	Allocation of Governance and Support Costs	Total 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Education	9,628	2	-	9,630	55	9,685
Arts & Culture	17,998	-	-	17,998	103	18,101
Climate	11,484	-	-	11,485	65	11,549
Local Projects	881	-	-	881	5	886
Other	897	-	-	897	5	902
	40,888	2	-	40,890	233	41,123
Governance Costs	-	13	24	37	(37)	-
Support Costs	-	-	196	196	(196)	-
Total resources expended	40,888	15	220	41,123	-	41,123

Analysis of Support Costs

Governance Costs

	2022 £'000	2022 £'000
Legal fees	35	13
Audit & Accountancy	17	24
	52	37

Other Support Costs

	2022 £'000	2022 £'000
Staff costs	138	130
Bank charges and other costs	12	66
	150	196

Total Governance and Support Costs

2022 £'000	2022 £'000
202	233

3. Net incoming resources for the year

This is stated after charging

	2022	2021
	£'000	£'000
Trustees' remuneration	-	-
Trustees' expenses	-	-
Auditor's remuneration		
Audit	11	11
Other	4	9
	-----	-----

During 2022 Trustees' expenses of approximately £300 were incurred representing the payment of travel and subsistence costs for one trustee relating to project visits.

4. Staff cost

	2022	2021
	£'000	£'000
Wages and salaries	120	114
Social security costs	15	13
Other pension costs	4	3
	-----	-----
Total staff costs	139	130
	-----	-----

The average monthly number of employees was 1 (2021: 1) and the employee benefits detailed above relate to a single employee.

The total employee benefits including pension contributions of the key management personnel were £139,000 (2021: £130,000).

5. Taxation

The Foundation paid corporation tax of £nil (2021: £44,000 in respect of a profit share it received directly from AKO Capital LLP in 2020). The Foundation is generally exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

6. Grants Payable

A list of recipients of the grants made during the years ended 31 December 2022 and 31 December 2021 are shown below.

2022	
Recipient	£'000
Grants for the advancement of education	
Teach First	1,500
Campaign for Female Education	1,212
Ark	500
Get Further	500
Place2Be	500
Social Finance	422
Strømme Foundation	430
Now Teach	375
IntoUniversity	300
Pratham UK	300
Teach for India	285
Education and Employers	200
Lively Minds	200
Street League	150
Sandvika Rotary Club	119
Christ's Hospital	100
Generating Genius	100
Royal National Children's Springboard Foundation	100
Partnership for Change	91
MM Foundation	81
University of the Arts	70
World Association of Girl Guides and Girl Scouts	38

	7,593

Grants towards the wellbeing of young people	£'000
Institutt for Spiseforstyrrelser	807
OnSide Youth Zones	600
Frontline	250
Babyzone	200
NSPCC	50
Good Kitchen	8

	1,915

6. Grants Payable *(continued)*

Grants for the advancement of art	£'000
AKO Kunststiftelse	10,607
CLAY Museum of Ceramic Art Denmark together with SKMU Sørlandets Kunstmuseum	910
SKMU Sørlandets Kunstmuseum	775
Camden Arts Centre	300
Hampstead Theatre	125
Nasjonalmuseet Oslo	123
Roundhouse	50
City & Guilds of London Art School	50
Kettle's Yard	10

	12,950

Grants to mitigate the effect of climate change	£'000
CDP Worldwide	3,750
ClientEarth	2,500
European Climate Foundation	2,394
Climate Arc	476
World Resources Institute	369
TNC UK Foundation	258
The Big Give Trust	105
Cool Earth	100
Science Museum	50

	10,002

Local projects	£'000
Fontenehus Norge	580
Maytree Respite Services	150
Røde Kors Kristiansand	68
Vennesla Rotary Club	4

	802

Other	£'000
Pets as Therapy	128
Campaign Against Living Miserably	101
Breaking Barriers	97
FoodCycle	97
The Access Project	77
AKO Matched Funding donations	451
Other AKO Give Back donations	385

	1,336

	34,598
	=====

6. Grants Payable *(continued)*

2021	
Recipient	£'000
Grants for the advancement of education	
University of Pennsylvania (USA) Foundation Ltd	3,665
Bite Back 2030	1,000
Ark	975
Strømme Foundation	951
Social Finance	721
OnSide Youth Zones	400
The Brightside Trust	300
Brilliant Club	300
Little Sun Foundation	300
Aalto University	180
Right to Sight	147
Lively Minds	100
ReachOut Youth	100
Real Action	100
Literacy Pirates	95
Become	75
ImpactEd	75
Peer Productions	72
Education and Employers	50
Coretta & Martin Luther King Institute for Peace	22

	9,628

Grants for the advancement of art	£'000
AKO Kunststiftelse	15,887
SKMU Sørlandets Kunstmuseum	1,259
National Portrait Gallery	350
The Courtauld Institute	255
Whitechapel Gallery	75
Albright-Knox Art Gallery	73
British Museum	50
Zeitz MOCAA	21
Kettle's Yard	20
Asbjorn Bjornes	8

	17,998

6. Grants Payable *(continued)*

	£'000
Grants to mitigate the effect of climate change	
European Climate Foundation	3,843
The Energy Foundation China	1,877
Foundation for International Law for the Environment	1,725
Stichting SED Fund	1,070
ClientEarth	750
TNC UK Foundation Limited	722
Basecamp Explorer Foundation	570
Live Ocean	472
Global Greengrants Fund UK	450
Julie's Bicycle	5

	11,484

Local projects	£'000
Røde Kors Kristiansand	442
Fontenehuset Arendal	259
Doorstep Homeless Families Project	85
Burgh House	60
Jackson's Lane	35

	881

Other	£'000
Feeding Britain	116
Brain and Spine Foundation	115
CoreArts	95
Rewilding Britain	95
United Borders	54
Chance UK	25
Other AKO Give Back donations	85
AKO Matched Funding donations	312

	897

	40,888

7. Investments

	2022 £'000	2021 £'000
Group and Foundation		
Carrying value at the start of the year	874,424	438,859
Additions	298,870	324,960
Disposals	(106,037)	(59,384)
Gain on investments	(98,401)	169,989
	-----	-----
Carrying value at the end of the year	968,856	874,424
	-----	-----
Historic cost at the end of the year - Group	795,114	602,281
	-----	-----
Historic cost at the end of the year - Foundation	801,068	608,235
	-----	-----
Investments comprise	2022	2021
Group	£'000	£'000
Interests in associated (Group)/subsidiary (Foundation) undertakings	1,303	1,303
	-----	-----
Other investments	£'000	£'000
<i>Investment funds</i>		
Investment in AKO Fund	193,043	251,113
Investment in AKO Global Fund	179,678	180,085
Investment in AKO European Long-only Fund	23,812	3,364
Investment in other investment funds	13,877	11,978
Venture capital type investments	200,921	226,463
Investment in money market and short dated fixed income funds	356,222	200,118
	-----	-----
Market value at the end of the year	967,553	873,121
	-----	-----
Total investments	968,856	874,424
	-----	-----

8. Subsidiary Undertakings

The Foundation owns or owned the whole of the issued ordinary share capital of the following subsidiary undertakings:

- AKO Subsidiary 2020 Limited, a company registered in England and Wales with company number 12847959. AKO Subsidiary 2020 Limited was established by the Foundation and holds the investment in AKO Capital LLP which the group acquired on 1 December 2020 (see note 9 below).
- AKO Investment Holdings Limited, a company registered in the British Virgin Island with company number 1814633. AKO Investment Holdings Limited was liquidated effective 10 March 2022.

A summary of the results of the subsidiary undertakings as included in these consolidated results is shown below:

AKO Subsidiary2020 Limited	2022	2021
Percentage owned by the Foundation	100%	100%
Financial information	£'000	£'000
Income	78,719	241,098
Expenses	4	6
	-----	-----
Profit	78,715	241,092
	=====	=====
Assets and liabilities at 31 December:	£'000	£'000
Assets	21,724	184,609
Liabilities	6	6
	-----	-----
	21,718	184,603
	=====	=====
AKO Investment Holdings Limited	2022	2021
Percentage owned by the Foundation	100%	100%
Financial information	£'000	£'000
Income	-	-
Expenses	-	1,229
	-----	-----
Profit	-	(1,229)
	=====	=====
Assets and liabilities at 31 December:	£'000	£'000
Assets	-	20
Liabilities	-	13
	-----	-----
	-	7
	=====	=====

9. Associated Undertaking

On 1 December 2020 an interest in AKO Capital LLP was donated to the Foundation and AKO Capital LLP became an associated undertaking of the Foundation. This interest in AKO Capital LLP is now held via AKO Subsidiary 2020 Limited and is included in the financial information in respect of AKO Subsidiary 2020 Limited set out in the table above.

10. Sensitivity to risks

Market risk

The Group is exposed to market risk through its investments in investment funds and venture capital type investments as the value of those investments is affected by movements in the underlying financial markets. The nature of these investments is such that changes in their value should not be directly related to these market movements. The impact on the statement of financial position of a 5% fall in the value of these investments would be a £48,378,000 reduction in the assets of the Group.

Foreign exchange risk

Several of the Foundation's investments and parts of the Foundation's current assets and liabilities are denominated in foreign currencies. At 31 December 2022 the sensitivity of the profit for the financial year to a 2% movement in the exchange rate of the British Pound against the US Dollar, Euro and NOK was, respectively, £6,298,000, £3,747,000 and £3,947,000.

Liquidity risk

The investments in the AKO funds are redeemable at Net Asset Value on their dealing days with between one month's and 90 days' notice. The investments in the money market and short dated fixed income funds have daily liquidity. The investments in the other investment funds and venture capital type investments are generally not redeemable with distributions from these investments being dependent upon the realisation of the underlying assets within these funds and the decisions of their investment managers.

Credit risk

The credit risk relating to investments arises from the default of a counterparty, with a maximum exposure equal to the carrying amount of these investments. The trustees believe the credit risk is mitigated as:

- all AKO funds are invested in liquid investments;
- the money market and short dated fixed income funds utilised seek to maintain AAA ratings, which is the highest fund rating available;
- cash is held with Handelsbanken plc (credit rating AA- (S&P)) or Santander UK plc (credit rating A1 (Moody's) / A (S&P)); and
- there are no amounts due to the Group that are either past due or impaired.

11. Debtors

Group	2022 £'000	2021 £'000
Accrued income	20,248	183,171

12. Creditors: amounts falling due within one year

Group	2022 £'000	2021 £'000
Accruals	27	38
Grants payable	17,890	22,008
	17,917	22,046

The Foundation	2022 £'000	2021 £'000
Accruals	21	19
Grants payable	17,890	22,008
	17,911	22,027

13. Creditors: amounts falling due in more than one year

Group and the Foundation	2022 £'000	2021 £'000
Grants payable	8,086	5,358

14. Contingent liabilities and commitments

In addition to the grants payable at the year end the Group and Foundation had contingent grant liabilities of NOK 7,000,000 (approximately £591,000 (2021: NOK 32,000,000, approximately £2,683,000)) where grant agreements have been entered into, but the ultimate liability is dependent upon future conditions being met.

At the year end the Group and Foundation had unfunded commitments under the venture capital type investments and other investment funds of £22,598,000 (2021; £32,476,000). These amounts will be payable when called over the next 9 years and will be funded from unrestricted funds.

As part of the terms of the donation by DSHN Philanthropy LLP of an interest in AKO Capital LLP to the Foundation, as described in note 9 above, the Foundation gave DSHN Philanthropy LLP and its individual Members an indemnity in respect of the donation.

15. Analysis of group net assets between funds

2022	<i>Fair Value Reserve £'000</i>	<i>Income Funds £'000</i>	<i>Total Fund £'000</i>
Investments	173,742	795,114	968,856
Net current assets less longer-term creditors	-	105,440	105,440
Net assets at the end of the year	173,742	900,554	1,074,296

2021	<i>Fair Value Reserve £'000</i>	<i>Income Funds £'000</i>	<i>Total Fund £'000</i>
Investments	272,143	602,281	874,424
Net current assets less longer-term creditors	-	197,238	197,238
Net assets at the end of the year	272,143	799,519	1,071,662

16. Movements in funds

Group	2022 £'000	2021 £'000
General funds		
<i>Income funds at start of the year</i>	799,519	548,481
Incoming resources	79,111	268,458
Outgoing resources	(34,800)	(41,123)
Foreign exchange gain/(loss)	(234)	(1,012)
Realised gain/(loss) on investments	56,958	24,759
Tax payable	-	(44)
	900,554	799,519
<i>Income funds at the end of the year</i>		
<i>Revaluation reserve at start of year</i>	272,143	102,154
Net unrealised gain/(loss) on investments	(98,401)	169,989
	173,742	272,143
<i>Revaluation reserve at the end of year</i>		
Total funds at the end of year	1,074,296	1,071,662
The Foundation		
	2022 £'000	2021 £'000
General funds		
<i>Income funds at start of the year</i>	622,164	382,288
Incoming resources	241,999	256,176
Outgoing resources	(34,795)	(41,501)
Foreign exchange gain/(loss)	(234)	486
Realised gain/(loss) on investments	56,958	24,760
Tax payable	-	(44)
	886,092	622,165
<i>Income funds at the end of the year</i>		
<i>Revaluation reserve at start of year</i>	266,189	96,201
Net unrealised gain/(loss) on investments	(98,400)	169,988
	167,789	266,189
<i>Revaluation reserve at the end of year</i>		
Total funds at the end of year	1,053,881	888,354

17. Related party transactions

The Foundation has taken advantage of the exemption available under Section 33 of FRS 102 not to disclose transactions with its wholly owned subsidiary undertakings.

David Woodburn, a trustee, is a partner in AKO Capital LLP which is the investment manager of the AKO funds in which assets from the Foundation are invested. The investment by the Foundation is in the Management Shares of these AKO funds and these shares are non-fee paying. Therefore, AKO Capital LLP receives no benefit from these investments by the Foundation.

On 1 March 2021 DSHN Philanthropy LLP, a limited liability partnership in which David Woodburn is a partner, donated EUR Management Shares in AKO Global Fund Limited of a value £27,185,000 to the Foundation.

During 2022 AKO Capital Management Limited, a company which is part of the AKO Capital group, made donations of £4,000 (2021; £7,000) to the Foundation.

In the normal course of its charitable granting there are instances where the Foundation makes donations to charities with common trustees with the Foundation. Although in these instances the relevant Foundation trustee is part of a collective of non-related trustees and is not considered to be in a significant position of influence over those other charities disclosure of such situations is included below:

- Henrik Syse is a trustee, or trustee equivalent, of the King Institute which received grants from the Foundation in 2021.

Details of grants made to those entities are included in note 6 and any amounts payable at the year-end are included in the grants payable disclosed in notes 12 and 13.



AKO Kunststiftelse – aerial view of the Kunstsilo

