

THE POWER OF NUTRITION

England & Wales · Charity number 1160373

Details

Other names CATALYTIC FINANCING FACILITY FOR NUTRITION, CAFIN

Status Registered

Legal form Charitable company

Company number [09288843](#)

Registered 2015-02-06

Register [View on the Charity Commission register](#)

Contact

Address c/o Wedlake Bell
Floor 8
71 Queen Victoria Street
London
England
EC4V 4AY

Phone 02077833563

Email info@powerofnutrition.org

Website www.powerofnutrition.org

Activities

Objects: THE CHARITY'S OBJECTS SHALL BE RESTRICTED TO THE ADVANCEMENT OF HEALTH AND THE PREVENTION OR RELIEF OF POVERTY BY PROVIDING, OR ASSISTING IN THE PROVISION OF, FINANCIAL SUPPORT TO MATERNAL AND CHILD NUTRITION PROGRAMMES WORLDWIDE.

Activities: THE POWER OF NUTRITION IS WORKING TO TRANSFORM CHILDREN'S NUTRITION OUTCOMES, SAVE LIVES AND PROTECT CHILDREN BY: (1) UNLOCKING FINANCING FOR NUTRITION FROM NEW AND NON-TRADITIONAL FUNDING SOURCES; AND (2) MAKING CHARITABLE INVESTMENTS (GRANTS) TO SCALE UP QUALITY, HIGH-IMPACT CHILD AND MATERNAL NUTRITION PROGRAMMES IN SUB-SAHARAN AFRICA AND ASIA.

Classification

- **How:** Makes Grants To Organisations
- **What:** The Advancement Of Health Or Saving Of Lives, The Prevention Or Relief Of Poverty
- **Who:** Children/young People, Other Charities Or Voluntary Bodies

Geography

- **Area of benefit:** WORLDWIDE.
- Bangladesh
- Benin
- Burkina Faso
- Congo (Democratic Republic)
- Ethiopia
- India
- Indonesia
- Ivory Coast
- Lesotho
- Liberia
- Madagascar
- Malawi
- Nigeria
- Rwanda
- Tanzania
- Zambia

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£6,677,116	£7,073,147	£1,368,161	20
2023-12-31	£10,774,159	£5,053,980	£1,773,841	18
2022-12-31	£3,105,350	£4,656,859	£-3,926,572	16
2021-12-31	£9,128,376	£25,238,806	£-2,201,931	20
2020-12-31	£11,258,700	£25,258,260	£13,732,142	20

Trustees

Name	Role	Appointed
David Neill Bull CBE		2016-10-04
Dr Anulika Ajufo		2023-02-14
Jonathan Brinsden		2014-10-30
Kul Chandra Gautam		2022-11-18
Mark Cutifani		2018-02-12
Pranav Lalit Trivedi		2022-11-18
Susana Radegunda EDJANG MANGUE		2023-06-01

THE POWER OF NUTRITION

England & Wales - Charity number 1160373

Accounts

THE POWER OF
nutritioⁿ

The Power of Nutrition

Annual Report and Financial
Statements for the year ended
31 December 2024

One Bartholomew Close, London EC1A 7BL
Company number: 09288843
Registered charity number: 1160373

+44 (0) 203 1413 905
info@powerofnutrition.org
www.powerofnutrition.org
@FundNutrition

Trustees' Annual Report

Reference & Administrative Details	2
Message from the Chair and CEO	3
Strategic Report	5
1. <i>Objectives & activities</i>	5
1.1. Background.....	5
1.2. Purposes & aims	5
2. <i>Achievements & performance</i>	6
2.1. Supporting quality, high-impact nutrition programmes	6
3. <i>Looking ahead</i>	7
4. <i>Financial review</i>	7
4.1. Income.....	7
4.2. Expenditure.....	8
4.3. Cashflow.....	8
4.4. Foreign exchange movement	8
4.5. Reserves and going concern	9
5. <i>Structure, governance & management</i>	9
5.1. Structure	9
5.2. Governance & management	10
5.3. Key policies & risk management.....	10
6. <i>Statement of responsibilities of Trustees</i>	12
Independent Auditor's Report	14
<i>Opinion</i>	14
<i>Basis for opinion</i>	14
<i>Emphasis of matter- in relation to going concern</i>	14
<i>Other Information</i>	14
<i>Opinions on other matters prescribed by the Companies Act 2006</i>	15
<i>Matters on which we are required to report by exception</i>	15
<i>Auditor's responsibilities for the audit of the financial statements</i>	15
<i>Capability of the audit in detecting irregularities</i>	15
<i>Use of our report</i>	16
Statement of financial activities	17
Balance sheet	18
Statement of cash flows	19
Notes to the financial statements	20

The Power of Nutrition, a company limited by guarantee, was incorporated in England and Wales on 30 October 2014 with company number 09288843. It was registered as a charity in England and Wales on 6 February 2015 with charity number 1160373.

Reference & Administrative Details

Company number	09288843
Charity number	1160373
Registered office	One Bartholomew Close, London EC1A 7BL
Trustees	The Trustees, who are also directors under company law, who served during the period and up to the date of this report were as follows: Jonathan Brinsden David Bull CBE Mark Cutifani CBE Alasdair Cook (resigned 5 February 2025) Caroline Kuhnert Pranav Lalit Trivedi Kul Chandra Gautam Elhadji Amadou Gueye Sy Anulika Nwamaka Ajufo Susana Edjang
Principal staff	Jim Emerson Interim Chief Executive Alok Ranjan Director of Programmes & Investments Chris Skeet Director of Finance Carla Martins Director of Human Resources and Operations Shelley Pigott Director of Strategic Engagement (to 15 October 2024)
Bankers	Barclays PO Box 885 Mortlock House, Station Road, Histon CB24 9DE HSBC 133 Regent Street, London W1B 4HX
Solicitors	Broadfield Law UK LLP One Bartholomew Close, London EC1A 7BL
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors 110 Golden Lane, London, EC1Y 0TG

Message from the Chair and CEO

The Power of Nutrition was established in 2015 **“to leverage more finance into the nutrition sector and deliver interventions at scale”**. After nine years we have materially exceeded our funding and impact goals, reaching children, adolescents and women in our quest to put good nutrition in the hands of those that need it most. This year (as in previous years) we faced challenges, as did many organisations in the sector; finding it increasingly difficult to raise new funding. Despite this challenging macro-economic environment, we are proud to have continued to create new partnerships to tackle global malnutrition, to give children a better start to life and the future.

By the end of the year, our reach and impact had multiplied; we are pleased to share that we have supported more than 180 million women and children with better nutrition; and as a result, over 429 thousand stunting years and 46 thousand child deaths have been averted.

Programme portfolio

In 2024, we were delighted to expand our portfolio with our first programme in Pakistan, and to begin a process of reflection on a decade of experience in preparation for our ten-year anniversary in 2025.

- *Pakistan* - the new partnership with Gavi, the principal donor to the programme, and the Aga Khan Foundation, which is implementing the programme, aims to reduce infant and child mortality and morbidity due to vaccine-preventable diseases and undernutrition through equitable and sustained immunisation and nutrition coverage in seven priority districts of Pakistan
- *Impact & Learning Series* - in the last quarter of 2024 we started the development of an Impact and Learning Series to celebrate our ten-year anniversary and share our learning. This will present the results of our work in raising funds and delivering large-scale nutrition programmes across Africa and Asia over the past decade. Our aim is to share learning and insight with the wider sector, to inform future collaboration and investments in tackling nutrition.

We have now invested in 26 programmes across 17 countries in Africa and Asia. At year end, our work had reached over 180 million people (104 million children under-five, 23 million adolescents and 54 million women) with critical nutrition services.

Fundraising

In 2024 we raised USD 3.7million, with the majority (USD 3.6 million) raised from Gavi for the programme in Pakistan. A further USD 0.1 million was raised from the PVH Corporation a repeat donor who is investing for the first time in a bolt-on programme in Maharashtra, India.

Communications and advocacy

In 2024, our communications efforts continued to focus on defragmenting and strengthening the sector and supporting partnership engagement and collaboration. This year we are building on our 2023 impact report with a 10-year anniversary report which will highlight our impact in the nutrition sector and share what we have learned.

Committed to being a sector champion and to highlighting the urgency of the poly-crises the world is experiencing, we continued to participate in and contribute to key sector groups and campaigns to place nutrition at the heart of conversations around delivering the Sustainable Development Goals and other key topics.

People

In response to a challenging funding environment and the need to restructure and scale back, 2024 required us to make some difficult decisions, including a significant reduction in the size of the team. A redundancy process was initiated in September 2024. More than half of our staff, primarily the fundraising team, took up the option of voluntary redundancy. Most of these left the organisation in October 2024 and one left in January 2025. Throughout this process, we prioritised open and transparent communication, consulting with and actively listening to our staff to ensure that all those affected were treated with care and respect. We were able to offer staff a support package to help them through this difficult transition; and we are pleased that the majority of staff taking voluntary redundancy had secured new jobs by the end of March 2025. At the same time, we enhanced support to the team who remained, focusing on keeping them motivated and engaged in the organisation's purpose and mission.

Looking ahead

Despite an excellent track record, it has become clear that The Power of Nutrition is not sustainable in its current form. Financial pressures, climate shocks, and competing priorities and other crises continue to test the sector. We, along with the rest of the sector, face all these challenges, in addition we have had to adjust to the loss in 2021 of the critical financial support of our original founding partners (CIFF and FCDO). Whilst significant efforts have been made to adapt our business model over recent years, this has not been sufficient.

We continue to double down on innovation and collaboration, mobilise investment, advance blended finance solutions, and maintain our focus on the people and communities who need support the most. Our experience shows that we can drive sustainable, large-scale impact in nutrition through a collaborative, integrated approach to programming with partners. Nutrition continues to offer one of the highest returns on investment in global development, up to US\$23 for every dollar spent; as resources become increasingly scarce, we must explore smarter ways of working. But the value of investing in nutrition goes far beyond economics; improving nutrition is an effective way to address interconnected challenges such as education, productivity, climate resilience, and gender equality. It is a foundational investment in people and future generations.

Despite persistent challenges, we remain confident that achieving the SDGs and the global nutrition targets is still within reach by 2030. But doing so will require mobilising sustained funding, bold action, stronger coordination, and smarter use of the tools we already have.

Thanks to our dedicated staff, board members, generous donors and committed partners we have been able to build a healthier and more equitable future for many women, children and adolescents over the last 9 years, contributing to our vision where every child has the right nutrition to fulfil their potential. Thank you for having been part of this journey.

Mark Cutifani
Chair, The Power of Nutrition

Jim Emerson
CEO, The Power of Nutrition

Strategic Report

The Board of Trustees of The Power of Nutrition, which is also its board of directors, hereby presents the information required by the Companies Act 2006 (the Strategic Report and Directors' Report) together with the financial statements for the year ended 31 December 2024.

Reference and administrative information set out on page two forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2015).

1. Objectives & activities

1.1. Background

The Power of Nutrition – a company limited by guarantee and a charity registered in the UK, and principally referred to as a “charitable foundation” – grew from a commitment by the Children’s Investment Fund Foundation (CIFF), the UK’s Department for International Development (DFID, now known as FCDO) and the UBS Optimus Foundation (UBSOF) to develop a catalytic financing facility that would bridge a financing gap in the nutrition sector to accelerate progress on child undernutrition. It was registered in February 2015 and formally launched in April 2015.

1.2. Purposes & aims

The Power of Nutrition was created to generate new resources to prevent undernutrition and to improve nutrition outcomes for children at scale. Our aim is to save lives and protect children from low birthweight, stunting and other forms of undernutrition. Nutrition is a fundamental building block for life. It is also recognised as a powerful multiplier for economic and social development: it saves lives and enables children and societies to grow to their full potential. Globally, there is also a USD 10.8 billion annual gap in core nutrition financing.

To transform nutrition outcomes, save lives and protect children, we:

- Unlock financing for nutrition from new and diverse sources, including the private sector and non-traditional investors; and
- Make charitable investments to scale up quality, high-impact child and maternal nutrition programmes in countries with the highest need in sub-Saharan Africa and Asia.

In our 2022-25 strategy we added a further goal:

- Act as a tenacious global nutrition sector champion, aiming to leverage ‘more money for global nutrition’ towards plugging the huge financing gap.

To achieve our goals, our current funding model comprises a range of co-financing agreements with more than 50 partners, including institutional funders (governments, foundations, corporates, high-net-worth individuals) and large-scale nutrition programme implementers, such as the World Bank, UNICEF, Save the Children, Action Against Hunger and a range of other INGOs.

At the heart of our original model was financial leverage, with the aim of turning each USD 1 into USD 4. Over the past 10 years the actual average leverage rate achieved was 1 to 8.2, more than twice the original aim. This has been achieved through a smart use-of-grants to incentivise others to multiply their commitments. For example, the Government of Madagascar planned to take a USD 40 million IDA loan from the World Bank for nutrition programming. We committed to give USD 10 million as a grant, if the government doubled their loan. They agreed to do this leading to a USD 90 million programme. In six of

our eight World Bank programmes, with a total portfolio of USD 410 million, we have shown that this smart use of grants has incentivised governments to borrow more for nutrition and deliver programmes at scale.

This model has evolved over recent years. Whilst we can no longer guarantee a 4-times match in every case, bringing partners together and pooling funds to deliver sustainable results at scale, remains at the heart of our offer and approach.

All funds are directed to programmes that are co-designed with our implementing partners to ensure, quality, high-impact, nutrition programmes that focus on improving child and maternal nutrition at scale.

2. Achievements & performance

During the period covered in this report, the charitable foundation completed its ninth full year of independent operation. We booked net income totalling USD 8.3 million during the year. Our Board approved one new programmatic investment, our first programme in Pakistan.

We have now invested in 26 programmes 12 of which have been successfully closed by the end of 2024 (Tanzania, Liberia 1&2, Ethiopia 1, Madagascar, Rwanda I, Cote d'Ivoire, Burkina Faso, Benin, Indonesia 1, Ethiopia Humanitarian Appeal, and the Product Access Initiative (undertaken in Liberia and Ethiopia)).

The total portfolio value was USD 647 million at the end 2024.

2.1. Supporting quality, high-impact nutrition programmes

We established our first programme in Pakistan. This is a three-year programme with the Aga Khan Foundation as the implementing partner, and funding from Gavi. The programme aims to reduce infant and child mortality and morbidity due to vaccine-preventable diseases and undernutrition through equitable and sustained immunisation and nutrition coverage.

We increased our investment in the Mobile Doctorni programme in Gujarat with Group M as the implementing partner, this programme aims to reach 2.7 million women with hygiene and nutrition messaging utilising technology.

We allocated funding to develop an Impact and Learning Series to document and share our learning and insight from the past 10 years; we hope that this will inform future collaborations and investments across the sector in tackling nutrition.

Our innovative Product Access Initiative (PAI) in Liberia is being further tested in Ethiopia. This initiative aims to enhance collaboration between academia and institutions with a common goal of improving nutrition outcomes with relation to maternal and child health.

We expanded our humanitarian programme in Ethiopia working with IMC as the implementing partner. This programme is providing goats to families in the drought-affected Oromia region in Ethiopia.

We continue to oversee the implementation of our investments in:

- [Nigeria](#) (USD 3.9 million) and [Lesotho](#) (USD 5 million) both with the World Bank
- Our second investment in [Liberia](#) (USD 10 million), [Maharashtra](#) (USD 10 million), [Bangladesh](#) (USD 15 million), [Ethiopia 2](#) (USD 29.8 million), and [DRC-2](#) (USD 8 million) all five of which are with our implementing partner UNICEF.
- Investments with other implementing partners include [Gujarat](#) (USD 6 million) with Action Against Hunger, [Malawi](#) (USD 11.4 million) implemented by Save the Children, our Mobile Doctorni investment in [India](#) (USD 5.9 million) being implemented by Group M, our [DRC-1](#) investment (USD

2.7 million) being implemented by GiveDirectly, our Zambia investment (USD 0.7 million) being implemented by World Vision, our Product Access Initiative programmes in Liberia (USD 0.15 million) and Ethiopia (USD 0.21 million), our second Indonesia investment (USD 0.5 million) being implemented by GAVI, and our Pakistan investment (USD 4.35 million) being implemented by the Aga Khan Foundation.

In the financial statements (see Note 13a) some of these programmes show a net negative position. A number of these negative balances arise from the accounting treatment prescribed by current accounting standards where, although these programmes are fully funded, we are subject to the agreement wording required to record the full anticipated expenditure at the start of the programme, even though activities on-the-ground may not start for several years; whereas our grant income recognition policy generally requires that promised grant income is recognized throughout the life of the programme when due. These are Pakistan (USD 1.6 million), Learning Series initiative (USD 0.27 million) and DRC (USD 1.4 million).

3. Looking ahead

The Power of Nutrition has been working to fulfil its mandate to drive transformative nutrition outcomes at scale. We want to see the USD 10.8 billion gap in core nutrition funding, and USD 39-50 billion gap in funding to achieve Global Goal 2: Zero Hunger by 2030, closed.

We are proud to date to have introduced new private sector funders into the nutrition space and we continue to seek to engage this sector especially by building the connections between ESG agendas and the global nutrition financing gap.

Despite an excellent track record, it has, however, become clear during 2024 that the organisation is not sustainable in its current form without new platform funding, or the financial support of its original founding funders. Whilst significant efforts have been made by the organisation to adapt its business model, this has not been sufficient to maintain the organisation in its current form.

The Board of Trustees therefore decided in September 2024 that the organisation would be scaled back and the focus would be on: a) ensuring that our programme commitments are delivered on time and to budget, and have a positive impact for our beneficiaries; b) managing our relationships and fulfilling our commitments to partners and other stakeholders; c) documenting and disseminating our experience and learning in anticipation of our 10th anniversary and the Nutrition for Growth Summit (N4G) in 2025.

This required a restructuring of the organisation for which detailed, and fully costed plans were developed. A redundancy process was initiated in September 2024 with more than half of our staff taking up the option of voluntary redundancy to leave the organisation at the end of October 2024, and one left in January 2025. Several of the remaining team will stay till the end of June 2025 to work on the Impact and Learning Series, and to manage programmes and relationships with partners and other stakeholders. From July 2025, a core group of staff will ensure that a managed wind-down will continue through to the middle of 2027 to ensure that all programme and contractual commitments are fulfilled. Should there be no material beneficial change of circumstances, the organisation will close in 2027.

4. Financial review

4.1. Income

During the period covered in this report, The Power of Nutrition recorded income totalling USD 8.3 million (2023: USD 13.4 million). This income was received from three third party donors, a return of investment income from our trust fund at the World Bank and two bi-lateral donors:

- CIFF USD Nil (USD 4.1 million)
- Investment income returned from World Bank USD 2.4 million (USD 5.5 million)
- Private and Bi-lateral Donors income of USD 5.1 million (USD 1 million).
- Bank interest earned USD 0.8 million (USD 0.8 million)

4.2. Expenditure

A total of USD 8.7 million (2023: USD 6.4 million) was recognised as expenditure during the year. This can be analysed across two key expenditure groupings, namely Programmatic and Operational expenditure. Programmatic expenditure is defined as the expenditure the Foundation directly books to programmes that are designed and run by our implementing partners in our target countries, it also includes our internal programmatic team costs and associated overheads. Operational expenditure is defined as the expenses incurred through the day to day running of the Foundation, excluding the direct programmatic team costs and associated overhead.

Programmatic Expenditure

Total charitable grants expensed during the course of the year amounted to a net USD 5 million (2023: USD 3 million):

- A net USD 0.25 million was expensed in respect of the Mobile Doctorni nutrition programme in Gujarat. This was made up of USD 0.4 million in relation to Services-in-Kind provided, less a write back of accrued expenditure of USD 0.15 million.
- USD 4.35 million was expensed to our implementing partner the Aga Khan Foundation in respect of our first programme in Pakistan. Funds will be disbursed over 3 years.
- USD 0.36 million was expensed as part of our Learning Series initiative.
- USD 0.01 million was expensed as part of our first Product Access Initiative programme in Liberia.
- USD 0.05 million was expensed with implementor IMC in Ethiopia.
- Included in the USD 5 million is a USD 0.026 million write back of accrued grant expenditure no longer required for the Gujarat programme.

Operational Expenditure (including non-direct programme expenditure)

- Operating expenses totalling USD 3.7 million (2023: USD 3.3 million) were incurred during the period:
- The majority of our operating expenditure was historically funded by CIFF.
- The most significant cost, USD 2.9 million (2023: USD 2.1 million), was staff related; this equates to 77% (2022: 68%) of our current operating expenses.

4.3. Cashflow

The net cash (outflow) / inflow from operating activities was (USD 8.8 million) (2023: inflow of USD 1 million).

Our main programmatic cash inflows consisted of funding from donors totalling USD 6.7 million (2023: USD 7.6 million) and funds returned from World Bank of USD 2.4 million (2023: USD 5.5 million). Cash outflows to programmes totalled USD 14.3 million (2023: USD 9.6 million) during the year.

4.4. Foreign exchange movement

Our policy is to convert any currency funds received to USD at the time of receipt. This has better aligned currency funds held with underlying disbursements which are predominantly in USD.

A loss of USD 0.1 million (2023: gain of USD 0.1 million) was realised in respect of the movement on the USD / GBP currency rate impacting on funds received in GBP and converted to USD.

4.5. Reserves and going concern

The Trustees have established a Reserves Policy with reference to Charity Commission guidance (CC19) and applicable accounting standards. The Trustees review the level of unrestricted reserves annually having regard to the financial model of the charity, core expenditure and current/forecast income. The Trustees have agreed that it would be desirable for the charity to target unrestricted reserves which are sufficient to cover 12 months average operating expenditure; this equates to USD 1.8 million in 2025. The charity held unrestricted reserves of USD 2.3 million at the end of 2024.

The level of unrestricted reserves is closely monitored by the Finance, Audit and Risk Committee (FAR) to ensure that they remain at an adequate level to provide financial flexibility and as a buffer against operational risk. The Trustees review the appropriateness of the reserves policy annually as proposed by the FAR.

Net negative funds totalling USD 0.6 million (2023: USD 1.3 million) of the charitable foundation are considered to be restricted, to be used to fund maternal and child nutrition programmes aimed at reducing child undernutrition and malnutrition in Africa and Asia, the current expectation is that funds will be received ahead of related disbursements becoming due. Funds totalling USD 2.3 million (2023: USD 3.5 million) are considered to be unrestricted. We have continued to diversify our OpEx funding base and have booked USD 3.4 million to date (2023: USD 3.2 million to date) in respect of OpEx funding from other third-party donors.

- Cash holdings are held where possible in interest bearing accounts.
- Cash at bank totalled USD 11.5 million (2023: USD 19.6 million) at year end.

Whilst the Board considers that The Power of Nutrition has adequate financial resources to fund its operational expenditure at least until the end of 2027, based on the restructuring plans that were discussed earlier in the report, and subject to the organisation being unable to raise additional funding over this time period, the accounts have been prepared on a basis other than as a going concern, although no adjustments were required as a result.

5. Structure, governance & management

5.1. Structure

The Power of Nutrition is a charitable company limited by guarantee. It was incorporated as a company on 30 October 2014 under the name Catalytic Financing Facility for Nutrition and registered as a charity under the same name on 6 February 2015. The company was established under a Memorandum of Association and is governed under its Articles of Association, which sets out its objects and powers.

The name was formally changed to The Power of Nutrition on 19 April 2015 pursuant to a Board resolution of 10 March 2015.

The objectives of The Power of Nutrition as stated in the Articles of Association are to support the advancement of health and the prevention or relief of poverty by providing, or assisting in the provision of, financial support to maternal and child nutrition programmes worldwide.

The Board of Trustees have a duty to report in the Trustees' Annual Report on the charitable foundation's public benefit. They should demonstrate that:

- The benefits generated by the activities of The Power of Nutrition are clear. This report sets out the activities of the charitable foundation over the past year in order to achieve our mission.
- The benefits generated relate to the objectives of The Power of Nutrition. All activities undertaken are intended to further the charitable objectives of the charitable foundation, noted above.

The accounts of the charitable foundation are filed with Companies House and the Charity Commission.

5.2. Governance & management

The governing body of the charitable foundation is the Board of Trustees. The Trustees are appointed in their capacity as individuals and are also Directors for the purposes of company law. The Trustees are responsible for reviewing and approving the strategy and operational policies of the charitable foundation (including such areas as risk management and legal and regulatory compliance), reviewing reports on the charitable foundation's financial activities and monitoring investment and fundraising activities.

Board of Trustees

During the year ended 31 December 2024, there were no changes to the Board of Trustees. On 5 February 2025, Alasdair Cook resigned as a trustee.

The Trustees have no beneficial interest in the charitable foundation. All Trustees sit on the Board of The Power of Nutrition in their own individual capacity and execute their duties in the best interests of the Foundation. There are no Corporate Trustees. All Trustees give their time freely and no Trustee remuneration was paid in the year. Trustees are mindful of identifying and managing conflicts of interest and manage their proceedings in accordance with the detailed conflict of interest procedure set out in the charitable foundation's Articles of Association. Please also see the related party note 17 to the Annual Financial Statements.

The Board met four times during 2024 (2023: four times).

The Executive

Day-to-day responsibility is delegated to the Executive under the leadership of the Chief Executive who reports to the Board and works closely with the Chair.

The Executive is responsible for raising new financing, working with the implementing partners to channel the financing to evidence-based investments in nutrition, and reporting to the Board and other key stakeholders.

The team has structured its operational functions across two key pillars: partnerships & brand (fundraising), and programmes & investments.

Partners

The Power of Nutrition is a partnership of funding and implementing partners committed to helping children grow to their full potential. During the year ended 31 December 2024 we continued to work with our two principal implementing partners: the World Bank and UNICEF. We also worked with seven other implementing partners (Save the Children, Nutrition International, Action Against Hunger, Aga Khan Foundation, World Vision, GroupM and GiveDirectly), all of whom have been approved by our Board.

5.3. Key policies & risk management

The Board is responsible for ensuring that the charitable foundation has an appropriate system of controls, financial and otherwise. It is also responsible for safeguarding the assets of the charitable foundation and, therefore, for taking reasonable steps for the prevention of fraud and other irregularities.

A set of core operating policies guide the day-to-day work of The Power of Nutrition. These include:

- Managing our Costs & Travel Expense policies
- Anti-Bribery & Corruption & Anti-Money Laundering policies

- Whistleblowing policy
- Safeguarding Children and Vulnerable Adults
- Equal Opportunities policy
- Disciplinary & Grievance policy
- Harassment and Bullying policy
- Diversity, Equality and Inclusion policy
- Remuneration and Benefits policy
- Investment Approval policy
- Investor Vetting policy
- Data Protection policy
- Brand and Communications policy
- Privacy policy
- Health and Safety policy.
- Anti-Slavery and Human Trafficking policy

The Power of Nutrition is committed to ensuring that it provides a safe and trusted environment which safeguards and promotes the welfare and wellbeing of beneficiaries, our staff and partners. The Power of Nutrition enforces safeguarding practices through its procedures and policies including:

- ensuring compliance with our Safeguarding Children and Vulnerable Adults policy.
- a code of conduct for staff.
- recruiting staff safely by undertaking due diligence on individuals prior to appointment.
- using our safeguarding procedures to share concerns and relevant information with the appropriate agencies as necessary.
- using our disciplinary procedures to manage any allegations against staff appropriately.
- ensuring there are effective complaint and whistleblowing measures in place as per our Whistleblowing policy.

Our safeguarding policy is reviewed, approved and endorsed by the Board of Trustees annually or when updated after relevant legislation changes.

The Power of Nutrition requires all partners, agencies and grantees to:

- have adopted and to comply with a safeguarding policy ensuring equivalent safeguarding standards and mechanisms as provided for in The Power of Nutrition safeguarding policy; or
- where the partner, agency or grantee has no such policy in place, adhere to The Power of Nutrition safeguarding policy.

Assisted by the Executive and the Finance, Audit and Risk Committee, the Board reviews and assesses the major risks to which The Power of Nutrition is exposed. Taking into account the controls and safeguards currently in place, the key risks and uncertainties identified by the Board are as follows:

The Power of Nutrition has in place a process that ensures risks are reviewed regularly by the Executive team, by the Finance, Audit and Risk Committee before every Board meeting, and by the Board of Trustees at every Board meeting.

The organisation has identified the following key risks:

- *Staff retention*: In the current restructuring scenario we have ensured all staff are treated fairly and with respect. In addition to fair redundancy packages, all staff have access to funded outplacement services to assist in their respective job searches. Staff required for the other phases during the restructuring process have been fairly incentivised to ensure that future deliverables are met, and we are able to retain the necessary staff to do this.
- *Credit risk exposure*: At end December 2024, USD 3.9 million was due to The Power of Nutrition

in respect of four donors' incoming funds for onward submission to respective implementing partners. Of this, USD 1 million from two donors (Rotary and END Fund) is reflected as debtors in our accounts. The remaining USD 2.9 million (Sida USD 1.3m, and Gavi USD 1.6m) is contractually due but due to income recognition criteria, monies are booked on receipt of funds and thus a debtor is not currently raised in the books of account. Whilst these funds are being paid down against contracted payment schedules there is always a risk of default by these donors which could result in a material impact on the respective programmes not receiving their full funding

- *Operational expenditure*: The organisation would need to raise additional funding to cover its operating expenditure (OpEx) should it wish to continue to operate beyond the 2027 timeline outlined in the restructuring process currently underway. This risk has been mitigated by the Board decision in September 2024 that if the organisation is unable to secure further long-term funding during the planned restructuring, the planned restructuring process will continue to be followed to eventual close-down which will negate the need to raise additional OpEx funding.

Fundraising statement

We are a member of the Charity Fundraising Regulator and monitor the relevant fundraising regulations (including the Institute of Fundraising guidelines (UK)) and codes to ensure compliance where relevant. During the year there was compliance with these regulations and codes. The charitable foundation did not receive any complaints relating to its fundraising practise during the year.

Remuneration statement

Salaries for permanent staff across all functions have been set in line with a range of market rate indicators and internal parity. Any salary adjustments made in the year were in line with our Remuneration and Benefits Policy.

Public benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit.' That guidance addresses the need for all charities' aims to be, demonstrably, for the public benefit. The trustees consider the facilitation and provision of nutrition services to be wholly for public benefit.

6. Statement of responsibilities of Trustees

The Trustees (who are also Directors for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and accounting standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial period 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 the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities Statement of Recommended Practice (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 information relevant to the audit of which the auditors are unaware; and
- They have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and to establish that the auditors are 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 membership of The Power of Nutrition comprises the Trustees, the Children's Investment Fund Foundation and the UBS Optimus Foundation and entitles the members to voting rights only. Neither the Trustees nor the Members have any beneficial interest in The Power of Nutrition.

The Trustees' Annual Report, incorporating the strategic report and directors' report, has been approved by the Trustees on 20 June 2025 and signed on their behalf by

.....
Mark Cutifani, Chairman

1. Opinion

We have audited the financial statements of The Power of Nutrition (the 'charitable company') for the year ended 31 December 2024 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended.
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

2. Basis for opinion

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

3. Emphasis of matter - in relation to going concern

Without qualifying our opinion, we draw attention to the disclosures in the trustees' annual report and note 1 of the financial statements. The trustees have decided to wind down The Power of Nutrition in 2027 in the event that the organisation is unable to secure future long-term funding after the current programme and contractual commitments are met. As a consequence, the financial statements have been prepared on a basis other than as a going concern although no adjustments were required as a result.

4. Other Information

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

We have nothing to report in this regard.

5. 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; and
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements.

6. Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its 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 requires us to report to you if, in our opinion:

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

7. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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.

7.1. 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, which included obtaining and reviewing supporting documentation, concerning the charity'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 charity 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 charity 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.

8. Use of our report

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

Noelia Serrano (Senior Statutory Auditor)
DATE 21 July 2025
for and on behalf of Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

For the year ended 31 December 2024

	Note	Unrestricted \$	Restricted \$	2024 Total \$'000	Unrestricted \$	Restricted \$	2023 Total \$'000
Income from:							
Grants	2	51	7,462	7,513	661	11,948	12,609
Bank interest		80	754	834	84	701	785
Total income		131	8,216	8,347	745	12,649	13,394
Expenditure on:							
Raising funds	3	1,675	-	1,675	1,385	-	1,385
Charitable activities	3	-	7,050	7,050	215	4,774	4,989
Total expenditure		1,675	7,050	8,725	1,600	4,774	6,374
Net (expenditure) / income before other recognised gains and losses		(1,544)	1,166	(378)	(855)	7,875	7,020
(Loss)/Gain on foreign exchange movements		(117)	-	(117)	91	-	91
Net (expenditure) / income for the year before transfers		(1,661)	1,166	(495)	(764)	7,875	7,111
Transfers between funds		482	(482)	-	1,613	(1,613)	-
Net (expenditure) / income for the year		(1,179)	684	(495)	849	6,262	7,111
Net movement in funds		(1,179)	684	(495)	849	6,262	7,111
Reconciliation of funds:							
Total funds brought forward	13b	3,489	(1,284)	2,205	2,640	(7,546)	(4,906)
Total funds carried forward	13a	2,310	(600)	1,710	3,489	(1,284)	2,205

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 13 to the financial statements.

As at 31 December 2024

	Note	\$'000	2024 \$'000	\$'000	2023 \$'000
Fixed assets:					
Tangible assets	9a		4		14
Intangible assets	9b		-		-
Current assets:					
Debtors	10	1,098		3,092	
Short term deposits		-		318	
Cash at bank and in hand		11,536		19,289	
		12,634		22,699	
Liabilities:					
Creditors: amounts falling due within one year	11a	9,049		14,462	
Net current assets					
			3,585		8,237
Total assets less current liabilities					
			3,589		8,251
Creditors: amounts falling due after one year	11b		1,879		6,046
Total net assets					
			1,710		2,205
The funds of the charity:					
Restricted income funds	12		(600)		(1,284)
Unrestricted income funds			2,310		3,489
Total charity funds					
			1,710		2,205

Approved by the trustees on 20 June 2025 and signed on their behalf by

Mark Cutifani
Chairman

Statement of cash flows

For the year ended 31 December 2024

		2024		2023	
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities	Note				
Net cash used in operating activities	14		(8,783)		1,004
Cash flows from investing activities:					
Interest income		834		785	
Purchase of fixed assets		(5)		(16)	
		829		769	
Change in cash and cash equivalents in the year			(7,954)		1,773
Cash and cash equivalents at the beginning of the year			19,607		17,743
Change in cash and cash equivalents due to exchange rate movements			(117)		91
Cash and cash equivalents at the end of the year			11,536		19,607

1 Accounting policies

a) Statutory information

The Power of Nutrition is a charitable company limited by guarantee and is incorporated in England & Wales. The registered office address is: One Bartholomew Close, London, EC1A 7BL

b) Basis of preparation

The financial statements have been prepared in accordance with 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

Whilst the Board considers that The Power of Nutrition has adequate financial resources to fund its operational expenditure at least until end 2027 based on the restructuring plans that were discussed in the Trustees' report (refer to the Looking Ahead paragraph in the Message from the Chair) and subject to the organisation being unable to raise additional funding over this time period, the accounts have been prepared on a basis other than Going Concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Presentational currency and foreign exchange

The presentational and functional currency of the charitable foundation is United States Dollars (USD). At the year end the exchange rate adopted was £1: USD 1.25 (Prior year £1: USD 1.27) Assets and liabilities in foreign currencies are translated into USD at the rate of exchange for the month in which the transaction was incurred. Exchange differences are shown on the statement of financial activities.

f) Income

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

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. In the case of Platform funding which is classified as restricted, these type of funds are broadly restricted meaning they are not specific to a programme on booking and could be used across different programmes and geographies. Unrestricted funding can be utilised as required by the organisation, The Power of Nutrition's OPEX funding is classified as unrestricted.

h) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

i) Expenditure and irrecoverable VAT

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

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of grant-making undertaken to further the purposes of the charity and associated support costs

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

j) Grants payable

Grants payable are charged to the Statement of Financial Activities in the year in which the offer is conveyed to the recipient. The balance of grants payable due at the end of each reporting period are shown as creditors on the balance sheet.

k) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Support and governance costs are re-allocated to each of the activities on the following basis which is based on average head count within the 2 main organisation functions of Programmes & Investments and Fundraising, of the amount attributable to each activity.

- Cost of raising funds 43%
- Grant making 57%

1 Accounting policies (continued)**l) Operating leases**

Rental charges are charged on a straight line basis over the term of the lease.

m) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds \$635 (£500). Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

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

● Leasehold improvements (over the life of the lease)	3 years	
● Computer equipment	3 years	
● Intangible asset (GMS System)	10 years	Fully written down in 2023

n) Intangible fixed assets

Intangible fixed assets acquired separately from the charity are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. The intangible asset is an Investment Management System. At the end of 2023 it was decided that we would no longer use the Investment Management System, it has been written down to a Nil value after booking an impairment cost via the amortisation line of \$240k for the year.

o) Debtors

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

p) Cash at bank and in hand

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

q) Creditors and provisions

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

The charitable foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

r) Pensions

The charitable foundation operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable foundation in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable foundation to the fund. The charitable foundation has no liability under the scheme other than for the payment of those contributions. All such contributions form part of unrestricted expenditure.

2 Income from grants

	Unrestricted \$'000	Restricted \$'000	2024 Total \$'000	Unrestricted \$'000	Restricted \$'000	2023 Total \$'000
Children's Investment Fund Foundation (CIFF)	-	-	-	616	3,524	4,140
Herbalife	-	-	-	-	150	150
PVH Corporation	15	85	100	-	-	-
Unilever	-	352	352	-	295	295
Cargill Corporate	-	-	-	-	500	500
DFAT - Australian Government	-	-	-	-	500	500
GAVI	-	2,000	2,000	-	-	-
SIDA	-	2,573	2,573	-	1,442	1,442
World Bank	-	2,441	2,441	-	5,492	5,492
Others	36	11	47	45	44	89
	51	7,462	7,513	661	11,948	12,609

The World Bank funds are funds we identified as being unallocated within our World Bank trust fund, these funds substantially comprised investment returns generated by The World Bank from funds they hold on account prior to disbursement to programmes.

3a Analysis of expenditure - current year

	Cost of raising funds \$'000	Grant-making \$'000	Governance costs \$'000	Support costs \$'000	2024 Total \$'000	2023 Total \$'000
Staff costs (Note 6)	894	1,072	-	791	2,757	1,996
Other staff costs	26	13	-	75	114	109
Grant commitments (Note 4)	-	4,995	-	-	4,995	3,032
Premises	-	-	-	96	96	88
Travel	48	64	-	7	119	129
Office, IT and insurance	3	-	16	106	125	138
Communications and business development	-	39	-	-	39	38
Audit	-	15	37	-	52	32
Consultancy	102	39	-	146	287	409
Legal and professional fees	-	-	-	126	126	156
Depreciation and amortisation	-	-	-	15	15	247
	1,073	6,237	53	1,362	8,725	6,374
Support costs	580	782	-	(1,362)	-	-
Governance costs	22	31	(53)	-	-	-
Total expenditure 2024	1,675	7,050	-	-	8,725	6,374
Total expenditure 2023	1,385	4,989	-	-	6,374	

3b Analysis of expenditure - prior year

	Cost of raising funds \$'000	Grant-making \$'000	Governance costs \$'000	Support costs \$'000	2023 Total \$'000
Staff costs (Note 6)	321	821	-	854	1,996
Other staff costs	50	21	-	38	109
Grant commitments (Note 4)	-	3,032	-	-	3,032
Premises	-	-	-	88	88
Travel	34	82	3	10	129
Office, IT and insurance	5	28	10	95	138
Communications and business development	-	-	-	38	38
Audit	-	-	32	-	32
Consultancy	285	54	-	70	409
Legal and professional fees	-	-	-	156	156
Depreciation and amortisation	-	240	-	7	247
	695	4,278	45	1,356	6,374
Support costs	668	688	-	(1,356)	-
Governance costs	22	23	(45)	-	-
Total expenditure 2023	1,385	4,989	-	-	6,374

4a Grant making - current year

	Grants to institutions	Direct costs of grant-making	Support and governance costs	2024
	\$'000	\$'000	\$'000	\$'000
Mobile Doctorni India (Group M)	250	62	40	352
PAI programmes (Liberia and Ethiopia)	10	2	2	14
International Medical Corps (Ethiopia)	51	13	8	72
Learning Series Programme (Various)	360	89	58	507
Gujarat programme (CARE/AAH)	(26)	-	-	(26)
Pakistan Programme	4,350	1,076	705	6,131
Total	4,995	1,242	813	7,050

4b Grant making - prior year

	Grants to institutions	Direct costs of grant-making	Support and governance costs	2023
	\$'000	\$'000	\$'000	\$'000
Mobile Doctorni India (Group M)	341	71	41	453
Mobile Doctorni Odisha (Cargill Corp.)	830	174	99	1,103
Indonesian programme (GAVI)	500	105	60	665
PAI programmes (Liberia and Ethiopia)	227	48	27	302
International Medical Corps (Ethiopia)	50	10	6	66
DRC-2 programme (UNICEF)	4,000	838	478	5,316
Benin programme (UNICEF)	(1,000)	-	-	(1,000)
Bangladesh programme (UNICEF)	(950)	-	-	(950)
Gujarat programme (CARE/AAH)	(966)	-	-	(966)
Total	3,032	1,246	711	4,989

The Power of Nutrition makes charitable grants to its implementing partners to scale up quality, high-impact child and maternal nutrition programmes. An amount totalling \$0.128m was written back against grant expenditure which reflects a reduction in the grant expense accrual for the Mobile Doctorni India programme (\$0.102m) and the AAH Gujarat programme (\$0.026m). In 2023 an amount totalling \$2.916m was written back against grant expenditure which reflected the reduction in funding for the Benin programme (\$1m), the Bangladesh programme (\$0.95m) where in both cases it was necessary to reduce the size of the respective programmes and the Gujarat programme (\$0.966m) where CARE (UK) were unable to continue with their funding for the programme.

5 Net (expenditure) / income for the year

This is stated after charging / (crediting):

	2024	2023
	\$'000	\$'000
Depreciation and amortisation	15	247
Operating lease rentals:		
Property	95	88
Auditor remuneration (excluding VAT):		
Statutory audit	25	28
Grant audit	13	-
Other services	-	4
Foreign exchange Loss/(Gain)	117	(91)

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2024 \$'000	2023 \$'000
Salaries and wages	1,922	1,677
Redundancy costs (paid and accrued)	445	-
Social security costs	240	187
Employer's contribution to defined contribution pension schemes	119	107
Other forms of employee benefits	31	25
	<u>2,757</u>	<u>1,996</u>

\$152k of the redundancy costs will only be paid over in year 2025

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2024 No.	2023 No.
\$275,000 - \$287,499 (£220,000 - £230,000)	1	-
\$237,500 - \$249,999 (£190,000 - £200,000)	1	-
\$212,500 - \$224,999 (£170,000 - £180,000)	-	1
\$200,000 - \$212,499 (£160,000 - £170,000)	1	-
\$175,000 - \$187,499 (£140,000 - £150,000)	2	-
\$162,500 - \$174,999 (£130,000 - £140,000)	-	2
\$137,500 - \$149,999 (£110,000 - £120,000)	1	-
\$112,500 - \$124,999 (£90,000 - £100,000)	1	1
\$100,000 - \$112,499 (£80,000 - £90,000)	1	1
\$87,500 - \$99,999 (£70,000 - £80,000)	2	3
\$75,000 - \$87,499 (£60,000 - £70,000)	<u>3</u>	<u>1</u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were \$1,251,402 (2023: \$902,853).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2023: \$Nil). No charity trustee received payment for professional or other services supplied to the charity (2023: \$Nil).

Travel and accommodation expenses relating to trustees totalled \$751 (2023: \$596).

Related party transactions are disclosed in note 17.

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 20.3 (2023: 17.8).

	2024 No.	2023 No.
Raising funds	9.3	6.0
Grantmaking	7.0	7.4
Support	3.9	4.3
Governance	0.1	0.1
	<u>20.3</u>	<u>17.8</u>

8 Taxation

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

9a Tangible fixed assets

	Computer equipment \$'000	Leasehold Improvements \$'000	Total \$'000
Cost or valuation			
At the start of the year	98	83	181
Additions in year	5	-	5
Disposals in year	-	-	-
At the end of the year	103	83	186
Depreciation			
At the start of the year	84	83	167
Charge for the year	15	-	15
Eliminated on disposal	-	-	-
At the end of the year	99	83	182
Net book value			
At the end of the year	4	-	4
At the start of the year	14	-	14

9b Intangible fixed assets

	IM system \$'000 2024	IM system \$'000 2023
Cost or valuation		
At the start of the year	-	236
Additions in year	-	4
Disposals in year	-	-
Amortisation in year	-	(240)
At the end of the year	-	-

The Investment Management System went live in July 2022, it was being amortised over a 10 year period.

As the system is no longer being used it was decided to write down the value in full during 2023.

All of the above assets are used for charitable purposes.

10 Debtors

	2024 \$'000	2023 \$'000
Grant income receivable	1,032	3,006
Other debtors	13	23
Prepayments	53	63
	1,098	3,092

\$1.1m (2023: \$2.1m) is classified as short-term debtors with the expectation of receiving these funds within 12 months of the year end date. \$0m (2023: \$1m) is classified being due for collection between 13 and 24 months post year end date.

11a Creditors: amounts falling due within one year

	2024	2023
	\$'000	\$'000
Trade creditors	22	43
Grants payable to UNICEF	3,421	7,822
Grants payable to Action Against Hunger	29	268
Grants payable to Save The Children	900	2,037
Grants payable to Group M	-	2,140
Grants payable to World Vision	277	277
Grants payable to Give Directly	879	1,466
Grants payable to GAVI	-	250
Grants payable to AKF	3,000	-
Grants payable - Learning Series	265	-
Accruals	214	37
Other creditors	42	122
	9,049	14,462

11b Creditors: amounts falling due between one and three years

	2024	2023
	\$'000	\$'000
Grants payable to UNICEF	-	3,808
Grants payable to Save The Children	900	1,800
Grants payable to Group M	-	146
Grants payable to World Vision	129	129
Grants payable to Give Directly	-	163
Grants payable to AKF	850	-
	1,879	6,046

12a Analysis of net assets between funds (current year)

	Unrestricted \$'000	Restricted \$'000	Total funds \$'000
Tangible fixed assets	4	-	4
Net assets	2,306	1,279	3,585
Long term liabilities	-	(1,879)	(1,879)
Net assets at 31 December 2024	2,310	(600)	1,710

12b Analysis of net assets between funds (prior year)

	Unrestricted \$'000	Restricted \$'000	Total funds \$'000
Tangible fixed assets	14	-	14
Net assets	3,475	4,762	8,237
Long term liabilities	-	(6,046)	(6,046)
Net assets at 31 December 2023	3,489	(1,284)	2,205

13a Movement in funds (year 2024)**By Programme/Funder**

	Bal 1 Jan 2024 \$'000	Total Incoming Resources including gains \$'000	Total Resources Expended including losses \$'000	Transfers \$'000	Bal 31 Dec 2024 \$'000
Unrestricted					
OPEX funding	3,489	131	(1,792)	482	2,310
Restricted					
(a) Platform Funding	3,414	3,194	(2,055)	(2,104)	2,449
(b) Benin programme	(342)	-	-	342	-
(c) Bangladesh programme	(296)	-	-	296	-
(d) Mobile Doctorni programme	-	352	(250)	(102)	-
(e) SIDA funder - DRC1&2	(3,969)	2,573	-	-	(1,396)
(f) Irish Aid funder	60	-	-	(22)	38
(g) Global Malnutrition Appeal	-	12	-	(12)	-
(h) GAVI (Indonesia)	(250)	-	-	250	-
(i) IMC-Ethiopia	-	-	(51)	51	-
(j) GAVI - Pakistan Programme	-	2,000	(4,350)	750	(1,600)
(k) Learning series programme	-	-	(360)	95	(265)
(l) PVH Maharashtra programme	-	85	-	-	85
(m) AAH Gujarat programme	-	-	26	(26)	-
(n) Other	99	-	(10)	-	89
Total restricted	(1,284)	8,216	(7,050)	(482)	(600)
Total Funds	2,205	8,347	(8,842)	-	1,710

Purposes of unrestricted funds

These funds are not restricted for a specific purpose and can be utilised as required by the organisation. In practise these funds are used to fund the operating expenses of The Power of Nutrition.

Purposes of restricted funds

Restricted funds are to be used for specific purposes as advised by the donor (i.e in a specific programme or geography), some of these restricted funds above are classified as broadly restricted funds (see a) which means these funds can be used across different programmes and geographies including transfers to other funds that may be in deficit if required.

Total restricted funds are a negative \$0.6m at the end of December 2024, this is principally due to income recognition criteria which have precluded the full booking of related income whilst the related programme expenditure has been booked in full.

Restricted Funds description**(a) Platform Funding**

Platform Funding is aimed to be used for programmatic purposes, as required. At end December 2024, \$200k was transferred from Platform funds in respect of Ethiopia 2 as per Rotary and END agreement to be utilised for OPEX purposes. \$750k was transferred to cover funds due to the GAVI-Pakistan programme. A further \$11k was reallocated for OPEX purposes being SIDA DRC1 reimbursable costs. \$250k was moved to the OPEX funds line in respect to the GAVI-Pakistan programme as per contract. \$95k went out to fund the Modern Scientist Learning project and \$39k went out to the IMC-Ethiopia programme. \$296k was transferred to the Bangladesh line to cover the remaining funds due out. At end December \$754k interest had been received for programmatic funds held on account. \$342k was utilised for the Benin programme (this is the final payment for this programme). \$2,055k of Programmatic expenditure was also expensed against Platform funds. \$2,441k was booked from the World Bank in respect to investment returns earned on TPON funds held by The World Bank and returned on request to The Power of Nutrition. \$250k of funds were transferred to the GAVI line to cover the final tranche disbursement for the Indonesia programme. A net \$102k of funds were not required for the Mobile Doctorni programme and these were written back to Platform Funds along with \$26k written back on the AAH Gujarat programme which are no longer required for that programme.

(b) Benin Programme

Funding for the Benin programme is to support the Government of Benin's national nutrition programme which is expected to avert 9,000 cases of stunting amongst children; avert 85,400 cases of maternal anaemia and 1,000 child deaths. During year 2024, \$342k was transferred in from Platform funds and used to make the final disbursement of funding to the programme.

(c) Bangladesh Programme

Funding for the Bangladesh programme that went live in 2021 is to improve the quality of maternal nutrition services and care of low birth weight infants in Bangladesh. The opening negative balance of \$296k at 1 January 2024, has been covered by an equal transfer of funds from Platform Funds.

(d) Mobile Doctorni Programme

Funding for the Mobile Doctorni programme in Gujarat (India) programme that went live in 2021. This programme has the ambition to reach 2.7 million women with hygiene and nutrition messaging. In the 2024 period a further \$45k has been expensed in terms of related consultancy costs, this will be covered by a transfer of funds from our Platform funds. \$147k was also written back to Platform funds as had been over accrued in prior years. In addition \$352k will be booked to incoming resources and outgoing resources to reflect the value of services in kind provided.

(e) SIDA Funder

SIDA funding will be used for programming in DRC. The 1st DRC programme being implemented by Give Directly went live in January 2022 with the second and final DRC programme going live in November 2023 with implementing partner UNICEF. The negative balance of \$3,969k at the 1st January 2024 will be covered in full from the balance of contributions due by SIDA over 2024-2025. During July 2024, \$566k was received from SIDA. A further \$2,007k was received from SIDA in December 2024.

(f) Irish Aid Funder

These funds will be used in Ethiopia and Liberia for an innovative Product Access Initiative. In total \$22k was transferred during the year in respect OPEX funding as per contract.

(g) Global Malnutrition Appeal

The \$12k funds received represent funding raised during year 2024 for the Global Malnutrition Appeal which is targeting funds to help alleviate the Global Malnutrition Crisis. \$12k was disbursed to a follow-on IMC Programme in Ethiopia which this appeal supported.

(h) GAVI (Indonesia) Programme

This programme is being implemented by GAVI in Indonesia. \$250k of funding was transferred in from Platform Funds during November 2024 and the same amount disbursed to the programme in the period.

(i) IMC (Ethiopia) Programme

This is the second programme being implemented by IMC in Ethiopia. \$51k of funding was transferred to the second IMC-Ethiopia programme, made up of funds transferred from the Global Malnutrition Appeal (\$12k) and from Platform Funds (\$39k).

(j) GAVI-Pakistan Programme

Funds expensed totalling \$4,350k to be used in the AKF Pakistan programme, \$750k was transferred from Platform funds as TPON's contribution. \$1,000k was received from GAVI in July and a further \$1,000k in December, the remaining \$1,600k negative balance will be covered by funds received from GAVI over the 2025-2026 period

(k) Learning Series Programme

This is a project focussing on the learnings of The Power of Nutrition over the past 10 years, in total \$360k has been expensed in respect to this project and \$95k was transferred from Platform funds to cover the outgoing funding paid to Modern Scientist.

(l) PVH Maharashtra Programme

\$85k of funding was received from the PVH Corporation in respect to an add-on programme to our existing Maharashtra programme with UNICEF. This will go live in 2025.

(m) AAH Gujarat Programme

Reflects the \$26k no longer required for this programme and the write back of these funds to the Platform Funds

(n) Other

The opening balance of \$99k is made up of a number of small donor amounts. During 2024, \$10k was utilised for additional expenditure within our PAI Liberia programme.

Transfers

Transfers represent funding reallocated from general and specific funder categories to underlying programmes which will utilise this funding. Where there is a movement within the funding line relating to transfers, these transfers are further explained in the detailed narratives presented in a) to n) above;

13b Movement in funds (year 2023)

By Programme/Funder	Total		Total		Bal 31 Dec 2023 \$'000
	Bal 1 Jan 2023 \$'000	Incoming Resources including gains \$'000	Resources Expensed including losses \$'000	Transfers \$'000	
Unrestricted					
OPEX funding	2,640	836	(1,600)	1,613	3,489
Restricted					
(a) NORAD funding	1,037	-	-	(1,037)	-
(b) Platform Funding	567	6,193	(1,742)	(1,604)	3,414
(c) Maharashtra programme	(727)	727	-	-	-
(d) Indonesia programme	(582)	500	-	82	-
(e) Gujarat programme	(500)	-	966	(466)	-
(f) Benin programme	(2,168)	-	1,000	826	(342)
(g) Bangladesh programme	(5,081)	2,798	950	1,037	(296)
(h) Mobile Doctorni programme	-	295	(341)	46	-
(i) Cargill Corporate funder	330	500	(830)	-	-
(j) SIDA funder - DRC1&2	(1,011)	1,442	(4,000)	(400)	(3,969)
(k) Irish Aid funder	350	-	(227)	(63)	60
(l) Herbalife - Rwanda	135	150	-	(285)	-
(m) Global Malnutrition Appeal	30	19	-	(49)	-
(n) GAVI (Indonesia)	-	-	(500)	250	(250)
(o) IMC-Ethiopia	-	-	(50)	50	-
Other	74	25	-	-	99
Total Restricted	(7,546)	12,649	(4,774)	(1,613)	(1,284)
Total Funds	(4,906)	13,485	(6,374)	-	2,205

Purposes of unrestricted funds

These funds are not restricted for a specific purpose and can be utilised as required by the organisation. In practise these funds are used to fund the operating expenses of The Power of Nutrition.

Purposes of restricted funds

Restricted funds are to be used for specific purposes as advised by the donor (i.e in a specific programme or geography), some of these restricted funds above are classified as broadly restricted funds (see a-b) which means these funds can be used across different programmes and geographies including transfers to other funds that may be in deficit if required.

Total restricted funds are a negative \$1.284m at the end of December 2023. This is principally due to income recognition criteria which have precluded the full booking of related income whilst the related programme expenditure has been booked in full.

Restricted Funds description

(a) NORAD Funding

Norad funding can be used across The Power of Nutrition approved programmes, this funding of \$1,037k was used for our Bangladesh programme.

(b) Platform Funding

Platform Funding is aimed to be used for programmatic purposes, as required. At end December 2023, \$701k had been earned through interest on programmatic funds and \$5,492k booked from the World Bank in respect to investment returns earned on TPON funds held by The World Bank and returned on request to The Power of Nutrition, \$250k was transferred out to fund the 1st phase of the GAVI Indonesia programme, \$1k towards the IMC Ethiopia programme, \$182k towards the CARE Gujarat programme, \$826k to the Benin programme, \$650k to OPEX funds which is a part transfer from the CIFF allocation of WB funds returned, \$82k final transfer to the Indonesian programme, \$46k to the Mobile Doctorni programme, and finally inward transfers of \$285k from Herbalife and a net \$416k from the Gujarat programme to reflect funding no longer required for these programmes. \$1,741k of Programmatic expenditure was also expensed against Platform funds.

(c) Maharashtra Programme

Funding for the Maharashtra programme supports the strengthening of the implementation capacity and delivery of essential nutrition services in Maharashtra at both State and District levels for the benefit of children and mothers. \$727k was received during the 2023 year from CIFF.

(d) Indonesia Programme

Funding for the BISA programme in Indonesia. This programme is assisting the Government of Indonesia in transforming the lives of women, adolescent girls and young children, enabling them to access better nutrition and helping children reach their full potential. \$500k was received from DFAT in October 2023 which was their final grant towards the programme, in addition \$82k was transferred from Platform funds to meet the final disbursement to the programme.

(e) Gujarat Programme

Funding for the Gujarat nutrition programme which will support the State Government of Gujarat to deliver its stunting reduction programme. This programme has been impacted by the withdrawal of CARE (UK) as implementing partner due to their Indian foreign licence being revoked and thus being unable to continue operating in this territory. The net effect was a reduction of \$966k in funding that will no longer be paid over by The Power of Nutrition \$500k representing the unfunded component of the \$966k was transferred back to unrestricted OPEX funds and a net \$416k unused donor funds being booked back to Platform funds.

(f) Benin Programme

Funding for the Benin programme is to support the Government of Benin's national nutrition programme which is expected to avert 9,000 cases of stunting amongst children; avert 85,400 cases of maternal anaemia and 1,000 child deaths. The negative balance at the end of December 2023 reflects funds committed to those activities and for which monies are expected to be confirmed in the period 2024. During year 2023, \$826k was transferred in from Platform funds and used to disburse funding to the programme. The Power of Nutrition commitment to the programme was also reduced by \$1,000k during the year.

(g) Bangladesh Programme

Funding for the Bangladesh programme that went live in 2021 is to improve the quality of maternal nutrition services and care of low birth weight infants in Bangladesh. \$2,798k was received from CIFF during year 2023. The remaining negative balance of \$296k at the end of December 2023, will be covered by other donors in 2024. \$1,037k was transferred from NORAD funding during the year for this programme. The programme was reduced in size by \$950k in 2023 as it was not possible to find another donor to meet this potential future funding shortfall.

(h) Mobile Doctorni Programme

Funding for the Mobile Doctorni programme in Gujarat (India) that went live in 2021. This programme has the ambition to reach 2.7 million women with hygiene and nutrition messaging. In the 2023 period \$46k has been expensed in terms of related consultancy costs, this is covered by a transfer of funds from our Platform funds. In addition \$295k was booked to incoming resources and \$341k to outgoing resources to reflect the value of services in kind provided.

(i) Cargill Corporation Funder

Funding that is being used for a second Mobile Doctorni programme in Indian state of Odisha. \$500k was received during the 2023 year. \$830k has been expensed for this programme as it went live in 2023.

(j) SIDA Funder

SIDA funding will be used for programming in DRC. The 1st DRC programme being implemented by Give Directly went live in January 2022 with the second and final DRC programme going live in November 2023 with implementing partner UNICEF. Funds totalling \$1,442k were received from SIDA during November 2023. \$4,000k grant expenses in respect the DRC-2 programme were booked in full during the year. \$400k was transferred as per agreement with SIDA to cover OPEX expenditure. The negative balance of \$3,969k at the end of December 2023 will be covered in full from the balance of contributions due by SIDA over 2024-2025.

(k) Irish Aid Funder

These funds are being used in Ethiopia and Liberia for an innovative Product Access Initiative. \$210k was utilised during 2023 for the 2nd Product Access Initiative within Ethiopia and another \$17k for the 1st Product Access Initiative within the Liberia programme. \$63k was transferred to the OPEX funding line to cover OPEX related expenditure as per agreement with Irish Aid.

(l) Herbalife Funder - Rwanda

These funds will be used in the existing Rwanda programme. \$150k was received in February 2023. A transfer totalling \$285k was made to our Platform funds to cover funding previously disbursed for the Rwanda programme.

(m) Global Malnutrition Appeal

The \$19k funds received represent funding raised during year 2023 for the Global Malnutrition Appeal which is targeting funds to help alleviate the Global Malnutrition Crisis. \$49k was disbursed to the IMC Programme in Ethiopia which this appeal supported.

(n) GAVI (Indonesia) Programme

This programme is being implemented by GAVI in Indonesia. \$250k of funding was transferred in from Platform Funds during 2023 and the same was disbursed to the programme in the period. A further \$250k was expensed in relation to the balance of the programme investment once the programme went live.

(o) IMC (Ethiopia) Programme

This programme is being implemented by IMC in Ethiopia. \$50k of funding was transferred in total from the Global Malnutrition Appeal (\$49k) and from Platform Funds (\$1k) during 2023 and the same was disbursed to the programme in the period.

Transfers

Transfers represent funding reallocated from general and specific funder categories to underlying programmes which will utilise this funding. Where there is a movement within the funding line relating to transfers, these transfers are further explained in the detailed narratives presented in a) to o) above;

14 Reconciliation of net loss to net cash flow from operating activities

	2024 \$'000	2023 \$'000
Net gain (loss) for the reporting period (as per the statement of financial activities)	(378)	7,020
Depreciation and amortisation charges	15	247
Interest income	(834)	(785)
Decrease in debtors	1,994	1,335
(Decrease) in creditors	(9,580)	(6,813)
Net cash (used in) / provided by operating activities	(8,783)	1,004

15 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods. These leases relate to property.

	2024 \$'000	2023 \$'000
Less than one year	38	30
Years two to five	-	-
	38	30

16 Legal status of the charitable foundation

The charitable foundation is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to \$1.25 (\$1.27).

17 Related party transactions

One trustee of the charitable foundation is a partner of the legal firm Broadfield Law UK LLP. The Power of Nutrition paid \$60,912 (2023: \$66,500) in legal fees to Broadfield Law UK LLP in the year. All transactions were at an arm's length basis.

Total unrestricted donations received from trustees during the year were \$12,409 (2023: \$6,082).

THE POWER OF NUTRITION

England & Wales - Charity number 1160373

Accounts

THE POWER OF
nutritioⁿ

The Power of Nutrition

Annual Report and Financial
Statements for the year ended
31 December 2023

One Bartholomew Close, London EC1A 7BL

Company number: 09288843

Registered charity number: 1160373

+44 (0) 203 1413 905

info@powerofnutrition.org

www.powerofnutrition.org

@FundNutrition

Trustees' Annual Report

Reference & Administrative Details	2
Message from the Chair	3
Strategic Report	6
1. <i>Objectives & activities</i>	6
1.1. Background.....	6
1.2. Purposes & aims	6
2. <i>Achievements & performance</i>	8
2.1. Supporting quality, high-impact nutrition programmes	8
3. <i>Looking ahead</i>	10
4. <i>Financial review</i>	11
4.1. Income.....	11
4.2. Expenditure.....	11
4.2.1. Programmatic Expenditure.....	11
4.2.2. Operational Expenditure	12
4.3. Foreign exchange movement	12
4.4. Reserves and going concern	12
5. <i>Structure, governance & management</i>	14
5.1. Structure	14
5.2. Governance & management	14
5.3. Key policies & risk management	15
6. <i>Statement of responsibilities of Trustees</i>	19
Independent Auditor's Report	20
<i>Opinion</i>	20
<i>Basis for opinion</i>	20
<i>Conclusions relating to going concern</i>	20
<i>Other Information</i>	21
<i>Opinions on other matters prescribed by the Companies Act 2006</i>	21
<i>Matters on which we are required to report by exception</i>	21
<i>Auditor's responsibilities for the audit of the financial statements</i>	21
<i>Capability of the audit in detecting irregularities</i>	22
<i>Use of our report</i>	23
Statement of financial activities	24
Balance sheet	25
Statement of cash flows	26
Notes to the financial statements	27

The Power of Nutrition, a company limited by guarantee, was incorporated in England and Wales on 30 October 2014 with company number 09288843. It was registered as a charity in England and Wales on 6 February 2015 with charity number 1160373.

Reference & Administrative Details

Company number	09288843	
Charity number	1160373	
Registered office	One Bartholomew Close, London EC1A 7BL	
Trustees	<p>The Trustees, who are also directors under company law, who served during the period and up to the date of this report were as follows:</p> <p>Jonathan Brinsden David Bull CBE Mark Cutifani CBE Alasdair Cook Caroline Kuhnert Pranav Lalit Trivedi Kul Chandra Gautam Elhadji Amadou Gueye Sy (appointed 6 February 2023) Anulika Nwamaka Ajufo (appointed 14 February 2023) Susana Edjang (appointed 1 June 2023)</p>	
Principal staff	Simon Bishop Jim Emerson Alok Ranjan Chris Skeet Carla Martins Shelley Pigott	(Chief Executive, resigned 9 February 2023) (Interim Chief Executive, appointed 1 June 2023) (Director of Programmes & Investments) (Director of Finance) (Director of Human Resources and Operations) (Director of Strategic Engagement, appointed 2 February 2024)
Bankers	Barclays PO Box 885 Mortlock House, Station Road Histon CB24 9DE	
	HSBC 133 Regent Street, London W1B 4HX	
Solicitors	BDB Pitmans One Bartholomew Close, London EC1A 7BL	
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors 110 Golden Lane, London, EC1Y 0TG	

Message from the Chair

The Power of Nutrition was established in 2015 **“to leverage more finance into the nutrition sector and deliver interventions at scale”**. After 8 years we have materially exceeded our funding and impact goals, reaching children, adolescents and women in our quest to put nutrition in the hands of those that need it most. In 2022, no longer a ‘start-up’, we concentrated on rolling out the strategy continuing to make major strides in delivering our mission. The year however brought challenges; as was the case with many organisations in our sector, the external context is making it increasingly difficult to raise new funding. Despite this challenging macro-economic environment, we are proud to have continued to create new partnerships to tackle global malnutrition, to give children a better start to life and the future.

In 2023 we were delighted to launch four new programmes, including our first humanitarian initiative, because of a new public fundraising appeal. By the end of the year, our reach and impact had multiplied – we are pleased to share that we have now supported more than 157 million women and children with better nutrition; and as a result, over 870 thousand cases of stunting and 24 thousand child deaths have been averted.

Programme portfolio

The Power of Nutrition’s portfolio expanded in 2023 with the addition of four new programmes, exceeding our annual target:

1. Indonesia II - this new partnership with Gavi (also working with Unilever), will make strides in integrating nutrition and immunisation. The two interventions generally target the same populations, by integrating the two, we can increase efficiency and impact.
2. Rwanda II - we extended our successful partnership with the World Bank, supporting the government in its ambitious aim to eradicate stunting. The programme includes a blend of social protection, food fortification, early childhood development and nutrition interventions.
3. Ethiopia with International Medical Corps (IMC) - in 2022 we launched our first ever public appeal, in response to the growing global malnutrition crisis. We were delighted to use funds raised from this appeal and develop a new partnership with IMC, who specialise in humanitarian work. This programme is providing goats to families in the drought-affected Oromia region in Ethiopia.
4. DRC II - at the end of 2023 we launched the second phase of our partnership with SIDA, supporting mothers and children in the DRC. This phase is implemented by UNICEF and takes a multisectoral approach to complement the work focused on social protection in the first phase.

We have now invested in 25 programmes across 16 countries in Africa and Asia and at year end, our work had reached over 157 million people (90 million children under-five, 24 million adolescents and 43 million women) with critical nutrition services.

Fundraising

In 2023 we have been proud to leverage more funding in one of the places where it is needed most, enabling us to scale our humanitarian programme with International Medical Corps in Ethiopia with a further injection of resources. Thanks to pooled funding into this programme, families affected by terrible drought across the country are receiving goats and livestock so they can feed their families a diverse diet and can sell their reproducing livestock for an income.

Our focus was both on building our networks, particularly in the United States and the Gulf Countries of Cooperation and collaborating closely with our existing partners to explore further opportunities to work together. Despite this focus, it did not lead to the level of engagement and donor funding that we had initially anticipated. We attended and engaged with a number of organisations while in the U.S. for United Nations General Assembly Week, and in Dubai for COP28. Exploring the nexus

between climate change and malnutrition has become an increasing priority for us, and with the first ever day at COP dedicated to Food and Agriculture it is encouraging to see the growing awareness and opportunities to tap into climate-related finance.

In 2023, we produced our report on Innovative Financing – a culmination of work with Palladium Capital to look at new ways to bring new financing into the sector. As The Power of Nutrition was set up to do, we continue to advocate for new opportunities for tackling the escalating challenges of malnutrition. Our report into 'Nutrition Ventures' is available on our website, and we continue to seek innovative investors to partner in our programmes.

Communications and advocacy

In 2023, our communications efforts focused on strengthening our brand, supporting partnership engagement and building our profile. We organised an asset gathering trip to our programme in Rwanda, and using the assets, we launched our first ever Impact Report. The report brought to life the stories of the communities we work with and the impact our programmes are having on the ground. A new member of staff in our communications team has enabled us to develop a new social media strategy and do more to effectively champion nutrition.

Committed to being a sector champion and elevating the urgency of the impact of the poly-crises our world is experiencing on food and nutrition, we continued to participate and contribute to key sector groups and campaigns, including Hungry for Action, ICAN UK and the SDG2 Advocacy Hub. At both UNGA and COP28, among other key events in the calendar, our team members spoke on panels and shared their expertise and experience to bring nutrition into the heart of conversations around delivering the Sustainable Development Goals and other key topics.

People

Our commitment to fostering a supportive and nurturing work environment remained a priority in 2023. However, the year brought a significant change with the departure of our CEO, Simon Bishop. Following his departure, Jim Emerson assumed the role of interim CEO in June. Despite this transition, our focus on team wellbeing and attracting high calibre staff persisted.

Looking ahead

Throughout the last year our team has had to work harder than ever before to innovate, find new funding opportunities and advocate for the nutrition sector. Despite the challenges, recruiting talented staff members in 2023 boosted our efforts and the team continued to drive forward with positive energy, motivated by our important mission and increasing global need.

Despite our excellent track record, it has, however, become clear during 2024 that the organisation is no longer sustainable in its current form without new platform funding or the financial support of its original founding funders, namely ClIFF who had provided OpEx funding and FCDO who provided match funds. Whilst significant efforts have been made by the organisation to adapt its business model over the last two years, this has not been sufficient to maintain the organisation in its current form.

The Board of Trustees therefore decided in September 2024 that the organisation would be scaled back and the focus would be on: a) ensuring that our programme commitments are delivered on time and to budget, and have a positive impact for our beneficiaries; b) managing our relationships and fulfilling our commitments to partners and other stakeholders; c) documenting and disseminating our experience and learning in anticipation of our 10th anniversary and the Nutrition for Growth Summit (N4G) in 2025.

This will require some restructuring of the organisation for which detailed and fully costed plans have been developed. A redundancy process was initiated in September 2024 with almost half of our staff taking up the option of voluntary redundancy and they will leave the organisation in October 2024.

The balance of the team will remain in place through to end June 2025 to deliver on our learning and growth agenda as well as delivering on business per usual in managing our programme commitments as well as managing our relationships with partners and other stakeholders. From July 2025, a core group of approximately 5 staff will ensure that a managed wind-down will continue through to the first half of 2027 to ensure that all programme and contractual commitments are fulfilled. Should there be no material beneficial change of circumstances, the organisation will close in 2027.

It's with thanks to our dedicated staff, board members, generous donors and committed partners that we have been able to build a healthier, more equitable future for many over the last 8 years, where every child has the right nutrition to fulfil their potential. Thank you for having been part of this journey.

Mark Cutifani
Chair, The Power of Nutrition

Strategic Report

The Board of Trustees of The Power of Nutrition, which is also its board of directors, hereby presents the information required by the Companies Act 2006 (the Strategic Report and Directors' Report) together with the financial statements for the year ended 31 December 2023.

Reference and administrative information set out on page 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2015).

1. Objectives & activities

1.1. Background

The Power of Nutrition - a company limited by guarantee and a charity registered in the UK, and principally referred to as a "charitable foundation" - grew from a commitment by the Children's Investment Fund Foundation (CIFF), the UK's Department for International Development (DFID, now known as FCDO) and the UBS Optimus Foundation (UBSOF) to develop a catalytic financing facility that would bridge a financing gap in the nutrition sector to accelerate progress on child undernutrition. It was registered in February 2015 and formally launched in April 2015.

1.2. Purposes & aims

The Power of Nutrition was created to generate new resources to prevent undernutrition and to improve nutrition outcomes for children at scale. Our aim is to save lives and protect children from low birthweight, stunting and other forms of undernutrition. Nutrition is a fundamental building block for life. It is also recognised as a powerful multiplier for economic and social development: it saves lives and enables children and societies to grow to their full potential. Globally, there is also a USD 10.8 billion annual gap in core nutrition financing.

To transform nutrition outcomes, save lives and protect children, we:

- Unlock financing for nutrition from new and diverse sources, including the private sector and non-traditional investors; and
- Make charitable investments to scale up quality, high-impact child and maternal nutrition programmes in countries with the highest need in sub-Saharan Africa and Asia.

In our 2022-5 strategy we also added a further goal:

- Act as a tenacious global nutrition sector champion, aiming to leverage 'more money for global nutrition' towards plugging the huge financing gap

To achieve our goals, our current funding model comprises a range of co-financing agreements with more than 40 partners, including institutional funders (governments, foundations, corporates, high-net-worth individuals) and large-scale nutrition programme implementers, including the World Bank, UNICEF, Save the Children, Action Against Hunger and a range of other INGOs.

At the heart of our original model was financial leverage, with the aim of turning each USD 1 into USD 4, though we have achieved USD 8.1. This has been achieved through, for example, a smart use-of-grant approach to incentivise others to multiply their commitments. For example, the Government of Madagascar was planning to take out a USD 40 million IDA loan from the World Bank for nutrition programming. We committed USD 10 million of grant, but only if the government doubled their loan, which they agreed to do, leading to a USD 90 million programme. In 6 of our 8 World Bank programmes, total portfolio USD 410 million, we have evidenced that this smart use of grant has incentivised governments to borrow more for nutrition.

Our traditional model has since evolved and whilst we can no longer commit to a 4x match guarantee in every case; convening partners and pooling funds to deliver sustainable results at scale, remains at the heart of our offer.

All financing is directed by our implementing partners to co-designed quality, high-impact, nutrition programmes that focus on improving child and maternal nutrition outcomes at scale.

2. Achievements & performance

During the period covered in this report, the charitable foundation completed its eighth full year of independent operation and consolidated its position further as an operational entity. We made modest progress towards our fundraising goals, booking net income totalling USD 13.4 million during the year. Our Board approved four further programmatic investments during the year (Democratic Republic of CONGO (DRC) II, Indonesia II, IMC-Ethiopia and Rwanda II). We have now invested in 25 programmes of which five had successfully closed by end 2023 (Tanzania, Liberia Phase 1 and Ethiopia Phase 1, Madagascar and Rwanda I).

The total portfolio value was USD 647 million at end 2023.

2.1. Supporting quality, high-impact nutrition programmes

We invested USD 4 million in DRC II to be disbursed over three years with UNICEF as implementing partner. This programme takes a multisectoral approach to complement the work focused on social protection in the DRC-I programme.

An additional USD 0.34 million was invested in our Mobile Doctorni programme in Gujarat with Group M as the implementing partner. This programme has the ambition to reach 2.7 million women with hygiene and nutrition messaging utilising technology. A further USD 0.83 million was invested with Group M for a further Mobile Doctorni programme in Uttar Pradesh.

USD 0.5 million was invested in our Indonesia II programme to be disbursed over two years with GAVI as implementing partner, this programme is focusing on integrating nutrition and immunisation.

USD 0.21 million was invested in our second Product Access Initiative (PAI) programme in Ethiopia and a further USD 0.017 million was invested in the initial PAI programme in Liberia. These innovative programmes aim to enhance collaboration between academia and institutions with a common goal of improving nutrition outcomes with relation to maternal and child health.

USD 0.05 million was invested in Ethiopia with IMC implementing. This programme is providing goats to families in the drought-affected Oromia region in Ethiopia.

We continued to oversee the implementation of our investments in Cote d'Ivoire (USD 60.4 million), Nigeria (USD 3.9 million), Burkina Faso (USD 30 million) and Lesotho (USD 5 million) all with the World Bank; as well as our 2nd investment in Liberia (USD 10 million), Benin (USD 10 million), Maharashtra (USD 10 million), Bangladesh (USD 15 million) and Ethiopia 2 (USD 29.8 million) all five of which are with our implementing partner UNICEF. Investments with other implementing partners included Gujarat (USD 6 million) with CARE and Action Against Hunger, our Indonesian investment (USD 7 million), which is being implemented by Save the Children and Nutrition International, Malawi (USD 11.4 million) being implemented by Save the Children, our Mobile Doctorni investment in Gujarat (USD 5.9 million) being implemented by Group M, our DRC-I investment (USD 2.7 million) being implemented by GiveDirectly, Zambia (USD 0.7 million) being implemented by World Vision and our Product Access Initiative programme in Liberia (USD 0.14 million)

In the financial statements (see Note 13a) some of these programmes show a net negative position. A number of these negative balances largely arise from the accounting treatment prescribed by current accounting standards where, although these programmes are fully funded, we are subject to the agreement wording required to record the full anticipated expenditure at the start of the

income recognition policy generally requires that promised grant income is recognized throughout the life of the programme when due. These are Benin (USD 0.3 million), Indonesia (USD 0.25 million), DRC (USD 4 million) and Bangladesh (USD 0.3 million).

3. Looking ahead

The Power of Nutrition has been working to fulfil its mandate to drive transformative nutrition outcomes at scale. We want to see the USD 10.8 billion gap in core nutrition funding, and USD 39-50 billion gap in funding to achieve Global Goal 2: Zero Hunger by 2030, closed.

We are proud to date to have introduced new private sector funders into the nutrition space and we continue to seek to engage this sector especially by building the connections between ESG agendas and the global nutrition financing gap.

This includes looking to replicate our successful World Bank model with the Islamic and African Development banks, and to develop new strategic partnerships, especially in the Gulf region.

In January 2023 we announced a ground-breaking partnership with the Vaccines Alliance (GAVI) and Unilever to deliver an integrated immunisations, water & sanitation, and nutrition programme in Indonesia, the first time GAVI have included nutrition in their programming, and we aim to expand this partnership to several countries. This is a great example of our new strategy in action, in particular our shift from predominantly health systems to become multisectoral. We aim to replicate this type of partnership with partners from other nutrition-relevant sectors, through our 'Nutrition Links' initiative, which prioritises education, climate change (including food systems) and gender.

Despite our excellent track record, it has, however, become clear during 2024 that the organisation is no longer sustainable in its current form without new platform funding or the financial support of its original founding funders. Whilst significant efforts have been made by the organisation to adapt its business model over the last two years, this has not been sufficient to maintain the organisation in its current form.

The Board of Trustees therefore decided in September 2024 that the organisation would be scaled back and the focus would be on: a) ensuring that our programme commitments are delivered on time and to budget, and have a positive impact for our beneficiaries; b) managing our relationships and fulfilling our commitments to partners and other stakeholders; c) documenting and disseminating our experience and learning in anticipation of our 10th anniversary and the Nutrition for Growth Summit (N4G) in 2025.

This will require some restructuring of the organisation for which detailed and fully costed plans have been developed. A redundancy process was initiated in September 2024 with almost half of our staff taking up the option of voluntary redundancy and will leave the organisation in October 2024. The balance of the team will remain in place through to end June 2025 to deliver on our learning and growth agenda as well as delivering on business per usual in managing our programme commitments as well as managing our relationships with partners and other stakeholders. From July 2025, a core group of approximately 5 staff will ensure that a managed wind-down will continue through to the first half of 2027 to ensure that all programme and contractual commitments are fulfilled. Should there be no material beneficial change of circumstances, the organisation will close in 2027.

4. Financial review

4.1. Income

During the period covered in this report, The Power of Nutrition recorded income totalling USD 13.4 million (2022: USD 3.9 million). This income was received from one founding partner, four 3rd party donors, a return of investment income from our trust fund at the World Bank, the Global Malnutrition Appeal and two bi-lateral donors:

- CIFF USD 4.1 million (USD 2 million)
- Investment income returned from World Bank USD 5.5 million (USD Nil)
- Private and Bi-lateral Donors income of USD 1 million (USD 1.7 million).
- Bank interest earned USD 0.8 million (USD 0.2 million)

4.2. Expenditure

A total of USD 6.2 million (2022: USD 5.7 million) was recognised as expenditure during the year. This can be analysed across two key expenditure groupings, namely Programmatic and Operational expenditure. Programmatic expenditure is defined as the expenditure the Foundation directly books to programmes that are designed and run by our implementing partners in our target countries and also includes our internal programmatic team costs including associated overheads. Operational expenditure is defined as the expenses incurred through the day to day running of the Foundation, excluding the direct programmatic team costs and associated overhead.

4.2.1. Programmatic Expenditure

Total charitable grants expensed during the course of the year amounted to a net USD 3 million (2022: USD 2.5 million):

- USD 0.3 million was expensed in relation to Services-in-Kind provided in respect of the Mobile Doctorni nutrition programme in Gujarat.
- USD 0.8 million was expensed in relation to a second Mobile Doctorni programme in the Indian state of Uttar Pradesh.
- USD 4 million was expensed to our implementing partner UNICEF in respect of our second programme in the DRC. Funds will be disbursed over 3 years.
- USD 0.5 million was expensed to our implementing partner GAVI in respect of our 2nd programme in Indonesia. Funds will be disbursed over 2 years.
- USD 0.21 million was expensed as part of our second Product Access Initiative programme in Ethiopia.
- USD 0.017 million was expensed as part of our first Product Access Initiative programme in Liberia.
- USD 0.05 million was expensed as part of our 1st programme with implementor IMC in Ethiopia.

- Included in the USD 3 million is a USD 2.9 million write back of accrued grant expenditure due to an overall reduction in the Benin programme investment of USD 1 million , a reduction of USD 0.95 million in the Bangladesh programme where we were in both cases ultimately unsuccessful in attracting new funding for these programmes and finally in Gujarat where CARE withdrew from the programme which resulted in a reduced grant commitment of USD 0.95 million.

4.2.2. Operational Expenditure (including non-direct programme expenditure)

Operating expenses totalling USD 3.1 million (2022: USD 3.2 million) were incurred during the period:

- The majority of this operating expenditure was funded through three donors (CIFF, FCDO and The Gates Foundation)
- The most significant cost, USD 2.1 million (2022: USD 2.4 million), was staff related; this equates to 68% (2022: 75%) of our current operating expenses.

4.3. Cashflow

The net cash inflow / (outflow) from operating activities was USD 1 million (2022: (outflow of USD 1.6 million)).

Our main programmatic cash inflows consisted of funding from donors totalling USD 7.6 million (2022: USD 7.3 million) and funds returned from World Bank of USD 5.5 million. Cash outflows to programmes totalling USD 9.6 million (2022: USD 10.4 million) during the year.

4.4. Foreign exchange movement

Our policy is to convert any currency funds received to USD at the time of receipt. This has better aligned currency funds held with underlying disbursements which are predominantly in USD.

A gain of USD 0.1 million (2022: loss of USD 0.1 million) was realised in respect of the movement on the USD / GBP currency rate impacting on funds received in GBP and converted to USD.

4.5. Reserves and going concern

The Trustees have established a Reserves Policy with reference to Charity Commission guidance (CC19) and applicable accounting standards. The Trustees review the level of unrestricted reserves annually having regard to the financial model of the charity, core expenditure and current/forecast income. The Trustees have agreed that it would be desirable for the charity to target unrestricted reserves which are sufficient to cover 12 months average operating expenditure; this equates to USD 3.4 million. However, the Trustees acknowledge that reaching this target will be challenging in the current economic environment. As a minimum the charity aims to hold unrestricted reserves of USD 1.7 million which is sufficient to cover six months average operating expenditure and which is regarded by the Trustees to provide an adequate minimum contingency to enable the organisation to cover on-going governance, operational and support costs necessary to close-down in an orderly fashion

should this be required. The Trustees will consider increasing the level of unrestricted reserves when possible.

The level of unrestricted reserves is closely monitored by the Finance, Audit and Risk Committee (FAR) to ensure that they remain at an adequate level to provide financial flexibility and as a buffer against operational risk. The Trustees review the appropriateness of the reserves policy annually as proposed by the FAR.

Net negative funds totalling USD 1.3 million (2022: USD 7.5 million) of the charitable foundation are considered to be restricted, to be used to fund maternal and child nutrition programmes aimed at reducing child undernutrition and malnutrition worldwide, the current expectation is that funds will be received ahead of related disbursements becoming due. Funds totalling USD 3.7 million (2022: USD 2.6 million) are considered to be unrestricted. As noted above our operational expenses have substantially been met by 3 funders during 2023. We have continued to diversify our OpEx funding base and have booked USD 3.2 million to date (2022: USD 2.2 million to date) in respect of OpEx funding from other 3rd party donors.

- Cash holdings are held where possible in interest bearing accounts.
- Cash at bank totalled USD 19.6 million (2022: USD 17.7 million) at year end.

Whilst the Board considers that The Power of Nutrition has adequate financial resources to fund its operational expenditure at least until end 2027 based on the restructuring plans that were discussed earlier in the report (refer to the Looking Ahead paragraph in the Message from the Chair section) and subject to the organisation being unable to raise additional funding over this time period, the accounts have been prepared on a basis other than as a going concern.

5. Structure, governance & management

5.1. Structure

The Power of Nutrition is a charitable company limited by guarantee. It was incorporated as a company on 30 October 2014 under the name Catalytic Financing Facility for Nutrition and registered as a charity under the same name on 6 February 2015. The company was established under a Memorandum of Association and is governed under its Articles of Association, which sets out its objects and powers.

The name was formally changed to The Power of Nutrition on 19 April 2015 pursuant to a Board resolution of 10 March 2015.

The objectives of The Power of Nutrition as stated in the Articles of Association are to support the advancement of health and the prevention or relief of poverty by providing, or assisting in the provision of, financial support to maternal and child nutrition programmes worldwide.

The Board of Trustees have a duty to report in the Trustees' Annual Report on the charitable foundation's public benefit. They should demonstrate that:

- The benefits generated by the activities of The Power of Nutrition are clear. This report sets out in some detail the activities that the charitable foundation has carried out over the past year in order to achieve our mission.
- The benefits generated relate to the objectives of The Power of Nutrition. All activities undertaken are intended to further the charitable objectives of the charitable foundation, noted above.

The accounts of the charitable foundation are filed with Companies House and the Charity Commission.

5.2. Governance & management

The governing body of the charitable foundation is the Board of Trustees. The Trustees are appointed in their capacity as individuals and are also Directors for the purposes of company law. The Trustees are responsible for reviewing and approving the strategy and operational policies of the charitable foundation (including such areas as risk management and legal and regulatory compliance), reviewing reports on the charitable foundation's financial activities and monitoring investment and fundraising activities.

Board of Trustees

During the year ended 31 December 2023, three trustees were appointed; Elhadji Amadou Gueye Sy (6 February 2023), Anulika Nwamaka Ajufo (14 February 2023) and Susana Edjang (1 June 2023).

The Trustees have no beneficial interest in the charitable foundation. All Trustees sit on the Board of The Power of Nutrition in their own individual capacity and execute their duties in the best interests of the Foundation. There are no Corporate Trustees. All Trustees give their time freely and no Trustee remuneration was paid in the year. Trustees are mindful of identifying and managing conflicts of interest and manage their proceedings in accordance with the detailed conflict of interest procedure set out in the charitable foundation's Articles of Association. Please also see the related party note 17 to the Annual Financial Statements.

The Board met four times during 2023 (2022: three times).

The Executive

Day-to-day responsibility is delegated to the Executive under the leadership of the Chief Executive who reports to the Board and works closely with the Chair.

The Executive is responsible for raising new financing, working with the implementing partners to channel the financing to evidence-based investments in nutrition, and reporting to the Board and other key stakeholders.

The team has structured its operational functions across two key pillars: partnerships & brands (fundraising) and programmes & investments.

Partners

The Power of Nutrition is a partnership of funding and implementing partners committed to helping children grow to their full potential. During the year ended 31 December 2023:

- We continued to work with our two principal implementing partners the World Bank and UNICEF.
- We also worked with seven other implementing partners (Save the Children, Nutrition International, Action Against Hunger, Care International, World Vision, GroupM and GiveDirectly), all of whom have been approved by our Board.

5.3. Key policies & risk management

The Board is responsible for ensuring that the charitable foundation has an appropriate system of controls, financial and otherwise. It is also responsible for safeguarding the assets of the charitable foundation and, therefore, for taking reasonable steps for the prevention of fraud and other irregularities.

A set of core operating policies guide the day-to-day work of The Power of Nutrition. These include:

- Managing our Costs & Travel Expense policies
- Anti-Bribery & Corruption & Anti-Money Laundering policies
- Whistleblowing policy
- Safeguarding Children and Vulnerable Adults
- Equal Opportunities policy
- Disciplinary & Grievance policy
- Harassment and Bullying policy
- Diversity, Equality and Inclusion policy
- Remuneration and Benefits policy
- Investment Approval policy
- Investor Vetting policy

- Data Protection policy
- Brand and Communications policy
- Privacy policy
- Health and Safety policy.
- Anti-Slavery and Human Trafficking policy

The Power of Nutrition is committed to ensuring that it provides a safe and trusted environment which safeguards and promotes the welfare and wellbeing of beneficiaries, our staff and partners. The Power of Nutrition enforces safeguarding practices through its procedures and policies including:

- ensuring compliance with our Safeguarding Children and Vulnerable Adults policy.
- a code of conduct for staff.
- recruiting staff safely by undertaking due diligence on individuals prior to appointment.
- using our safeguarding procedures to share concerns and relevant information with the appropriate agencies as necessary.
- using our disciplinary procedures to manage any allegations against staff appropriately.
- ensuring there are effective complaint and whistleblowing measures in place as per our Whistleblowing policy.

Our safeguarding policy is reviewed, approved and endorsed by the Board of Trustees annually or when updated after relevant legislation changes.

The Power of Nutrition requires all partners, agencies and grantees to:

- have adopted and to comply with a safeguarding policy ensuring equivalent safeguarding standards and mechanisms as provided for in The Power of Nutrition safeguarding policy; or
- where the partner, agency or grantee has no such policy in place, adhere to The Power of Nutrition safeguarding policy.

Assisted by the Executive and the Finance, Audit and Risk Committee, the Board reviews and assesses the major risks to which The Power of Nutrition is exposed. Taking into account the controls and safeguards currently in place, the key risks and uncertainties identified by the Board are as follows:

Key risks summary

The Power of Nutrition has in place a risk schedule that is reviewed monthly by the Executive team, before every Board meeting by the Finance, Audit and Risk Committee, and by the Board of Trustees at every Board meeting.

The organisation has identified the following key risks:

1. Operational expenditure

The organisation would need to raise additional funding to cover its operating expenditure (OpEx) should it wish to continue to operate beyond the 2027 timeline outlined in the restructuring process currently underway. This risk has been mitigated by the Board decision in September 2024 that if the organisation is unable to secure further long-term funding during the planned restructuring, the planned restructuring process will continue to be followed to eventual close-down which will negate the need to raise additional OpEx funding.

2. Staff retention

In the current restructuring scenario we have ensured all staff are treated fairly and with respect. In addition to fair redundancy packages, all staff have access to funded outplacement services to assist in their respective job searches. Staff required for the other phases during the restructuring process have been fairly incentivised to ensure that future deliverables are met and we are able to retain the necessary staff to do this.

3. Credit risk exposure

At end 2023, there was USD 7 million due to The Power of Nutrition in respect of three donors' incoming funds due to The Power of Nutrition for onward submission to respective implementing partners. Of this USD 3 million from 2 donors (Rotary and END Fund) is reflected as debtors in our accounts, the remaining USD 4 million (SIDA) is contractually due but due to income recognition criteria monies are booked on receipt of funds and thus a debtor is not currently raised in the books of account.

Up to 31 August 2024, USD 1.5 million has been received from Rotary and END Fund in respect of the debtors balance in our 2023 financial statements and USD 0.6 million was received from SIDA. Whilst these funds are being paid down against contracted payment schedules there is always a risk of default by these donors which could result in a material impact on the respective programmes not receiving their full funding as well as funding demands from the implementing partner should they have disbursed more funding than they have received at the point of default (if this was to occur).

The USD 4 million due in from SIDA (of which we have received USD 0.6 million during 2024) also has other implications in that these are the match funds that make-up in total USD 4 million of the USD 5 million UNICEF Socceraid match commitment.

At 31 August 2024, we have no reason to believe that these funds will not be paid in line with contractual obligations; based on current disbursement schedules we should receive USD 2.4 million in the financial period 1 September to 31 December 2024 in respect of the USD 4.9 million currently outstanding, with the balance in 2025 and 2026.

Fundraising statement

The Power of Nutrition has for the first time via its Global Malnutrition Crisis Appeal engaged in public fundraising and also occasionally uses professional fundraisers. We are a member of the Charity Fundraising Regulator and monitor the relevant fundraising regulations (including the Institute of Fundraising guidelines (UK)) and codes to ensure compliance where relevant. During the year there was compliance with these regulations and codes. The charitable foundation did not receive any complaints relating to its fundraising practise during the year.

Remuneration statement

Salaries for permanent staff across all functions have been set in line with a range of market rate indicators and internal parity. Any salary adjustments made in the year were in line with our Remuneration and Benefits Policy.

Public benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit.' That guidance addresses the need for all charities' aims to be, demonstrably, for the public benefit. The trustees consider the facilitation and provision of nutrition services to be wholly for the public's benefit.

6. Statement of responsibilities of Trustees

The Trustees (who are also Directors for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and accounting standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial period 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 the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities Statement of Recommended Practice (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 information relevant to the audit of which the auditors are unaware; and
- They have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and to establish that the auditors are 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 membership of The Power of Nutrition comprises the Trustees, the Children's Investment Fund Foundation and the UBS Optimus Foundation and entitles the members to voting rights only. Neither the Trustees nor the Members have any beneficial interest in The Power of Nutrition.

The Trustees' Annual Report, incorporating the strategic report and directors' report, has been approved by the Trustees on 21 October 2024 and signed on their behalf by

.....

Mark Cutifani, Chairman

Opinion

We have audited the financial statements of The Power of Nutrition (the 'charitable company') for the year ended 31 December 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Emphasis of matter – in relation to going concern

Without qualifying our opinion, we draw attention to the disclosures in the trustees' annual report and note 1 of the financial statements. The trustees have decided to wind down The Power of Nutrition in 2027 in the event that the organisation is unable to secure future long term funding after the current programme and contractual commitments are met. As a consequence, the financial statements have been prepared on a basis other than as a going concern although no adjustments were required as a result.

Other Information

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

material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of 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; and
- 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 charitable company and its 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 requires us to report to you if, in our opinion:

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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, which included obtaining and reviewing supporting documentation, concerning the charity'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 charity 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 charity 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. 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.

Noelia Serrano (Senior statutory auditor)

25 October 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

	Note	Unrestricted \$	Restricted \$	2023 Total \$'000	Unrestricted \$	Restricted \$	2022 Total \$'000
Income from:							
Grants	2	661	11,948	12,609	1,332	2,344	3,676
Bank interest		84	701	785	14	190	204
Total income		745	12,649	13,394	1,346	2,534	3,880
Expenditure on:							
Raising funds	3	1,385	-	1,385	1,632	-	1,632
Charitable activities	3	215	4,774	4,989	1,584	2,470	4,054
Total expenditure		1,600	4,774	6,374	3,216	2,470	5,686
Net income / (expenditure) before other recognised gains and losses							
		(855)	7,875	7,020	(1,870)	64	(1,806)
Gain/(Loss) on foreign exchange movements		91	-	91	(132)	-	(132)
Net income / (expenditure) for the year before transfers							
		(764)	7,875	7,111	(2,002)	64	(1,938)
Transfers between funds		1,613	(1,613)	-	1,381	(1,381)	-
Net income / (expenditure) for the year							
		849	6,262	7,111	(621)	(1,317)	(1,938)
Net movement in funds							
		849	6,262	7,111	(621)	(1,317)	(1,938)
Reconciliation of funds:							
Total funds brought forward	13b	2,640	(7,546)	(4,906)	3,261	(6,229)	(2,968)
Total funds carried forward	13a	3,489	(1,284)	2,205	2,640	(7,546)	(4,906)

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 13 to the financial statements.

As at 31 December 2023

	Note	\$'000	2023 \$'000	\$'000	2022 \$'000
Fixed assets:					
Tangible assets	9a		14		9
Intangible assets	9b		-		236
Current assets:					
Debtors	10	3,092		4,427	
Short term deposits		318		605	
Cash at bank and in hand		19,289		17,138	
		22,699		22,170	
Liabilities:					
Creditors: amounts falling due within one year	11a	14,462		12,511	
Net current assets					
			8,237		9,659
Total assets less current liabilities					
			8,251		9,904
Creditors: amounts falling due after one year	11b		6,046		14,810
Total net assets					
			2,205		(4,906)
The funds of the charity:					
Restricted income funds	12		(1,284)		(7,546)
Unrestricted income funds			3,489		2,640
Total charity funds					
			2,205		(4,906)

Approved by the trustees on 21 October 2024 and signed on their behalf by

Mark Cutifani
Chairman

Statement of cash flows

For the year ended 31 December 2023

		2023		2022	
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities	Note				
Net cash used in operating activities	14		1,004		(1,550)
Cash flows from investing activities:					
Interest income		785		204	
Purchase of fixed assets		(16)		(56)	
		<hr/>		<hr/>	
Net cash provided by investing activities			769		147
			<hr/>		<hr/>
Change in cash and cash equivalents in the year			1,773		(1,403)
Cash and cash equivalents at the beginning of the year			17,743		19,278
Change in cash and cash equivalents due to exchange rate movements			91		(132)
			<hr/>		<hr/>
Cash and cash equivalents at the end of the year			19,607		17,743
			<hr/> <hr/>		<hr/> <hr/>

1 Accounting policies

a) Statutory information

Power of Nutrition is a charitable company limited by guarantee and is incorporated in England & Wales. The registered office address is: One Bartholomew Close, London, EC1A 7BL

b) Basis of preparation

The financial statements have been prepared in accordance with 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

Whilst the Board considers that The Power of Nutrition has adequate financial resources to fund its operational expenditure at least until end 2027 based on the restructuring plans that were discussed in the Trustees' report (refer to the Looking Ahead paragraph in the Message from the Chair) and subject to the organisation being unable to raise additional funding over this time period, the accounts have been prepared on a basis other than Going Concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Presentational currency and foreign exchange

The presentational and functional currency of the charitable foundation is United States Dollars (USD). At the year end the exchange rate adopted was £1: USD 1.27 (Prior year £1: USD 1.20) Assets and liabilities in foreign currencies are translated into USD at the rate of exchange for the month in which the transaction was incurred. Exchange differences are shown on the statement of financial activities.

f) Income

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

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. In the case of FCDO match funding, NORAD and Platform funding which are classified as restricted, these type of funds are broadly restricted meaning they are not specific to a programme on booking and could be used across different programmes and geographies. Unrestricted funding can be utilised as required by the organisation, The Power of Nutrition's OPEX funding is classified as unrestricted.

h) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

i) Expenditure and irrecoverable VAT

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

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of grant-making undertaken to further the purposes of the charity and associated support costs

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

j) Grants payable

Grants payable are charged to the Statement of Financial Activities in the year in which the offer is conveyed to the recipient. The balance of grants payable due at the end of each reporting period are shown as creditors on the balance sheet.

k) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Support and governance costs are re-allocated to each of the activities on the following basis which is based on average head count within the 2 main organisation functions of Programmes & Investments and Fundraising, of the amount attributable to each activity.

- | | |
|-------------------------|-----|
| ● Cost of raising funds | 49% |
| ● Grant making | 50% |
| ● Governance costs | 1% |

Governance costs are the costs associated with the governance arrangements of the charitable foundation. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charitable foundation's activities.

1 Accounting policies (continued)**l) Operating leases**

Rental charges are charged on a straight line basis over the term of the lease.

m) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds \$635 (£500). Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

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

● Leasehold improvements (over the life of the lease)	3 years	
● Computer equipment	3 years	
● Intangible asset (GMS System)	10 years	Fully written down in 2023

n) Intangible fixed assets

Intangible fixed assets acquired separately from the charity are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. The intangible asset is an Investment Management System. At the end of 2023 it was decided that we would no longer use the Investment Management System, it has been written down to a Nil value after booking an impairment cost via the amortisation line of \$240k for the year.

o) Debtors

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

p) Cash at bank and in hand

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

q) Creditors and provisions

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

The charitable foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

r) Pensions

The charitable foundation operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable foundation in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable foundation to the fund. The charitable foundation has no liability under the scheme other than for the payment of those contributions. All such contributions form part of unrestricted expenditure.

2 Income from grants

	Unrestricted \$'000	Restricted \$'000	2023 Total \$'000	Unrestricted \$'000	Restricted \$'000	2022 Total \$'000
Children's Investment Fund Foundation (CIFF)	616	3,524	4,140	1,284	750	2,034
Herbalife	-	150	150	-	-	-
Medicor	-	-	-	-	150	150
Unilever	-	295	295	-	390	390
Cargill Corporate	-	500	500	-	-	-
DFAT - Australian Government	-	500	500	-	500	500
SIDA	-	1,442	1,442	-	388	388
World Bank	-	5,492	5,492	-	-	-
Others	45	44	89	48	166	214
	661	11,948	12,609	1,332	2,344	3,676

The World Bank funds are funds we identified as being unallocated within our World Bank trust fund, these funds substantially comprised investment returns generated by The World Bank from funds they hold on account prior to disbursement to programmes.

3a Analysis of expenditure - current year

	Cost of raising funds \$'000	Grant-making \$'000	Governance costs \$'000	Support costs \$'000	2023 Total \$'000	2022 Total \$'000
Staff costs (Note 6)	321	821	-	854	1,996	2,247
Other staff costs	50	21	-	38	109	128
Grant commitments (Note 4)	-	3,032	-	-	3,032	2,470
Premises	-	-	-	88	88	110
Travel	34	82	3	10	129	135
Office, IT and insurance	5	28	10	95	138	176
Communications and business development	-	-	-	38	38	37
Audit	-	-	32	-	32	25
Consultancy	285	54	-	70	409	235
Legal and professional fees	-	-	-	156	156	95
Depreciation and amortisation	-	240	-	7	247	28
	695	4,278	45	1,356	6,374	5,686
Support costs	668	688	-	(1,356)	-	-
Governance costs	22	23	(45)	-	-	-
Total expenditure 2023	1,385	4,989	-	-	6,374	
Total expenditure 2022	1,632	4,054	-	-	5,686	

3b Analysis of expenditure - prior year

	Cost of raising funds \$'000	Grant-making \$'000	Governance costs \$'000	Support costs \$'000	2022 Total \$'000
Staff costs (Note 6)	625	904	44	674	2,247
Other staff costs	29	39	-	60	128
Grant commitments (Note 4)	-	2,470	-	-	2,470
Premises	-	-	-	110	110
Travel	28	61	-	46	135
Office, IT and insurance	4	46	10	116	176
Communications and business development	11	-	-	26	37
Audit	-	-	25	-	25
Consultancy	61	47	13	114	235
Legal and professional fees	4	-	-	91	95
Depreciation	-	12	-	16	28
	762	3,579	92	1,253	5,686
Support costs	689	376	188	(1,253)	-
Governance costs	181	99	(280)	-	-
Total expenditure 2022	1,632	4,054	-	-	5,686

4a Grant making - current year

	Grants to institutions	Direct costs of grant-making	Support and governance costs	2023
	\$'000	\$'000	\$'000	\$'000
Mobile Doctorni India (Group M)	341	59	41	441
Mobile Doctorni Odisha (Cargill Corp.)	830	144	99	1,073
Indonesian programme (GAVI)	500	87	60	646
PAI programmes (Liberia and Ethiopia)	227	39	27	293
International Medical Corps (Ethiopia)	50	9	6	65
DRC-2 programme (UNICEF)	4,000	693	478	5,171
Benin programme (UNICEF)	(1,000)	-	-	(1,000)
Bangladesh programme (UNICEF)	(950)	-	-	(950)
Gujarat programme (CARE/AAH)	(966)	-	-	(966)
Total	3,032	1,246	711	4,989

4b Grant making - prior year

	Grants to institutions	Direct costs of grant-making	Support and governance costs	2022
	\$'000	\$'000	\$'000	\$'000
Mobile Doctorni India (Group M)	437	122	52	611
DRC programme (GiveDirectly)	2,700	754	323	3,777
Liberia programme (PAI)	141	39	17	197
Zambia programme (World Vision)	692	193	83	968
Indonesian programme (Save the Children)	(1,500)	-	-	(1,500)
Total	2,470	1,109	475	4,054

The Power of Nutrition makes charitable grants to its implementing partners to scale up quality, high-impact child and maternal nutrition programmes. An amount totalling \$2.916m was written back against grant expenditure which reflects the reduction in funding for the Benin programme (\$1m), the Bangladesh programme (\$0.95m) where in both cases it was necessary to reduce the size of the respective programmes and the Gujarat programme (\$0.966m) where CARE (UK) were unable to continue with their funding for the programme. In 2022 an amount of \$1.5m was written back against grant expenditure which reflects the reduction in funding for the Indonesian programme where we were unable to find a replacement funder for the withdrawal of APC funding designated for this programme.

5 Net income / (expenditure) for the year

This is stated after charging / (crediting):

		2023	2022
		\$'000	\$'000
Depreciation and amortisation		247	27
Operating lease rentals:			
	Property	88	58
Auditor remuneration (excluding VAT):			
	Audit	22	25
	Other services	4	-
Foreign exchange (Gain)/loss		(91)	132

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2023 \$'000	2022 \$'000
Salaries and wages	1,677	1,768
Redundancy and termination costs	-	124
Social security costs	187	212
Employer's contribution to defined contribution pension schemes	107	115
Other forms of employee benefits	25	28
	1,996	2,247

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2023 No.	2022 No.
\$250,000 - \$262,499 (£200,000 - £210,000)	-	2
\$237,500 - \$249,999 (£190,000 - £200,000)	-	-
\$225,000 - \$237,499 (£180,000 - £190,000)	-	1
\$212,500 - \$224,999 (£170,000 - £180,000)	1	-
\$200,000 - \$212,499 (£160,000 - £170,000)	-	-
\$187,500 - \$199,999 (£150,000 - £160,000)	-	-
\$175,000 - \$187,499 (£140,000 - £150,000)	-	-
\$162,500 - \$174,999 (£130,000 - £140,000)	2	-
\$150,000 - \$162,499 (£120,000 - £130,000)	-	2
\$137,500 - \$149,999 (£110,000 - £120,000)	-	-
\$125,000 - \$137,499 (£100,000 - £110,000)	-	-
\$112,500 - \$124,999 (£90,000 - £100,000)	1	-
\$100,000 - \$112,499 (£80,000 - £90,000)	1	3
\$87,500 - \$99,999 (£70,000 - £80,000)	3	1
\$75,000 - \$87,499 (£60,000 - £70,000)	1	-

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were \$902,853 (2022: \$1,217,942).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: \$Nil). No charity trustee received payment for professional or other services supplied to the charity (2022: \$Nil).

Travel expenses relating to trustees totalled \$Nil (2022: \$Nil).

Related party transactions are disclosed in note 17.

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 17.8 (2022: 15.7).

	2023 No.	2022 No.
Raising funds	6.0	4.3
Grantmaking	7.4	6.6
Support	4.3	4.6
Governance	0.1	0.2
	17.8	15.7

8 Taxation

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

9a Tangible fixed assets

	Computer equipment \$'000	Leasehold Improvements \$'000	Total \$'000
Cost or valuation			
At the start of the year	86	83	169
Additions in year	12	-	12
Disposals in year	-	-	-
At the end of the year	98	83	181
Depreciation			
At the start of the year	77	83	160
Charge for the year	7	-	7
Eliminated on disposal	-	-	-
At the end of the year	84	83	167
Net book value			
At the end of the year	14	-	14
At the start of the year	9	-	9

9b Intangible fixed assets

	IM system \$'000 2023	IM system \$'000 2022
Cost or valuation		
At the start of the year	236	198
Additions in year	4	50
Disposals in year	-	-
Amortisation in year	(240)	(12)
At the end of the year	-	236

The Investment Management System went live in July 2022, it was being amortised over a 10 year period. As the system is no longer being used it was decided to write down the value in full during 2023. All of the above assets are used for charitable purposes.

10 Debtors

	2023 \$'000	2022 \$'000
Grant income receivable	3,006	4,376
Other debtors	23	6
Prepayments	63	45
	3,092	4,427

\$2.1m (2022: \$2m) is classified as short-term debtors with the expectation of receiving these funds within 12 months of the year end date. \$1m (2022: \$2.4m) is classified being due for collection between 13 and 24 months post year end date.

For the year ended 31 December 2023

11a Creditors: amounts falling due within one year

	2023	2022
	\$'000	\$'000
Trade creditors	43	32
Grants payable to UNICEF	7,822	6,927
Grants payable to World Bank	-	250
Grants payable to Action Against Hunger	268	182
Grants payable to Save The Children	2,037	2,200
Grants payable to Group M	2,140	1,456
Grants payable to World Vision	277	286
Grants payable to Give Directly	1,466	986
Grants payable to GAVI	250	-
Accruals	37	66
Other creditors	122	126
	14,462	12,511

11b Creditors: amounts falling due between one and three years

	2023	2022
	\$'000	\$'000
Grants payable to UNICEF	3,808	8,945
Grants payable to Action Against Hunger	-	1,234
Grants payable to Save The Children	1,800	3,582
Grants payable to Group M	146	-
Grants payable to World Vision	129	406
Grants payable to Give Directly	163	643
	6,046	14,810

12a Analysis of net assets between funds (current year)

	Unrestricted	Restricted	Total funds
	\$'000	\$'000	\$'000
Tangible fixed assets	14	-	14
Intangible fixed assets	-	-	-
Net assets	3,475	4,762	8,237
Long term liabilities	-	(6,046)	(6,046)
Net assets at 31 December 2023	3,489	(1,284)	2,205

12b Analysis of net assets between funds (prior year)

	Unrestricted	Restricted	Total funds
	\$'000	\$'000	\$'000
Tangible fixed assets	9	-	9
Intangible fixed assets	236	-	236
Net assets	2,395	7,264	9,659
Long term liabilities	-	(14,810)	(14,810)
Net assets at 31 December 2022	2,640	(7,546)	(4,906)

13a Movement in funds (year 2023)**By Programme/Funder**

	Bal 1 Jan 2023 \$'000	Total Incoming Resources including gains \$'000	Total Resources Expended including losses \$'000	Transfers \$'000	Bal 31 Dec 2023 \$'000
Unrestricted					
OPEX funding	2,640	836	(1,600)	1,613	3,489
Restricted					
(a) NORAD funding	1,037	-	-	(1,037)	-
(b) Platform Funding	567	6,193	(1,742)	(1,604)	3,414
(c) Maharashtra programme	(727)	727	-	-	-
(d) Indonesia programme	(582)	500	-	82	-
(e) Gujarat programme	(500)	-	966	(466)	-
(f) Benin programme	(2,168)	-	1,000	826	(342)
(g) Bangladesh programme	(5,081)	2,798	950	1,037	(296)
(h) Mobile Doctorni programme	-	295	(341)	46	-
(i) Cargill Corporate funder	330	500	(830)	-	-
(j) SIDA funder - DRC1&2	(1,011)	1,442	(4,000)	(400)	(3,969)
(k) Irish Aid funder	350	-	(227)	(63)	60
(l) Herbalife - Rwanda	135	150	-	(285)	-
(m) Global Malnutrition Appeal	30	19	-	(49)	-
(n) GAVI (Indonesia)	-	-	(500)	250	(250)
(o) IMC-Ethiopia	-	-	(50)	50	-
Other	74	25	-	-	99
Total restricted	(7,546)	12,649	(4,774)	(1,613)	(1,284)
Total Funds	(4,906)	13,485	(6,374)	-	2,205

Purposes of unrestricted funds

These funds are not restricted for a specific purpose and can be utilised as required by the organisation. In practise these funds are used to fund the operating expenses of The Power of Nutrition.

Purposes of restricted funds

Restricted funds are to be used for specific purposes as advised by the donor (i.e in a specific programme or geography), some of these restricted funds above are classified as broadly restricted funds (see a-b) which means these funds can be used across different programmes and geographies including transfers to other funds that may be in deficit if required.

Total restricted funds are a negative \$1.284m at the end of December 2023, this is principally due to income recognition criteria which have precluded the full booking of related income whilst the related programme expenditure has been booked in full.

Restricted Funds description

(a) NORAD funding

Norad funding can be used across The Power of Nutrition approved programmes, this funding of \$1,037k was used for our Bangladesh programme.

(b) Platform Funding

Platform Funding is aimed to be used for programmatic purposes, as required. At end December 2023, \$701k had been earned through interest on programmatic funds and \$5,492k booked from the World Bank in respect investment returns earned on TPON funds held by The World Bank and returned on request to The Power of Nutrition, \$250k was transferred out to fund the 1st phase of the GAVI Indonesia programme, \$1k towards the IMC Ethiopia programme, \$182k towards the CARE Gujarat programme, \$826k to the Benin programme, \$650k to OPEX funds which is a part transfer from the CIFF allocation of WB funds returned, \$82k final transfer to the Indonesian programme, \$46k to the Mobile Doctorni programme, and finally inward transfers of \$285k from Herbalife and a net \$416k from the Gujarat programme to reflect funding no longer required for these programmes. \$1,741k of Programmatic expenditure was also expensed against Platform funds.

(c) Maharashtra programme

Funding for the Maharashtra programme supports the strengthening of the implementation capacity and delivery of essential nutrition services in Maharashtra at both State and District levels for the benefit of children and mothers. \$727k was received during the 2023 year from CIFF.

(d) Indonesia programme

Funding for the BISA programme in Indonesia, this programme is assisting the Government of Indonesia in transforming the lives of women, adolescent girls and young children, enabling them to access better nutrition and helping children reach their full potential. \$500k was received from DFAT in October 2023 which was their final grant towards the programme, in addition \$82k was transferred from Platform funds to meet the final disbursement to the programme.

(e) Gujarat programme

Funding for the Gujarat nutrition programme which will support the State Government of Gujarat to deliver its stunting reduction programme. This programme has been impacted by the withdrawal of CARE (UK) as implementing partner due to their Indian foreign licence being revoked and thus being unable to continue operating in this territory, the net effect was a reduction of \$966k in funding that will no longer be paid over by The Power of Nutrition. \$500k representing the unfunded component of the \$966k was transferred back to unrestricted OPEX funds and a net \$416k unused donor funds being booked back to Platform funds.

(f) Benin programme

Funding for the Benin programme is to support the Government of Benin's national nutrition programme which is expected to avert 9,000 cases of stunting amongst children; avert 85,400 cases of maternal anaemia and 1,000 child deaths. The negative balance at the end of December 2023 reflects funds committed to those activities and for which monies are expected to be confirmed in the period 2024. During year 2023, \$826k was transferred in from Platform funds and used to disburse funding to the programme. The Power of Nutrition commitment to the programme was also reduced by \$1,000k during the year.

(g) Bangladesh programme

Funding for the Bangladesh programme that went live in 2021 is to improve the quality of maternal nutrition services and care of low birth weight infants in Bangladesh. \$2,798k was received from CIFF during year 2023. The remaining negative balance of \$296k at the end of December 2023, will be covered by other donors in 2024. \$1,037k was transferred from NORAD funding during the year for this programme. The programme was reduced in size by \$950k in 2023 as it was not possible to find another donor to meet this potential future funding shortfall.

(h) Mobile Doctorni programme

Funding for the Mobile Doctorni programme in Gujarat (India) programme that went live in 2021, this programme has the ambition to reach 2.7 million women with hygiene and nutrition messaging. In the 2023 period \$46k has been expensed in terms of related consultancy costs, this is covered by a transfer of funds from our Platform funds. In addition \$295k was booked to incoming resources and \$341k to outgoing resources to reflect the value of services in kind provided.

(i) Cargill Corporation funder

Funding that is being used for a second Mobile Doctorni programme in Indian state of Odisha. \$500k was received during the 2023 year. \$830k has been expensed for this programme as it went live in 2023.

(j) SIDA funder

SIDA funding will be used for programming in DRC. The 1st DRC programme being implemented by Give Directly went live in January 2022 with the second and final DRC programme going live in November 2023 with implementing partner UNICEF. Funds totalling \$1,442k were received from SIDA during November 2023. \$4,000k grant expenses in respect the DRC-2 programme were booked in full during the year. \$400k was transferred as per agreement with SIDA to cover OPEX expenditure. The negative balance of \$3,969k at the end of December 2023 will be covered in full from the balance of contributions due by SIDA over 2024-2025.

(k) Irish Aid funder

These funds are being used in Ethiopia and Liberia for an innovative Product Access Initiative. \$210k was utilised during 2023 for the 2nd Product Access Initiative within Ethiopia and another \$17k for the 1st Product Access Initiative within the Liberia programme. \$63k was transferred to the OPEX funding line to cover OPEX related expenditure as per agreement with Irish Aid.

(l) Herbalife funder - Rwanda

These funds will be used in the existing Rwanda programme. \$150k was received in February 2023. A transfer totalling \$285k was made to our Platform funds to cover funding previously disbursed for the Rwanda programme.

(m) Global Malnutrition Appeal

The \$19k funds received represent funding raised during year 2023 for the Global Malnutrition Appeal which is targeting funds to help alleviate the Global Malnutrition Crisis. \$49k was disbursed to the IMC Programme in Ethiopia which this appeal supported.

(n) GAVI (Indonesia) Programme

This programme is being implemented by GAVI in Indonesia. \$250k of funding was transferred in from Platform Funds during 2023 and the same was disbursed to the programme in the period. A further \$250k was expensed in relation to the balance of the programme investment once the programme went live.

(o) IMC (Ethiopia) Programme

This programme is being implemented by IMC in Ethiopia. \$50k of funding was transferred in total from the Global Malnutrition Appeal (\$49k) and from Platform Funds (\$1k) during 2023 and the same was disbursed to the programme in the period.

Transfers

Transfers represent funding reallocated from general and specific funder categories to underlying programmes which will utilise this funding. Where there is a movement within the funding line relating to transfers, these transfers are further explained in the detailed narratives presented in a) to o) above;

13b Movement in funds (year 2022)

By Programme/Funder	Total		Total		Bal 31 Dec 2022 \$'000
	Bal 1 Jan 2022 \$'000	Incoming Resources including gains \$'000	Resources Expensed including losses \$'000	Transfers \$'000	
Unrestricted					
OPEX funding	3,261	1,346	(3,348)	1,381	2,640
Restricted					
(a) FCDO Match funding	3,109	-	-	(3,109)	-
(b) NORAD funding	1,037	-	-	-	1,037
(c) Platform Funding	9,527	191	-	(9,151)	567
(d) Maharashtra programme	(1,227)	500	-	-	(727)
(e) Indonesia programme	(2,582)	500	1,500	-	(582)
(f) Gujarat programme	(500)	-	-	-	(500)
(g) Benin programme	(2,500)	-	-	332	(2,168)
(h) Liberia 2 programme	(1,643)	150	-	1,493	-
(i) Rwanda programme	(250)	250	-	-	-
(j) Ethiopia 2 programme	(3,287)	-	-	3,287	-
(k) Bangladesh programme	(5,081)	-	-	-	(5,081)
(l) Mobile Doctormi programme	(2,230)	390	(437)	2,277	-
(m) Malawi programme	(2,813)	-	-	2,813	-
(n) Cargill Corporate funder	330	-	-	-	330
(o) SIDA funder - DRC	1,301	388	(2,700)	-	(1,011)
(p) Irish Aid funder	506	-	(141)	(15)	350
(q) Herbalife - Rwanda	-	135	-	-	135
(r) Global Malnutrition Appeal	-	30	-	-	30
(s) Zambia programme	-	-	(692)	692	-
Other	74	-	-	-	74
Total Restricted	(6,229)	2,534	(2,470)	(1,381)	(7,546)
Total Funds	(2,968)	3,880	(5,818)	-	(4,906)

Purposes of unrestricted funds

These funds are not restricted for a specific purpose and can be utilised as required by the organisation. In practise these funds are used to fund the operating expenses of The Power of Nutrition.

Purposes of restricted funds

Restricted funds are to be used for specific purposes as advised by the donor (i.e in a specific programme or geography), some of these restricted funds above are classified as broadly restricted funds (see a-c) which means these funds can be used across different programmes and geographies including transfers to other funds that may be in deficit if required.

Total restricted funds are a negative \$7.5m at the end of 2022, this is principally due to income recognition criteria which have precluded the full booking of related income whilst the related programme expenditure has been booked in full. In total \$5,038k of income (CIFF income of \$3,527k, SIDA \$1,011k and DFAT income of \$0.5m) is yet to be booked against programmes which are reflecting fully booked expenditure. There is also expenditure raised against four programmes totalling \$3.75m which represent current funding gaps which we are looking for new funders or will reduce the programme size which will reduce the negative funds restricted figure going forward. Off-set against this is \$0.9m of income booked that we are not reflecting any associated grant expenditure.

Restricted Funds description**(a) FCDO match funds**

FCDO match funds will be used to fund nutrition programmes across various geographies with the exception of India. Transfers totalling \$3,109k were made to the Liberia 2 programme (\$1,510k) and Ethiopia 2 programme (\$1,599k).

(b) NORAD funding

Norad funding can be used across The Power of Nutrition approved programmes but this remaining funding is intended for our Bangladesh programme.

(c) Platform Funding

Platform Funding is aimed to be used within nutrition programmes when required. \$332k was transferred during the year to fund the Benin programme, a further \$692k was transferred during the year to fund the Zambia programme, \$1,688k towards the Ethiopia 2 programme, \$2,813k towards the Malawi programme and \$2,277k towards the Mobile Doctorni programme. A further \$1,366k was transferred for OPEX purposes with a small inward transfer of \$17k in respect surplus funds on the Liberia 2 programme.

(d) Maharashtra programme

Funding for the Maharashtra programme supports the strengthening of the implementation capacity and delivery of essential nutrition services in Maharashtra at both State and District levels for the benefit of children and mothers. The negative balance at the end of 2022 reflects funds committed to those activities, this money was received from Children's Investment Fund Foundation in April 2023. \$500k was received from Children's Investment Fund Foundation during 2022.

(e) Indonesia programme

Funding for the BISA programme in Indonesia, this programme is assisting the Government of Indonesia in transforming the lives of women, adolescent girls and young children, enabling them to access better nutrition and helping children reach their full potential. The negative balance at the end of 2022 reflects funds committed to those activities and for which \$500k is expected to be received in the 2023 year from DFAT. During 2022, \$500k was received from DFAT and our programme commitment was reduced by \$1,500k when it became clear that we would be unable to replace the funding commitment withdrawn by APC for this programme. To cover the remaining \$82k negative, we are looking for a replacement funder in year 2023.

(f) Gujarat programme

Funding for the Gujarat nutrition programme which will support the State Government of Gujarat to deliver its stunting reduction programme. The negative balance at the end of December 2022 reflects funds committed to those activities and which monies or a reduction in programme size are expected to be confirmed in the period 2023 to 2024.

(g) Benin programme

Funding for the Benin programme is to support the Government of Benin's national nutrition programme which is expected to avert 9,000 cases of stunting amongst children; avert 85,400 cases of maternal anaemia and 1,000 child deaths. The negative balance at the end of December 2022 reflects funds committed to those activities and for which monies or a reduction in programme size are expected to be confirmed in the period 2023-2024.

(h) Liberia 2 programme

Funding for our 2nd programme in Liberia, working to improve nutrition at scale in Liberia and supporting the implementation of the Liberian government's national nutrition programme and 2018 nutrition policy. \$1,510k was received from FCDO in March 2022. A further \$150k was received from Medicor in June 2022. A transfer of \$17k out to Platform funds was made as a result of a small surplus of funds not required for the programme.

(i) Rwanda supplementary programme

Funding from ClIFF that is for an additional Nutrition evaluation with our Rwanda programme. Funding of \$250k was received from ClIFF in December 2022.

(j) Ethiopia 2 programme

Funding for the Ethiopia 2 programme that went live in 2021, addressing maternal nutrition, wasting and stunting in under-fives in Ethiopia. \$1,599k of funds were transferred to this programme in the year from the final FCDO match funds. Funds totalling a further \$1,688k were transferred in from Platform funds during the year.

(k) Bangladesh programme

Funding for the Bangladesh programme that went live in 2021 is to improve the quality of maternal nutrition services and care of low birth weight infants in Bangladesh. The negative balance at the end of December 2022 reflects funds committed to those activities and which \$4,131k is expected to be received in the period 2023 to 2025. To cover the remaining negative balance of \$950k, we are currently looking for a new funder in the years 2023-2024.

(l) Mobile Doctorni programme

Funding for the Mobile Doctorni programme in Gujarat (India) programme that went live in 2021, this programme has the ambition to reach 2.7 million women with hygiene and nutrition messaging. In the 2022 period to 31st December 2022 a further \$47k has been expensed in terms of related consultancy costs. In addition \$390k was booked to incoming resources and outgoing resources to reflect the value of services in kind provided. Funds totalling \$2,277k were transferred in from Platform funds during the year.

(m) Malawi programme

Funding for the Malawi programme is to be used to empower communities in Malawi so children can thrive and succeed. Funds totalling \$2,813k were transferred in from Platform funds during the year.

(n) Cargill Corporation funder

Funding that will be used for a second Mobile Doctomi programme in India.

(o) SIDA funder

SIDA funding will be used for a programme in DRC. The 1st phase of the DRC programme went live in January 2022. The negative balance of \$1,011k at the end of December 2022 will be covered in full from the balance of contributions due by SIDA over 2023-2024.

(p) Irish Aid funder

These funds will be used in Ethiopia and Liberia for an innovative Product Access Initiative. \$156k was utilised during 2022 for the 1st Product Access Initiative within the Liberia programme.

(q) Herbalife funder - Rwanda

These funds will be used in the existing Rwanda programme. \$135k was received in February 2022.

(r) Global Malnutrition Appeal

These funds represent funding raised during year 2022 for the Global Malnutrition Appeal which is targeting funds to help alleviate the Global Malnutrition Crisis.

(s) Zambia Programme

This programme which is being implemented by World Vision in Zambia is looking to distribute multiple micronutrient supplements from Kirk Humanitarian who are donating 329,000 bottles of these supplements for beneficiaries. Platform funds of \$692k were utilised to fund the contribution from The Power of Nutrition to World Vision.

Transfers

Transfers represent funding reallocated from general and specific funder categories to underlying programmes which will utilise this funding. Where there is a movement within the funding line relating to transfers, these transfers are further explained in the detailed narratives presented in a) to s) above;

14 Reconciliation of net loss to net cash flow from operating activities

	2023 \$'000	2022 \$'000
Net gain (loss) for the reporting period (as per the statement of financial activities)	7,020	(1,806)
Depreciation and amortisation charges	247	27
Interest income	(785)	(204)
Decrease in debtors	1,335	8,665
(Decrease) in creditors	(6,813)	(8,233)
Net cash provided by operating activities	1,004	(1,550)

15 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods. These leases relate to property.

	2023 \$'000	2022 \$'000
Less than one year	30	-
Years two to five	-	-
	30	-

16 Legal status of the charitable foundation

The charitable foundation is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to \$1.27 (\$1.20).

17 Related party transactions

One trustee of the charitable foundation is a partner of the legal firm BDB Pitmans. The Power of Nutrition paid \$66,500 (2022 \$59,804) in legal fees to BDB Pitmans in the year. All transactions were at an arm's length basis.

THE POWER OF NUTRITION

England & Wales - Charity number 1160373

Accounts



The Power of Nutrition

Annual Report and Financial
Statements For the year ended
31 December 2022

One Bartholomew Close, London EC1A
7BL

Company number: 09288843

Registered charity number: 1160373

+44 (0) 203 1413 905

info@powerofnutrition.org

www.powerofnutrition.org

@FundNutrition

Trustees' Annual Report

Reference & Administrative Details	2
Message from the Chair	3
Strategic Report	6
1. <i>Objectives & activities</i>	6
1.1. Background.....	6
1.2. Purposes & aims	6
2. <i>Achievements & performance</i>	8
2.1. Supporting quality, high-impact nutrition programmes	8
3. <i>Looking ahead</i>	10
4. <i>Financial review</i>	11
4.1. Income.....	11
4.2. Expenditure.....	11
4.2.1. Programmatic Expenditure.....	11
4.2.2. Operational Expenditure	12
4.3. Foreign exchange movement	12
4.4. Reserves and going concern	12
5. <i>Structure, governance & management</i>	14
5.1. Structure	14
5.2. Governance & management	14
5.3. Key policies & risk management.....	15
6. <i>Statement of responsibilities of Trustees</i>	19
Independent Auditor's Report	20
<i>Opinion</i>	20
<i>Basis for opinion</i>	20
<i>Conclusions relating to going concern</i>	20
<i>Other Information</i>	21
<i>Opinions on other matters prescribed by the Companies Act 2006</i>	21
<i>Matters on which we are required to report by exception</i>	21
<i>Auditor's responsibilities for the audit of the financial statements</i>	21
<i>Capability of the audit in detecting irregularities</i>	22
<i>Use of our report</i>	23
Statement of financial activities	24
Balance sheet	25
Statement of cash flows	26
Notes to the financial statements	27

The Power of Nutrition, a company limited by guarantee, was incorporated in England and Wales on 30 October 2014 with company number 09288843. It was registered as a charity in England and Wales on 6 February 2015 with charity number 1160373.

Reference & Administrative Details

Company number	09288843
Charity number	1160373
Registered office	One Bartholomew Close, London EC1A 7BL
Trustees	Trustees, who are also directors under company law, who served during the period and up to the date of this report were as follows: Jonathan Brinsden David Bull CBE Michael Rann (resigned 12 July 2022) Mark Cutifani Alasdair Cook Caroline Kuhnert Pranav Lalit Trivedi (appointed 18 November 2022) Kul Chandra Gautam (appointed 18 November 2022) Elhadji Amadou Gueye Sy (appointed 6 February 2023) Anulika Nwamaka Ajufu (appointed 14 February 2023) Susana Edjang (appointed 1 June 2023)
Principal staff	Simon Bishop (Chief Executive, resigned 9 February 2023) Jim Emerson (Interim Chief Executive, appointed 1 June 2023) Michelle Thompson (Director of Strategic Engagement, resigned 22 July 2022) Alok Ranjan (Director of Programmes & Investments) Chris Skeet (Director of Finance) Carla Martins (Director of Human Resources and Operations)
Bankers	Barclays PO Box 885 Mortlock House, Station Road Histon CB24 9DE HSBC 133 Regent Street, London W1B 4HX
Solicitors	BDB Pitmans One Bartholomew Close, London EC1A 7BL
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House, 108-114 Golden Lane, London, EC1Y 0TL

Message from the Chair

The year 2022 was The Power of Nutrition's seventh since inception and it saw us take a material step-change in direction. In response to changing fund dynamics and availability, we launched an ambitious new strategy - expanding our traditional prescriptive model to several agile products, broadening our remit to all forms of malnutrition through a multisectoral lens and shifting our focus from 'more money for The Power of Nutrition' to 'more money for global nutrition'. At the same time, we have adopted new purpose and vision statements, created new team values, expanded into the Middle East, and refreshed our governance model.

Ongoing global challenges, including the aftermath of the pandemic, the ever-increasing impact of climate change and global conflict continued to present huge challenges to the nutrition sector. Most drastically, the need has increased - in 2022, 345 million people globally - more than double the pre-Covid 19 amount faced high levels of food insecurity. At the same time, aid budgets have been reduced or diverted for other needs. The result? We are seeing the global progress made in tackling malnutrition being reversed. That's why our work, and in particular, our collaborative model, is more important than ever in mobilizing resources and ensuring they are used efficiently to tackle malnutrition.

Despite this challenging context, our unwavering commitment to improving nutrition through collaboration with our partners, has resulted in tangible impact for a more hopeful future. We were delighted to achieve our original target of helping to avert 600,000 cases of stunting more than two years early at the end of 2022. That's 600,000 children who have received the right food and nutrition to grow up healthy and strong. It also means over 133 million mothers and children have benefited from our programmes with improved nutrition.

New strategy

In response to the rapidly changing world, The Power of Nutrition launched a new bold and ambitious 2022-25 strategy 'Transforming global nutrition fundraising, together'. The strategy builds off our DNA, including attracting new money to nutrition, convening partnerships and pooling funds for greater efficiency, but doing so in an innovative way that adapts to new market challenges. We expanded our focus from stunting to incorporate all forms of malnutrition through a multisectoral lens and moved from our current prescriptive 'x4 leverage' model to several new responsive, innovative models. This included work on Nutrition Ventures, an innovative financing platform and the launch of our first ever public appeal in response to the global malnutrition crisis. We also expanded into the Gulf Cooperation Council (GCC), where we're building new networks and establishing new partnerships to advance nutrition focused funding. Finally, the strategy also sees a shift in focus on fundraising for our own programmes to act much more as a tenacious sector champion and public good for the entire global nutrition sector.

Programme portfolio

The Power of Nutrition's portfolio expanded in 2022 with the addition of three new programmes, achieving our annual target:

1. DRC phase I with funding secured from the Swedish International Development Cooperation Agency.
2. The Product Access Initiative in Liberia, which is conducting critical research to uncover context-specific barriers to the uptake of nutrition services and to then address the barriers at a community level.
3. A new programme in Zambia, which is a first for The Power of Nutrition, taking an in-kind contribution of maternal supplements from new partner, Kirk Humanitarian.

We have now invested in 21 programmes across 16 countries in sub-Saharan Africa and Asia and at year end, our portfolio of co-investments had reached over 133 million people (80 million children under-five, 22 million adolescents and 30 million women) with critical nutrition services since inception.

Fundraising

Like many in the not-for-profit sector, 2022 was The Power of Nutrition's most challenging fundraising year to date. The ongoing impact of the pandemic was then exacerbated by Russia's invasion of Ukraine which saw our traditional donors' budgets both tightened and diverted. At the same time, this same conflict drove up the cost of living and continues to have devastating impact on food security in the countries where we work, making our fundraising task more important than ever.

In response to this escalating crisis, moved by what we are seeing across the sector, we kicked off our first ever public appeal for funds. The lack of coverage in the media, combined with official famines not being declared despite millions of children being malnourished, has made this challenging but we are identifying donors who are also moved, and we have secured new donor engagement and income to kick our response into gear. The first disbursement of \$50k funds raised will be for a co-funded project (of \$130k) in Ethiopia, implemented by new partner International Medical Corps.

Within a challenging fiscal environment last year, we worked closer than ever with our existing funding partners and have been doing all we can to strengthen the convening role that we play in uniting donors and partners for the greatest impact. These efforts have laid firm foundations for future programmes. Key networking events, such as during the United Nations General Assembly week led to engagement with new prospects, and we undertook several trips to the Gulf countries to continue partnership development there, which are beginning to bear fruit.

2022 has seen some new staff members join the fundraising team, bringing new contacts and sector experience as we seek to continue growing the opportunities to collaborate. A new Director, plus a new Head of Corporate and Foundation Partnerships has added skills and experience to the team and embedded new processes and approaches to our partnership working, developing a model of engagement, with new product offerings that enable us to have broader conversations with a new range of potential funders. Our approach in the private sector is more focused on the multisectoral approach and alignment to Environment, Social and Governance (ESG) agendas, and we continue to develop our engagement tools. We also added two further team members to focus on developing our prospecting and convening approach, and to support our public funding appeal. These new additions and restructured ways of working build solid foundations for our future growth.

Communications, advocacy & research

We focused on delivering our strategy shift, to be 'more of a public good and tenacious nutrition sector champion', in the first half of the year with four big advocacy wins:

- We played a decisive role in helping to secure the British government's Foreign, Commonwealth, and Development Office's (FCDO) commitment of £1.5bn for nutrition 2022-30.
- We partnered with Soccer Aid for UNICEF, motivating the UK public to donate £4m extra, genuinely new money for nutrition.
- We were at the heart of sector lobbying efforts ahead of the G7 Summit, pushing for leaders to act ambitiously in response to the malnutrition crisis.
- We published ground-breaking research on the Cost of Stunting, revealing that the private sector in Lower- and Middle-Income Countries (LMICs) lose more than a quarter of a trillion dollars per year due to stunted workforces.

People

The Power of Nutrition's biggest asset continues to be the #PowerTeam - a group of passionate and experienced people who are all committed to our vision of a world where every child has the right nutrition to achieve their full potential. In 2022 we continued to prioritise team wellbeing with a strong strategic objective being to 'nurture the team and attract new top talent'.

Looking ahead

While we have laid the foundations for our new strategy, we are still to see its full potential realised as we continue to experience an extremely challenging external environment. The worst malnutrition crisis in 40 years is still receiving almost no global attention, while fundraising remains challenging due to aid cuts and diversions.

With a largely new fundraising team in place and with ambitions to bolster our capacity by hiring new talent in 2023, we are seeing 2023 as the year when we lay the strong new foundations that will enable us to fulfil our enormous potential in spite of the challenges facing the sector

By the end of 2025 we want to have contributed to the prevention of:

- Almost 1.3 million cases of stunting in children under five.
- Over 1 million cases of anaemia in pregnant women.
- Approximately 34,000 deaths of children under five.

And with our excellent track record behind us, we believe we have the right team, right model and right strategy to deliver these important goals.

Mark Cutifani
Chair, The Power of Nutrition

Strategic Report

The Board of Trustees of The Power of Nutrition, which is also its board of directors, hereby presents the information required by the Companies Act 2006 (the Strategic Report and Directors' Report) together with the 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 current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2015).

1. Objectives & activities

1.1. Background

The Power of Nutrition - a company limited by guarantee and a charity registered in the UK, and principally referred to as a "charitable foundation" - grew from a commitment by the Children's Investment Fund Foundation (CIFF), the UK's Department for International Development (DFID, now known as FCDO) and the UBS Optimus Foundation (UBSOF) to develop a catalytic financing facility that would bridge a financing gap in the nutrition sector to accelerate progress on child undernutrition. It was registered in February 2015 and formally launched in April 2015.

1.2. Purposes & aims

The Power of Nutrition was created to generate new resources to prevent undernutrition and to improve nutrition outcomes for children at scale. Our aim is to save lives and protect children from low birthweight, stunting and other forms of undernutrition. Nutrition is a fundamental building block for life. It is also recognised as a powerful multiplier for economic and social development: it saves lives and enables children and societies to grow to their full potential. Globally, there is also a \$10.8billion annual gap in core nutrition financing.

To transform nutrition outcomes, save lives and protect children, we:

- Unlock financing for nutrition from new and diverse sources, including the private sector and non-traditional investors; and
- Make charitable investments to scale up quality, high-impact child and maternal nutrition programmes in countries with the highest need in sub-Saharan Africa and Asia.

In our 2022-5 strategy we also added a further goal:

- Act as a tenacious global nutrition sector champion, aiming to leverage 'more money for global nutrition' towards plugging the huge financing gap

To achieve our goals, our current funding model comprises a range of co-financing agreements with more than 40 partners, including institutional funders (governments, foundations, corporates, high-net-worth individuals) and large-scale nutrition programme implementers, including the World Bank, UNICEF, Save the Children, Action Against Hunger and a range of other INGOs.

At the heart of our original model was financial leverage, with the aim of turning each \$1 into \$4, though we have actually achieved \$6.4. This has been achieved through, for example, a smart use-of-grant approach to incentivise others to multiply their commitments. For example, the Government of Madagascar was planning to take out a \$40m IDA loan from the World Bank for nutrition programming. We committed \$10m of grant, but only if the government doubled their loan, which they agreed to do, leading to a \$90m programme. In 6 of our 8 World Bank programmes, total portfolio \$410m, we have evidenced that this smart use of grant has incentivised governments to borrow more for nutrition.

Our traditional model has since evolved and whilst we can no longer commit to a 4x match guarantee in every case; convening partners and pooling funds to deliver sustainable results at scale, remains at the heart of our offer.

All financing is directed by our implementing partners to co-designed quality, high-impact, nutrition programmes that focus on improving child and maternal nutrition outcomes at scale.

2. Achievements & performance

During the period covered in this report, the charitable foundation completed its seventh full year of independent operation and consolidated its position further as an operational entity. It has been a year of setting foundations as we start to bed down a new strategy, making modest progress towards our fundraising goals, booking net income totalling USD 3.9 million. Our Board approved three further programmatic investments during the year (Democratic Republic of CONGO (DRC), Zambia and our first Product Access Initiative (PAI) programme in Liberia). We now have 21 programmes and three completed programmes (Tanzania, Liberia Phase 1 and Ethiopia Phase 1). The total portfolio value was USD 549 million at end 2022.

2.1. Supporting quality, high-impact nutrition programmes

We invested USD 2.7 million in DRC to be disbursed over three years with GiveDirectly as implementing partner. This programme is designed to address malnutrition in children, adolescent girls and women in DRC through a multi-systems approach and a use of cash transfers.

An additional USD 0.4m million was invested in our Mobile Doctorni programme in Gujarat with Group M as the implementing partner. This programme has the ambition to reach 2.7 million women with hygiene and nutrition messaging utilising technology.

USD 0.7 million was invested in our Zambia programme to be disbursed over two years with World Vision as implementing partner. The programme is designed to pilot a transition from Iron and Folic Acid (IFA) supplementation to Multiple Micronutrient Supplementation (MMS) as part of a broader programme to improve nutrition and health in three provinces of Zambia.

USD 0.14 million was invested in our first Product Access Initiative (PAI) programme which bolted on to our existing Liberia programme. This innovative programme aims to enhance collaboration between academia and institutions with a common goal of improving nutrition outcomes with relation to maternal and child health.

We continued to oversee the implementation of our investments in Tanzania (USD 44 million), Ethiopia (USD 40 million), Madagascar (USD 90 million), Cote d'Ivoire (USD 60.4 million), Rwanda (USD 116 million), Nigeria (USD 3.9 million), Burkina Faso (USD 30 million) and Lesotho (USD 5 million) all with the World Bank; as well as our 2nd investment in Liberia (USD 10 million), Benin (USD 10 million), Maharashtra (USD 10 million), Bangladesh (USD 15 million) and Ethiopia 2 (USD 29.8 million) all five of which are with our implementing partner UNICEF. Investments with other implementing partners included Gujarat (USD 6 million) with CARE and Action Against Hunger, our Indonesian investment (USD 7 million), which is being implemented by Save the Children and Nutrition International, Malawi (USD 11.4 million) being implemented by Save the Children and the Mobile Doctorni investment in Gujarat (USD 5.5 million) being implemented by Group M.

In the financial statements (see Note 13a) some of these programmes show a net negative position. A number of these negative balances largely arise from the accounting treatment prescribed by current accounting standards where, although these programmes are fully funded, we are subject to the agreement wording required to record the full anticipated expenditure at the start of the programme, even though activities on-the-ground may not start for several years; whereas our grant income recognition policy generally requires that promised grant income is recognized throughout

the life of the programme when due. These are Maharashtra (USD 0.7 million), Indonesia (USD 0.5 million), DRC (USD 1 million) and Bangladesh (USD 2.8 million). We are currently reviewing our income and expenditure approach, so they more closely reflect the project life cycle. There are a further four programmes Gujarat (USD 0.5 million), Indonesia (USD 0.1 million), Benin (USD 2.2 million) and Bangladesh (USD 0.95 million) which require further funding to be raised in their later operating years, but we are currently confident we can achieve this, alternatively responsibly scaling back the level of ambition in these programmes.

3. Looking ahead

The Power of Nutrition is working to fulfil its mandate to drive transformative nutrition outcomes at scale. We want to see the \$10.8 billion gap in core nutrition funding, and \$39-50 billion gap in funding to achieve Global Goal 2: Zero Hunger by 2030, closed. We have built strong foundations and have launched a new, bold and ambitious 2022-5 strategy; this will enable us to bring in new funding, make additional programme investments and ultimately improve the lives of children and women across Africa and Asia.

Given the challenging external environment, we are focused on further enhancing our fundraising team and capacity for the future. Whilst investing in our relationships with existing partners we are also focused on identifying new models, building new relationships and brokering new partnerships across sectors that will leverage critically needed additional resources into the nutrition sector.

We are proud to date to have introduced new private sector funders into the nutrition space and we continue to seek to engage this sector especially - building the correlation between ESG agendas and the global nutrition financing gap.

This includes looking to replicate our successful World Bank model with the Islamic and African Development banks, and to develop new strategic partnerships, especially in the Gulf region.

In January 2023 we announced a ground-breaking partnership with the Vaccines Alliance (GAVI) and Unilever to deliver an integrated immunisations, water & sanitation, and nutrition programme in Indonesia, the first time GAVI have included nutrition in their programming, and we aim to expand this partnership to several countries. This is a great example of our new strategy in action, in particular our shift from predominantly health systems to become multisectoral. We aim to replicate this type of partnership with partners from other nutrition-relevant sectors, through our 'Nutrition Links' initiative, which prioritises education, climate change (including food systems) and gender.

We'll further develop our programmatic investments, including working with existing implementation partners to build a pipeline of new investments, as well as identifying new potential implementing partners. These will include more programmes like the one in Zambia, which is helping illustrate to the world that it is right to shift from the use of iron and folic acid (IFA), with its two minerals and vitamins for pregnant women, to multiple micronutrient supplements (MMS) that provide 15 nutrients. In all our programmes, ensuring government engagement at the highest level, through to community engagement at the grassroots level is a key component.

Crucially, we continue to recognise the #PowerTeam is the organisation's #1 asset and we will continue to work to develop and support a first-class team and organisation, with a diverse, equitable, inclusive, empowering, creative and entrepreneurial culture, that everyday live the new set of values we agreed in 2022.

4. Financial review

4.1. Income

During the period covered in this report, The Power of Nutrition recorded income totalling USD 3.9 million (2021: USD 13.4 million). This income was received from one founding partner, four 3rd party donors, the Global Malnutrition Appeal and two bi-lateral donors:

- CIFF USD 2 million (USD 0.8 million)
- Private and Bi-lateral Donors income of USD 1.7 million (USD 10.1 million).
- Bank interest earned USD 0.2 million (USD 0.03 million)

4.2. Expenditure

A total of USD 5.7 million (2021: USD 33.9 million) was recognised as expenditure during the year. This can be analysed across two key expenditure groupings, namely Programmatic and Operational expenditure. Programmatic expenditure is defined as the expenditure the Foundation directly books to programmes that are designed and run by our implementing partners in our target countries. Operational expenditure is defined as the expenses incurred through the day to day running of the Foundation, including the costs of its staff and operations.

4.2.1. Programmatic Expenditure

Total charitable grants expensed during the course of the year amounted to a net USD 2.5 million (2021: USD 30.3 million):

- USD 0.4 million was expensed in relation to Services-in-Kind provided in respect of the Mobile Doctorni nutrition programme in Gujarat.
- USD 2.7 million was expensed to our implementing partner Give Directly in respect of our first programme in the DRC. Funds will be disbursed over 3 years.
- USD 0.7 million was expensed to our implementing partner World Vision in respect of a programme in Zambia. Funds will be disbursed over 2 years.
- USD 0.14 million was expensed as part of our first Product Access Initiative programme in Liberia.
- Included in the USD 2.5m is a USD 1.5m write back of accrued grant expenditure due to an overall reduction in the Indonesian programme investment of USD 1.5m caused by the withdrawal of a partner, APC, who had previously committed this funding to the programme.

4.2.2. Operational Expenditure

Operating expenses totalling USD 3.2 million (2021: USD 3.6 million) were incurred during the period:

- The majority of this operating expenditure was funded through an arrangement with one of our founding partners (CIFF).
- The most significant cost, USD 2.4 million (2021: USD 2.5 million), was staff related; this equates to 75% of our current operating expenses. Staff costs as a percentage of overall operating expenses will likely remain between 70% and 75% if the organisation continues to operate as planned.

4.3. Cashflow

The net cash outflow from operating activities was USD 1.6 million (2021:USD 1 million).

Our main programmatic cash inflows consisted of funding from donors totalling USD 7.3 million (2021:USD 14.2 million) and cash outflows to programmes totalling USD 10.4 million (2021: USD 12.8 million) during the year.

4.4. Foreign exchange movement

Our policy is to convert any currency funds received to USD at the time of receipt. This has better aligned currency funds held with underlying disbursements which are predominantly in USD.

A loss of USD 0.1 million (2021: loss of USD 0.1 million) was realised in respect of the movement on the USD / GBP currency rate impacting on funds received in GBP and converted to USD.

4.5. Reserves and going concern

The Trustees have established a Reserves Policy with reference to Charity Commission guidance (CC19) and applicable accounting standards. The Trustees review the level of unrestricted reserves annually having regard to the financial model of the charity, core expenditure and current/forecast income. The Trustees have agreed that it would be desirable for the charity to target unrestricted reserves which are sufficient to cover 12 months average operating expenditure; this equates to \$3.2m. However, the Trustees acknowledge that reaching this target will be challenging in the current economic environment. As a minimum the charity aims to hold unrestricted reserves of \$ 1.3 million which is sufficient to cover five months average operating expenditure and which is regarded by the Trustees to provide an adequate minimum contingency to enable the organisation to cover on-going governance, operational and support costs necessary to close-down in an orderly fashion should this be required. The Trustees will consider increasing the level of unrestricted reserves when possible.

The level of unrestricted reserves is closely monitored by the Finance, Audit and Risk Committee (FAR) to ensure that they remain at an adequate level to provide financial flexibility and as a buffer against operational risk. The Trustees review the appropriateness of the reserves policy annually as proposed by the FAR.

Net negative funds totalling USD 7.5 million (2021: USD 6.2 million) of the charitable foundation are considered to be restricted, to be used to fund maternal and child nutrition programmes aimed at reducing child undernutrition and malnutrition worldwide, the current expectation is that funds will be able to be raised ahead of related disbursements becoming due. Funds totalling USD 2.6 million (2021: USD 3.3 million) are considered to be unrestricted. As noted above, to date, operational expenses have substantially been met under an arrangement with one of the funding partners. However, we have begun to diversify our OpEx funding base and have booked USD 2.2 million to date (2021: USD 2.1 million to date) in respect of OpEx funding from other 3rd party donors.

- Cash holdings are held where possible in interest bearing accounts.
- Cash at bank totalled USD 17.7 million (2021: USD 19.3 million) at year end.

The Board considers that The Power of Nutrition has adequate financial resources to fund its operational expenditure for at least 12 months following the date of this report and a reasonable expectation that it will have adequate resources to continue beyond that point. The accounts have therefore been prepared on the basis that the charitable foundation is a going concern.

5. Structure, governance & management

5.1. Structure

The Power of Nutrition is a charitable company limited by guarantee. It was incorporated as a company on 30 October 2014 under the name Catalytic Financing Facility for Nutrition and registered as a charity under the same name on 6 February 2015. The company was established under a Memorandum of Association and is governed under its Articles of Association, which sets out its objects and powers.

The name was formally changed to The Power of Nutrition on 19 April 2015 pursuant to a Board resolution of 10 March 2015.

The objectives of The Power of Nutrition as stated in the Articles of Association are to support the advancement of health and the prevention or relief of poverty by providing, or assisting in the provision of, financial support to maternal and child nutrition programmes worldwide.

The Board of Trustees have a duty to report in the Trustees' Annual Report on the charitable foundation's public benefit. They should demonstrate that:

- The benefits generated by the activities of The Power of Nutrition are clear. This report sets out in some detail the activities that the charitable foundation has carried out over the past year in order to achieve our mission.
- The benefits generated relate to the objectives of The Power of Nutrition. All activities undertaken are intended to further the charitable objectives of the charitable foundation, noted above.

The accounts of the charitable foundation are filed with Companies House and the Charity Commission.

5.2. Governance & management

The governing body of the charitable foundation is the Board of Trustees. The Trustees are appointed in their capacity as individuals and are also Directors for the purposes of company law. The Trustees are responsible for reviewing and approving the strategy and operational policies of the charitable foundation (including such areas as risk management and legal and regulatory compliance), reviewing reports on the charitable foundation's financial activities and monitoring investment and fundraising activities.

Board of Trustees

During the year ended 31 December 2022, one trustee resigned namely Michael Rann on 12 July 2022.

During the year ended 31 December 2022, two trustees were appointed; Pranav Lalit Trivedi and Kul Chandra Gautam (both on 18 November 2022). A further three trustees had been appointed in 2023, ahead of the signing of this report; Elhadji Amadou Gueye Sy (6 February 2023), Anulika Nwamaka Ajufo (14 February 2023) and Susana Edjang (1 June 2023).

The Trustees have no beneficial interest in the charitable foundation. All Trustees sit on the Board of The Power of Nutrition in their own individual capacity and execute their duties in the best interests of the Foundation. There are no Corporate Trustees. All Trustees give their time freely and no Trustee remuneration was paid in the year. Trustees are mindful of identifying and managing conflicts

of interest and manage their proceedings in accordance with the detailed conflict of interest procedure set out in the charitable foundation's Articles of Association. Please also see the related party note 17 to the Annual Financial Statements.

The Board met three times during 2022 (2021: three times).

The Executive

Day-to-day responsibility is delegated to the Executive under the leadership of the Chief Executive who reports to the Board and works closely with the Chair.

The Executive is responsible for raising new financing, working with the implementing partners to channel the financing to evidence-based investments in nutrition, and reporting to the Board and other key stakeholders.

The team has structured its operational functions across two key pillars: partnerships & brands (fundraising) and programmes & investments.

Partners

The Power of Nutrition is a growing partnership of funding and implementing partners committed to helping children grow to their full potential. During the year ended 31 December 2022:

- One founding funding partner committed financing to the organisation. This was ClIFF.
- We continued to work with our two principal implementing partners the World Bank and UNICEF.
- We also worked with seven other implementing partners (Save the Children, Nutrition International, Action Against Hunger, Care International, World Vision, GroupM and GiveDirectly), all of whom have been approved by our Board.

5.3. Key policies & risk management

The Board is responsible for ensuring that the charitable foundation has an appropriate system of controls, financial and otherwise. It is also responsible for safeguarding the assets of the charitable foundation and, therefore, for taking reasonable steps for the prevention of fraud and other irregularities.

A set of core operating policies guide the day-to-day work of The Power of Nutrition. These include:

- Managing our Costs & Travel Expense policies
- Anti-Bribery & Corruption & Anti-Money Laundering policies
- Whistleblowing policy
- Safeguarding Children and Vulnerable Adults
- Equal Opportunities policy
- Disciplinary & Grievance policy
- Harassment and Bullying policy
- Diversity, Equality and Inclusion policy
- Remuneration and Benefits policy
- Investment Approval policy
- Investor Vetting policy

- Data Protection policy
- Brand and Communications policy
- Privacy policy
- Health and Safety policy.
- Anti-Slavery and Human Trafficking policy

The Power of Nutrition is committed to ensuring that it provides a safe and trusted environment which safeguards and promotes the welfare and wellbeing of beneficiaries, our staff and partners. The Power of Nutrition enforces safeguarding practices through its procedures and policies including:

- ensuring compliance with our Safeguarding Children and Vulnerable Adults policy.
- a code of conduct for staff.
- recruiting staff safely by undertaking due diligence on individuals prior to appointment.
- using our safeguarding procedures to share concerns and relevant information with the appropriate agencies as necessary.
- using our disciplinary procedures to manage any allegations against staff appropriately.
- ensuring there are effective complaint and whistleblowing measures in place as per our Whistleblowing policy.

Our safeguarding policy is reviewed, approved and endorsed by the Board of Trustees annually or when updated after relevant legislation changes.

The Power of Nutrition requires all partners, agencies and grantees to:

- have adopted and to comply with a safeguarding policy ensuring equivalent safeguarding standards and mechanisms as provided for in The Power of Nutrition safeguarding policy; or
- where the partner, agency or grantee has no such policy in place, adhere to The Power of Nutrition safeguarding policy.

Assisted by the Executive and the Finance, Audit and Risk Committee, the Board reviews and assesses the major risks to which The Power of Nutrition is exposed. Risks are assigned a 'Gross Risk Score' based on *likelihood of occurrence* and *potential impact*, and a 'Net Risk Score' that takes in to account the strength of mitigation measures in place. Taking into account the controls and safeguards currently in place, the key risks and uncertainties identified by the Board are as follows:

Key risks summary

The Power of Nutrition has in place a risk matrix that is reviewed monthly by the Executive team, before every Board meeting by the Finance and Audit Committee, and by the Board of Trustees at every Board meeting.

The organisation has identified the following key risks:

1. Operational expenditure

The organisation needs to continue to raise sufficient additional funding to cover its on-going operating expenditure (OpEx). The organisation is in a process of transition to broaden its OpEx base away from its historical funder, CIFF, and introduce new funders, as well as implementing standard cost recovery from all funders. The organisation currently has OpEx funding commitments to support it for at least the next 12 months. In addition, we constantly review our expenditure to ensure we are a cost-efficient organisation.

2. FCDO budget cuts and implications for match Model

One of our founding funders, FCDO, has been subject to significant budget cuts which has in turn impacted a core element of our offering - match funding from FCDO for every \$1 we raise.

Our response to this has been to launch a new strategy to diversify the funding base of the organisation, to invest in our fundraising team and to develop a range of new products which are not reliant on the match.

3. Future Programme Funding

As explained under paragraph 2.1, there are currently four programmes (Gujarat, Indonesia, Benin and Bangladesh) that are not yet fully funded but where we expect to raise the additional USD 3.8 million required to implement the planned programmes. This is a small amount in the context of the USD 549 million which will be utilised by our 21 programmes. In addition to raising future funding, we are currently actively exploring other solutions, including discussions with donors, reducing the scale of some programmes and/or allocating unrestricted funds generated.

Raising unrestricted funding remains a challenge. This is in part because most donors wish to commit funds to front-line programmes, rather than cover central costs. More unrestricted funding would speed-up partnerships and most importantly get programmes going more quickly.

The fundraising team continues to actively seek out unrestricted financing, while the finance and audit committee regularly monitors this situation. In addition, to assist with our fundraising efforts, we have strengthened our fundraising team by adding a member based in the Middle East who specialises in fundraising in this geography where we have not previously had a strong presence.

4. Staff retention

Not being able to retain staff is a very high risk in an organisation such as The Power of Nutrition. In a smaller organisation the impact of valued employees leaving can be much greater.

To mitigate this risk, The Power of Nutrition has been taking a proactive approach by implementing competitive and fair remuneration packages, ensuring that robust human resources policies are in place, developing a clear performance management system, giving employees a voice, and ensuring that they feel listened to, respected and able to contribute to their fullest extent. A new *Benefits and Remuneration Policy* was approved by the Board in June 2021, after consultation with

all members of the team. Additionally, staff have been fully engaged in the creation of our new Strategy.

Fundraising statement

The Power of Nutrition has for the first time via its Global Malnutrition Crisis Appeal in 2022 engaged in public fundraising and also occasionally uses professional fundraisers. We are a member of the Charity Fundraising Regulator and monitor the relevant fundraising regulations (including the Institute of Fundraising guidelines (UK)) and codes to ensure compliance where relevant. During the year there was compliance with these regulations and codes. The charitable foundation did not receive any complaints relating to its fundraising practise during the year.

Remuneration statement

Salaries for permanent staff across all functions have been set in line with a range of market rate indicators and internal parity. Any salary adjustments made in the year were in line with our Remuneration and Benefits Policy.

Public benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit.' That guidance addresses the need for all charities' aims to be, demonstrably, for the public benefit. The trustees consider the facilitation and provision of nutrition services to be wholly for the public's benefit.

6. Statement of responsibilities of Trustees

The Trustees (who are also Directors for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and accounting standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial period 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 the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities Statement of Recommended Practice (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 information relevant to the audit of which the auditors are unaware; and
- They have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and to establish that the auditors are 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 membership of The Power of Nutrition comprises the Trustees, the Children's Investment Fund Foundation and the UBS Optimus Foundation and entitles the members to voting rights only. Neither the Trustees nor the Members have any beneficial interest in The Power of Nutrition.

The Trustees' Annual Report, incorporating the strategic report and directors' report, has been approved by the Trustees on 22 September 2023 and signed on their behalf by

.....

Mark Cutifani, Chairman

Opinion

We have audited the financial statements of The Power of Nutrition (the 'charitable company') for the year ended 31 December 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 The Power of Nutrition'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 financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of 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; and
- 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 charitable company and its 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 requires us to report to you if, in our opinion:

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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, which included obtaining and reviewing supporting documentation, concerning the charity'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 charity 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 charity 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. 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.

Noelia Serrano (Senior statutory auditor)

26 September 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor Invicta
House, 108-114 Golden Lane, LONDON, EC1Y

	Note	Unrestricted \$	Restricted \$	2022 Total \$'000	Unrestricted \$	Restricted \$	2021 Total \$'000
Income from:							
Grants	2	1,332	2,344	3,676	786	12,619	13,405
Bank interest		14	190	204	2	31	33
Total income		1,346	2,534	3,880	788	12,650	13,438
Income write-backs:							
Grants written back	2a	-	-	-	-	(1,136)	(1,136)
Income after write-backs:		1,346	2,534	3,880	788	11,514	12,302
Expenditure on:							
Raising funds	3	1,632	-	1,632	1,932	-	1,932
Charitable activities	3	1,584	2,470	4,054	1,657	30,320	31,977
Total expenditure		3,216	2,470	5,686	3,589	30,320	33,909
Net deficit before other recognised gains and losses		(1,870)	64	(1,806)	(2,801)	(18,806)	(21,607)
Loss on foreign exchange movements		(132)	-	(132)	(104)	-	(104)
Net expenditure for the year before transfers		(2,002)	64	(1,938)	(2,905)	(18,806)	(21,711)
Transfers between funds		1,381	(1,381)	-	-	-	-
Net expenditure for the year		(621)	(1,317)	(1,938)	(2,905)	(18,806)	(21,711)
Net movement in funds		(621)	(1,317)	(1,938)	(2,905)	(18,806)	(21,711)
Reconciliation of funds:							
Total funds brought forward	13b	3,261	(6,229)	(2,968)	6,166	12,577	18,743
Total funds carried forward	13a	2,640	(7,546)	(4,906)	3,261	(6,229)	(2,968)

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 13 to the financial statements.

As at 31 December 2022

	Note	\$'000	2022 \$'000	\$'000	2021 \$'000
Fixed assets:					
Tangible assets	9a		9		18
Intangible assets	9b		236		198
Current assets:					
Debtors	10	4,427		13,092	
Short term deposits		605		674	
Cash at bank and in hand		17,138		18,604	
			<u>22,170</u>	<u>32,370</u>	
Liabilities:					
Creditors: amounts falling due within one year	11a	12,511		14,701	
			<u>9,659</u>	<u>17,669</u>	
Net current assets					
Total assets less current liabilities			<u>9,904</u>		17,885
Creditors: amounts falling due after one year	11b		14,810		20,853
Total net assets			<u>(4,906)</u>		<u>(2,968)</u>
The funds of the charity:					
Restricted income funds	12		(7,546)		(6,229)
Unrestricted income funds			2,640		3,261
Total charity funds			<u>(4,906)</u>		<u>(2,968)</u>

Approved by the trustees on 22 September 2023 and signed on their behalf by

Mark Cutifani
Chairman

Statement of cash flows

For the year ended 31 December 2022

		2022		2021	
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities	Note				
Net cash used in operating activities	14		(1,550)		(1,038)
Cash flows from investing activities:					
Interest income		204		33	
Purchase of fixed assets		(56)		(169)	
Net cash provided by / (used in) investing activities			147		(136)
Change in cash and cash equivalents in the year			(1,403)		(1,174)
Cash and cash equivalents at the beginning of the year			19,278		20,556
Change in cash and cash equivalents due to exchange rate movements			(132)		(104)
Cash and cash equivalents at the end of the year			17,743		19,278

1 Accounting policies

a) Statutory information

Power of Nutrition is a charitable company limited by guarantee and is incorporated in England & Wales. The registered office address is: One Bartholomew Close, London, EC1A 7BL

b) Basis of preparation

The financial statements have been prepared in accordance with 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable foundation's ability to continue as a going concern and its ability to deliver on its plans through to end September 2024, they also have a reasonable expectation that the organisation will have adequate resources to continue in operational existence beyond end September 2024.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Presentational currency and foreign exchange

The presentational and functional currency of the charitable foundation is United States Dollars (USD). At the year end the exchange rate adopted was £1: USD 1.20 (Prior year £1: USD 1.35) Assets and liabilities in foreign currencies are translated into USD at the rate of exchange for the month in which the transaction was incurred. Exchange differences are shown on the statement of financial activities.

f) Income

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

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. In the case of FCDO match funding, NORAD and Platform funding which are classified as restricted, these type of funds are broadly restricted meaning they are not specific to a programme on booking and could be used across different programmes and geographies. Unrestricted funding can be utilised as required by the organisation, The Power of Nutrition's OPEX funding is classified as unrestricted.

h) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

i) Expenditure and irrecoverable VAT

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

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose

- Expenditure on charitable activities includes the costs of grant-making undertaken to further the purposes of the charity and associated support costs

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

j) Grants payable

Grants payable are charged to the Statement of Financial Activities in the year in which the offer is conveyed to the recipient. The balance of grants payable due at the end of each reporting period are shown as creditors on the balance sheet.

k) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

-	Cost of raising funds	55%
-	Grant making	30%
-	Governance costs	15%

Governance costs are the costs associated with the governance arrangements of the charitable foundation. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charitable foundation's activities.

1 Accounting policies (continued)

l) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

m) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds \$600 (£500). Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

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

-	Leasehold improvements (over the life of the lease)	3 years
-	Computer equipment	3 years
-	Intangible asset (GMS System)	10 years

n) Intangible fixed assets

Intangible fixed assets acquired separately from the charity are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. The intangible asset is an Investment Management System which went live in quarter 3 of 2022.

o) Debtors

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

p) Cash at bank and in hand

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

q) Creditors and provisions

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

The charitable foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

r) Pensions

The charitable foundation operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable foundation in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable foundation to the fund. The charitable foundation has no liability under the scheme other than for the payment of those contributions. All such contributions form part of unrestricted expenditure.

2 Income from grants

	Unrestricted \$'000	Restricted \$'000	2022 Total \$'000	Unrestricted \$'000	Restricted \$'000	2021 Total \$'000
Children's Investment Fund Foundation (CIFF)	1,284	750	2,034	-	832	832
The Foreign, Commonwealth and Development Office (FCDO)	-	-	-	-	2,353	2,353
UBS Optimus Foundation	-	-	-	-	79	79
Medicor	-	150	150	-	350	350
END Fund	-	-	-	100	2,400	2,500
PVH Corporation	-	-	-	4	79	83
Unilever	-	390	390	-	964	964
Hilton Foundation	-	-	-	100	2,900	3,000
Cargill Corporate	-	-	-	170	330	500
DFAT - Australian Government	-	500	500	-	500	500
SIDA	-	388	388	345	1,301	1,646
Irish Aid	-	-	-	67	506	573
Others	48	166	214	-	25	25
	1,332	2,344	3,676	786	12,619	13,405

2a Write backs against booked grant income

	Unrestricted \$'000	Restricted \$'000	2022 Total \$'000	Unrestricted \$'000	Restricted \$'000	2021 Total \$'000
The Foreign, Commonwealth and Development Office (FCDO)	-	-	-	-	(660)	(660)
Comic Relief (USA)	-	-	-	-	(476)	(476)
	-	-	-	-	(1,136)	(1,136)

For prior year 2021, the write back against grant income of \$1,136k is represented by \$660k of income accruals written back once the final payment from FCDO under the second agreement was determined and \$476k written back from a Comic Relief (USA) grant that was withdrawn due to political instability in the programme geography.

3a Analysis of expenditure - current year

	Cost of raising funds \$'000	Grant-making \$'000	Governance costs \$'000	Support costs \$'000	2022 Total \$'000	2021 Total \$'000
Staff costs (Note 6)	625	904	44	674	2,247	2,479
Other staff costs	29	39	-	60	128	60
Grant commitments (Note 4)	-	2,470	-	-	2,470	30,320
Premises	-	-	-	110	110	186
Travel	28	61	-	46	135	11
Office, IT and insurance	4	46	10	116	176	177
Communications and business development	11	-	-	26	37	20
Audit	-	-	25	-	25	36
Consultancy	61	47	13	114	235	347
Legal and professional fees	4	-	-	91	95	247
Depreciation	-	12	-	16	28	26
	762	3,579	92	1,253	5,686	33,909
Support costs	689	376	188	(1,253)	-	-
Governance costs	181	99	(280)	-	-	-
Total expenditure 2022	1,632	4,054	-	-	5,686	
Total expenditure 2021	1,932	31,977	-	-	33,909	

3b Analysis of expenditure - prior year

	Cost of raising funds \$'000	Grant-making \$'000	Governance costs \$'000	Support costs \$'000	2021 Total \$'000
Staff costs (Note 6)	780	983	47	669	2,479
Other staff costs	5	(4)	-	59	60
Grant commitments (Note 4)	-	30,320	-	-	30,320
Premises	-	-	-	186	186
Travel	-	-	-	11	11
Office, IT and insurance	-	-	-	177	177
Communications and business development	11	-	-	9	20
Audit	-	-	36	-	36
Consultancy	-	59	181	107	347
Legal and professional fees	-	-	-	247	247
Depreciation	-	-	-	26	26
	796	31,358	264	1,491	33,909
Support costs	820	447	224	(1,491)	-
Governance costs	316	172	(488)	-	-
Total expenditure 2021	1,932	31,977	-	-	33,909

4a Grant making - current year

	Grants to institutions	Direct costs of grant-making	Support and governance costs	2022
	\$'000	\$'000	\$'000	\$'000
Mobile Doctorni India (Group M)	437	122	52	611
DRC programme (GiveDirectly)	2,700	754	323	3,777
Liberia programme (PAI)	141	39	17	197
Zambia programme (World Vision)	692	193	83	968
Indonesian programme (Save the Children)	(1,500)	-	-	(1,500)
Total	2,470	1,109	475	4,054

4b Grant making - prior year

	Grants to institutions	Direct costs of grant-making	Support and governance costs	2021
	\$'000	\$'000	\$'000	\$'000
Bangladesh programme (UNICEF)	7,500	241	144	7,885
Ethiopia programme (UNICEF)	14,700	472	282	15,454
Rwanda programme (World Bank)	500	16	10	526
Malawi programme (Save the Children)	5,713	183	109	6,006
Mobile Doctorni India (Group M)	3,765	121	72	3,958
Nutrition research project (Modern Scientist Global)	142	5	3	149
Gujarat programme (Care)	(2,000)	-	-	(2,000)
Total	30,320	1,038	619	31,977

The Power of Nutrition makes charitable grants to its implementing partners to scale up quality, high-impact child and maternal nutrition programmes. An amount of \$1.5m was written back against grant expenditure which reflects the reduction in funding for the Indonesian programme where we were unable to find a replacement funder for the withdrawal of APC funding designated for this programme. In 2021 an amount of \$2m was written back against grant expenditure which reflects the reduction in funding for the Gujarat programme where we were unable to find an additional funder to cover the funding shortfall in this programme.

5 Net loss for the year

This is stated after charging / (crediting):

	2022	2021
	\$'000	\$'000
Depreciation	27	26
Operating lease rentals:		
Property	58	109
Auditor remuneration (excluding VAT):		
Audit	25	30
Other services	-	-
Foreign exchange loss	132	104

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022 \$'000	2021 \$'000
Salaries and wages	1,768	2,047
Redundancy and termination costs	124	-
Social security costs	212	247
Employer's contribution to defined contribution pension schemes	115	122
Other forms of employee benefits	28	63
	2,247	2,479

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2022 No.	2021 No.
\$250,000 - \$262,499 (£200,000 - £210,000)	2	-
\$237,500 - \$249,999 (£190,000 - £200,000)	-	1
\$225,000 - \$237,499 (£180,000 - £190,000)	1	-
\$212,500 - \$224,999 (£170,000 - £180,000)	-	-
\$200,000 - \$212,499 (£160,000 - £170,000)	-	-
\$187,500 - \$199,999 (£150,000 - £160,000)	-	1
\$175,000 - \$187,499 (£140,000 - £150,000)	-	-
\$162,500 - \$174,999 (£130,000 - £140,000)	-	1
\$150,000 - \$162,499 (£120,000 - £130,000)	2	2
\$137,500 - \$149,999 (£110,000 - £120,000)	-	-
\$125,000 - \$137,499 (£100,000 - £110,000)	-	-
\$112,500 - \$124,999 (£90,000 - £100,000)	-	-
\$100,000 - \$112,499 (£80,000 - £90,000)	3	-
\$87,500 - \$99,999 (£70,000 - £80,000)	1	3
\$75,000 - \$87,499 (£60,000 - £70,000)	-	3

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were \$1,217,942 (2021: \$1,135,098).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2021: \$nil). No charity trustee received payment for professional or other services supplied to the charity (2021: \$nil).

Travel expenses relating to trustees totalled \$Nil (2021: \$Nil).

Related party transactions are disclosed in note 17.

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 15.7 (2021: 19.7).

	2022 No.	2021 No.
Raising funds	4.3	8.0
Grantmaking	6.6	7.4
Support	4.6	4.1
Governance	0.2	0.2
	15.7	19.7

8 Taxation

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

9a Tangible fixed assets

	Computer equipment \$'000	Leasehold Improvements \$'000	Total \$'000
Cost or valuation			
At the start of the year	80	83	163
Additions in year	6	-	6
Disposals in year	-	-	-
At the end of the year	86	83	169
Depreciation			
At the start of the year	67	78	145
Charge for the year	10	5	15
Eliminated on disposal	-	-	-
At the end of the year	77	83	160
Net book value			
At the end of the year	9	-	9
At the start of the year	13	5	18

9b Intangible fixed assets

	IM system \$'000	Total \$'000
Cost or valuation		
At the start of the year	198	198
Additions in year	50	50
Disposals in year	-	-
Amortisation in year	(12)	(12)
At the end of the year	236	236

The Investment Management System went live in July 2022, it is being amortised over a 10 year period.
All of the above assets are used for charitable purposes.

10 Debtors

	2022 \$'000	2021 \$'000
Grant income receivable	4,376	12,935
Other debtors	6	39
Prepayments	45	118
	4,427	13,092

\$2m (2021: \$7.5m) is classified as short-term debtors with the expectation of receiving these funds within 12 months of the year end date. \$2.4m (2021: \$5.6m) is classified being due for collection between 13 and 24 months post year end date.

11a Creditors: amounts falling due within one year

	2022 \$'000	2021 \$'000
Trade creditors	32	2
Grants payable to UNICEF	6,927	9,649
Grants payable to World Bank	250	250
Grants payable to CARE and Action Against Hunger	182	835
Grants payable to Save The Children	2,200	2,127
Grants payable to Group M	1,456	1,674
Grants payable to World Vision	286	-
Grants payable to Give Directly	986	-
Accruals	66	50
Other creditors	126	114
	12,511	14,701

11b Creditors: amounts falling due between one and three years

	2022 \$'000	2021 \$'000
Grants payable to UNICEF	8,945	13,647
Grants payable to CARE and Action Against Hunger	1,234	669
Grants payable to Save The Children	3,582	5,882
Grants payable to Group M	-	655
Grants payable to World Vision	406	-
Grants payable to Give Directly	643	-
	14,810	20,853

12a Analysis of net assets between funds (current year)

	Unrestricted \$'000	Restricted \$'000	Total funds \$'000
Tangible fixed assets	9	-	9
Intangible fixed assets	236	-	236
Net assets	2,395	7,264	9,659
Long term liabilities	-	(14,810)	(14,810)
Net assets at 31 December 2022	2,640	(7,546)	(4,906)

12b Analysis of net assets between funds (prior year)

	Unrestricted \$'000	Restricted \$'000	Total funds \$'000
Tangible fixed assets	18	-	18
Intangible fixed assets	198	-	198
Net assets	3,045	14,624	17,669
Long term liabilities	-	(20,853)	(20,853)
Net assets at 31 December 2021	3,261	(6,229)	(2,968)

13a Movement in funds (year 2022)**By Programme/Funder**

	Bal 1 Jan 2022 \$'000	Total Incoming Resources \$'000	Total Resources Expensed \$'000	Transfers \$'000	Bal 31 Dec 2022 \$'000
Unrestricted					
OPEX funding	3,261	1,346	(3,348)	1,381	2,640
Restricted					
(a) FCDO Match funding	3,109	-	-	(3,109)	-
(b) NORAD funding	1,037	-	-	-	1,037
(c) Platform Funding	9,527	191	-	(9,151)	567
(d) Maharashtra programme	(1,227)	500	-	-	(727)
(e) Indonesia programme	(2,582)	500	1,500	-	(582)
(f) Gujarat programme	(500)	-	-	-	(500)
(g) Benin programme	(2,500)	-	-	332	(2,168)
(h) Liberia 2 programme	(1,643)	150	-	1,493	-
(i) Rwanda programme	(250)	250	-	-	-
(j) Ethiopia 2 programme	(3,287)	-	-	3,287	-
(k) Bangladesh programme	(5,081)	-	-	-	(5,081)
(l) Mobile Doctorni programme	(2,230)	390	(437)	2,277	-
(m) Malawi programme	(2,813)	-	-	2,813	-
(n) Cargill Corporate funder	330	-	-	-	330
(o) SIDA funder - DRC	1,301	388	(2,700)	-	(1,011)
(p) Irish Aid funder	506	-	(141)	(15)	350
(q) Herbalife - Rwanda	-	135	-	-	135
(r) Global Malnutrition Appeal	-	30	-	-	30
(s) Zambia programme	-	-	(692)	692	-
Other	74	-	-	-	74
Total restricted	(6,229)	2,534	(2,470)	(1,381)	(7,546)
Total Funds	(2,968)	3,880	(5,818)	-	(4,906)

Purposes of unrestricted funds

These funds are not restricted for a specific purpose and can be utilised as required by the organisation. In practise these funds are used to fund the operating expenses of The Power of Nutrition.

Purposes of restricted funds

Restricted funds are to be used for specific purposes as advised by the donor (i.e in a specific programme or geography), some of these restricted funds above are classified as broadly restricted funds (see a-c) which means these funds can be used across different programmes and geographies including transfers to other funds that may be in deficit if required.

Total restricted funds are a negative \$7.5m at the end of 2022, this is principally due to income recognition criteria which have precluded the full booking of related income whilst the related programme expenditure has been booked in full. In total \$5,038k of income (CIFF income of \$3,527k, SIDA \$1,011k and DFAT income of \$0.5m) is yet to be booked against programmes which are reflecting fully booked expenditure. There is also expenditure raised against four programmes totalling \$3.75m which represent current funding gaps which we are looking for new funders or will reduce the programme size which will reduce the negative funds restricted figure going forward. Off-set against this is \$0.9m of income booked that we are not reflecting any associated grant expenditure.

Restricted Funds description**(a) FCDO match funds**

FCDO match funds will be used to fund nutrition programmes across various geographies with the exception of India. Transfers totalling \$3,109k were made to the Liberia 2 programme (\$1,510k) and Ethiopia 2 programme (\$1,599k).

(b) NORAD funding

Norad funding can be used across The Power of Nutrition approved programmes but this remaining funding is intended for our Bangladesh programme.

(c) Platform Funding

Platform Funding is aimed to be used within nutrition programmes when required. \$332k was transferred during the year to fund the Benin programme, a further \$692k was transferred during the year to fund the Zambia programme, \$1,688k towards the Ethiopia 2 programme, \$2,813k towards the Malawi programme and \$2,277k towards the Mobile Doctorni programme. A further \$1,366k was transferred for OPEX purposes with a small inward transfer of \$17k in respect surplus funds on the Liberia 2 programme.

(d) Maharashtra programme

Funding for the Maharashtra programme supports the strengthening of the implementation capacity and delivery of essential nutrition services in Maharashtra at both State and District levels for the benefit of children and mothers. The negative balance at the end of 2022 reflects funds committed to those activities, this money was received from Children's Investment Fund Foundation in April 2023. \$500k was received from Children's Investment Fund Foundation during 2022.

(e) Indonesia programme

Funding for the BISA programme in Indonesia, this programme is assisting the Government of Indonesia in transforming the lives of women, adolescent girls and young children, enabling them to access better nutrition and helping children reach their full potential. The negative balance at the end of 2022 reflects funds committed to those activities and for which \$500k is expected to be received in the 2023 year from DFAT. During 2022, \$500k was received from DFAT and our programme commitment was reduced by \$1,500k when it became clear that we would be unable to replace the funding commitment withdrawn by APC for this programme. To cover the remaining \$82k negative, we are looking for a replacement funder in year 2023.

(f) Gujarat programme

Funding for the Gujarat nutrition programme which will support the State Government of Gujarat to deliver its stunting reduction programme. The negative balance at the end of December 2022 reflects funds committed to those activities and which monies or a reduction in programme size are expected to be confirmed in the period 2023 to 2024.

(g) Benin programme

Funding for the Benin programme is to support the Government of Benin's national nutrition programme which is expected to avert 9,000 cases of stunting amongst children; avert 85,400 cases of maternal anaemia and 1,000 child deaths. The negative balance at the end of December 2022 reflects funds committed to those activities and for which monies or a reduction in programme size are expected to be confirmed in the period 2023-2024.

(h) Liberia 2 programme

Funding for our 2nd programme in Liberia, working to improve nutrition at scale in Liberia and supporting the implementation of the Liberian government's national nutrition programme and 2018 nutrition policy. \$1,510k was received from FCDO in March 2022. A further \$150k was received from Medicor in June 2022. A transfer of \$17k out to Platform funds was made as a result of a small surplus of funds not required for the programme.

(i) Rwanda supplementary programme

Funding from CIFF that is for an additional Nutrition evaluation with our Rwanda programme. Funding of \$250k was received from CIFF in December 2022.

(j) Ethiopia 2 programme

Funding for the Ethiopia 2 programme that went live in 2021, addressing maternal nutrition, wasting and stunting in under-fives in Ethiopia. \$1,599k of funds were transferred to this programme in the year from the final FCDO match funds. Funds totalling a further \$1,688k were transferred in from Platform funds during the year.

(k) Bangladesh programme

Funding for the Bangladesh programme that went live in 2021 is to improve the quality of maternal nutrition services and care of low birth weight infants in Bangladesh. The negative balance at the end of December 2022 reflects funds committed to those activities and which \$4,131k is expected to be received in the period 2023 to 2025. To cover the remaining negative balance of \$950k, we are currently looking for a new funder in the years 2023-2024.

(l) Mobile Doctorni programme

Funding for the Mobile Doctorni programme in Gujarat (India) programme that went live in 2021, this programme has the ambition to reach 2.7 million women with hygiene and nutrition messaging. In the 2022 period to 31st December 2022 a further \$47k has been expensed in terms of related consultancy costs. In addition \$390k was booked to incoming resources and outgoing resources to reflect the value of services in kind provided. Funds totalling \$2,277k were transferred in from Platform funds during the year.

(m) Malawi programme

Funding for the Malawi programme is to be used to empower communities in Malawi so children can thrive and succeed. Funds totalling \$2,813k were transferred in from Platform funds during the year.

(n) Cargill Corporation funder

Funding that will be used for a second Mobile Doctorni programme in India.

(o) SIDA funder

SIDA funding will be used for a programme in DRC. The 1st phase of the DRC programme went live in January 2022. The negative balance of \$1,011k at the end of December 2022 will be covered in full from the balance of contributions due by SIDA over 2023-2024.

(p) Irish Aid funder

These funds will be used in Ethiopia and Liberia for an innovative Product Access Initiative. \$156k was utilised during 2022 for the 1st Product Access Initiative within the Liberia programme.

(q) Herbalife funder - Rwanda

These funds will be used in the existing Rwanda programme. \$135k was received in February 2022.

(r) Global Malnutrition Appeal

These funds represent funding raised during year 2022 for the Global Malnutrition Appeal which is targeting funds to help alleviate the Global Malnutrition Crisis.

(s) Zambia Programme

This programme which is being implemented by World Vision in Zambia is looking to distribute multiple micronutrient supplements from Kirk Humanitarian who are donating 329,000 bottles of these supplements for beneficiaries. Platform funds of \$692k were utilised to fund the contribution from The Power of Nutrition to World Vision.

Transfers

Transfers represent funding reallocated from general and specific funder categories to underlying programmes which will utilise this funding. Where there is a movement within the funding line relating to transfers, these transfers are further explained in the detailed narratives presented in a) to s) above;

13b Movement in funds (year 2021)**By Programme/Funder**

	Bal 1 Jan 2021 \$'000	Total Incoming Resources \$'000	Total Resources Expensed \$'000	Transfers \$'000	Bal 31 Dec 2021 \$'000
Unrestricted					
OPEX funding	6,166	788	(3,693)	-	3,261
Restricted					
(a) FCDO Match funding	9,030	(660)	-	(5,261)	3,109
(b) NORAD funding	1,591	-	6	(560)	1,037
(c) Platform Funding	9,576	31	-	(80)	9,527
(d) Maharashtra programme	(1,809)	582	-	-	(1,227)
(e) Indonesia programme	(3,082)	500	-	-	(2,582)
(f) Gujarat programme	(2,500)	-	2,000	-	(500)
(g) Benin programme	(2,500)	-	-	-	(2,500)
(h) Research Programmes	(61)	23	(142)	180	-
(i) Comic Relief (USA) Funder	576	(476)	-	(100)	-
(j) Rotary Foundation Funder	5,000	-	-	(5,000)	-
(k) Liberia 2 programme	(3,333)	1,690	-	-	(1,643)
(l) Unilever programme	17	-	-	(17)	-
(m) Rwanda programme	-	250	(500)	-	(250)
(n) Ethiopia 2 programme	-	3,413	(14,700)	8,000	(3,287)
(o) Bangladesh programme	-	158	(7,500)	2,261	(5,081)
(p) Mobile Doctorni programme	-	964	(3,771)	577	(2,230)
(q) Malawi programme	-	2,900	(5,713)	-	(2,813)
(r) Cargill Corporate Funder	-	330	-	-	330
(s) SIDA Funder	-	1,301	-	-	1,301
(t) Irish Aid Funder	-	506	-	-	506
Other	72	2	-	-	74
Total Restricted	12,577	11,514	(30,320)	-	(6,229)
Total Funds	18,743	12,302	(34,013)	-	(2,968)

Purposes of unrestricted funds

These funds are not restricted for a specific purpose and can be utilised as required by the organisation. In practise these funds are used to fund the operating expenses of The Power of Nutrition.

Purposes of restricted funds

Restricted funds are to be used for specific purposes as advised by the donor (i.e in a specific programme or geography), some of these restricted funds above are classified as broadly restricted funds (see a-c) which means these funds can be used across different programmes and geographies including transfers to other funds that may be in deficit if required.

Total restricted funds are a negative \$6.2m at the end of 2021, this is principally due to income recognition criteria which have precluded the full booking of related income whilst the related programme expenditure has been booked in full. In total \$5,377k of income (CIFF income of \$4,227k, DFAT income of \$1m and Medicor \$150k) is yet to be booked against programmes which are reflecting fully booked expenditure. There is also expenditure raised against four programmes totalling \$5.6m which represent current funding gaps which we are looking for new funders or will reduce the programme size which will reduce the negative funds restricted figure going forward. Off-set against this is \$2.1m of income booked that we are not reflecting any associated grant expenditure.

Restricted Funds description

(a) FCDO match funds

FCDO match funds will be used to fund nutrition programmes across various geographies with the exception of India. During 2021, \$660k was written back against grant income previously accrued. Further transfers of funds totalling \$5,261k were made, with \$3,000k going to our Ethiopia 2 programme and \$2,261k going to our Bangladesh programme both of which went live in 2021.

(b) NORAD funding

Norad funding can be used across The Power of Nutrition approved programmes but this remaining funding is intended for our Bangladesh programme. \$560k was transferred to fund the Mobile Doctorni programme in India which went live in December 2021.

(c) Platform Funding

Platform Funding is aimed to be used within nutrition programmes when required. \$180k was transferred during the year to complete the funding of the research programme undertaken with Modern Scientist Global. Funding of \$100k was received from funding remaining from the Comic Relief (USA) grant funding that will no longer be utilised in the Burkina Faso programme, giving a net transfer out of funds totalling \$80k.

(d) Maharashtra programme

Funding for the Maharashtra programme supports the strengthening of the implementation capacity and delivery of essential nutrition services in Maharashtra at both State and District levels for the benefit of children and mothers. The negative balance at the end of 2021 reflects funds committed to those activities and for which monies are expected to be received in the 2022 to 2024 years from the Children's Investment Fund Foundation. In year 2021, \$582k was received from the Children's Investment Fund Foundation towards the Maharashtra programme.

(e) Indonesia programme

Funding for the BISA programme in Indonesia, this programme is assisting the Government of Indonesia in transforming the lives of women, adolescent girls and young children, enabling them to access better nutrition and helping children reach their full potential. The negative balance at the end of 2021 reflects funds committed to those activities and for which \$1,000k is expected to be received in the 2022 to 2023 years from DFAT. To cover the remaining \$1,582k negative, we are looking for a replacement funder (year 2022 to 2023) after the withdrawal by APC of their funding commitment for this programme. In year 2021, \$500k was received from DFAT towards the BISA programme in Indonesia.

(f) Gujarat programme

Funding for the Gujarat nutrition programme which will support the State Government of Gujarat to deliver its stunting reduction programme. During the course of 2021 it was agreed that funding for this programme would be reduced by \$2m due to the difficulty in attracting a funder to cover this funding. The negative balance at the end of 2021 reflects funds committed to those activities and which monies are expected to be received in the period 2022 to 2024.

(g) Benin programme

Funding for the Benin programme is to support the Government of Benin's national nutrition programme which is expected to avert 9,000 cases of stunting amongst children; avert 85,400 cases of maternal anaemia and 1,000 child deaths. The negative balance at the end of 2021 reflects funds committed to those activities and for which monies are expected to be received in the period 2022-2024.

(h) Research programmes

Funding for supporting research primarily linking good nutrition with improved business returns and uplift in a country's GDP. This research programme has been completed and the results published in early 2022. A transfer in of \$180k from Platform funds was made during the year to complete the funding of this programme.

(i) Comic Relief (USA) funder

This funding was to support the Burkina Faso programme, however Comic Relief (USA) made the decision based on political instability in Burkina Faso to withdraw the final grant due of \$476k, the remaining funds totalling \$100k were transferred to Platform funds.

(j) Rotary Foundation funder

Funding from the Rotary Foundation, the full \$5,000k will be utilised in the Ethiopian 2 programme and the transfer reflects this position.

(k) Liberia 2 programme

Funding for our 2nd programme in Liberia, working to improve nutrition at scale in Liberia and supporting the implementation of the Liberian government's national nutrition programme and 2018 nutrition policy. In year 2021, we received funding of \$1,323k from FCDO and \$350k from Medicor. The negative balance at the end of 2021 reflects funds committed to those activities and for which \$1,510 was received from FCDO in March 2022 with the balance expected to be received from Medicor in late 2022.

(l) Unilever programme

Funding from Unilever that will be used for the Mobile Doctorni programme in India, the transfer of funds is to the Mobile Doctorni programme line.

(m) Rwanda supplementary programme

Funding from CIFF that is for an additional Nutrition evaluation with our Rwanda programme. The negative balance at the end of 2021 reflects funds committed to those activities and which monies are expected to be received in 2022 from CIFF.

(n) Ethiopia 2 programme

Funding for the Ethiopia 2 programme that went live in 2021, addressing maternal nutrition, wasting and stunting in under-fives in Ethiopia. \$8m of funds were transferred to this programme in the year, being made up of \$3m being allocated from FCDO match funds and a further \$5m from The Rotary Foundation which was funding specifically allocated to this programme. The negative balance at the end of 2021 reflects funds committed to those activities and which monies will be received in the period 2022 to 2025, consisting of \$3,287k from a combination of FCDO match funds and Platform funds.

(o) Bangladesh programme

Funding for the Bangladesh programme that went live in 2021 is to improve the quality of maternal nutrition services and care of low birth weight infants in Bangladesh. Funds totalling \$2,261k were transferred in from FCDO match funds towards the funding of this programme. The negative balance at the end of 2021 reflects funds committed to those activities and which \$4,131k is expected to be received in the period 2022 to 2024. The \$4,131k is made up of commitments from NORAD \$1,037k to be transferred when required (also see note b), \$2,800k committed from CIFF and to be drawn down over the period to 2024 with the balance of \$294k to be transferred from Platform funds. To cover the remaining negative balance of \$950k (\$5,081k less \$4,131k), we are currently looking for a new funder in the years 2022-2024.

(p) Mobile Doctorni programme

Funding for the Mobile Doctorni programme in Gujarat (India) programme that went live in 2021, this programme has the ambition to reach 2.7 million women with hygiene and nutrition messaging. Transfers towards this programme were made from NORAD funding (\$560k) and Unilever (\$17k). The negative balance at the end of 2021 reflects funds committed to those activities and which monies are expected to be received from Unilever and the utilisation of platform funds in the period 2022 to 2023.

(q) Malawi programme

Funding for the Malawi programme is to be used to empower communities in Malawi so children can thrive and succeed. The negative balance at the end of 2021 reflects funds committed to those activities and for which monies are expected to be received in the period 2022 to 2025 from the Hilton Foundation and utilisation of platform funds.

(r) Cargill Corporation funder

Funding that will be used for a second Mobile Doctorni programme in India.

(s) SIDA funder

SIDA funding will be used for a programme in DRC. The 1st phase of the DRC programme went live in January 2022.

(t) Irish Aid funder

These funds will be used in Ethiopia and Liberia for an innovative Product Access Initiative

Transfers

Transfers represent funding reallocated from general and specific funder categories to underlying programmes which will utilise this funding. Where there is a movement within the funding line relating to transfers, these transfers are further explained in the detailed narratives presented in a) to t) above.

14 Reconciliation of net loss to net cash flow from operating activities

	2022 \$'000	2021 \$'000
Net loss for the reporting period (as per the statement of financial activities)	(1,806)	(21,607)
Depreciation and amortisation charges	27	26
Interest income	(204)	(33)
Decrease in debtors	8,665	4,074
(Decrease) / increase in creditors	(8,233)	16,502
Net cash provided by operating activities	(1,550)	(1,038)

15 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods. These leases relate to property.

	2022 \$'000	2021 \$'000
Less than one year	-	75
Years two to five	-	-
	-	75

16 Legal status of the charitable foundation

The charitable foundation is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to \$1.20 (\$1.35).

17 Related party transactions

One trustee of the charitable foundation is a partner of the legal firm BDB Pitmans. The Power of Nutrition paid \$59,804 (2021: \$138,755) in legal fees to BDB Pitmans in the year. All transactions were at an arm's length basis.

THE POWER OF NUTRITION

England & Wales - Charity number 1160373

Accounts



Charity Commission Annual Return 2021

THE POWER OF NUTRITION

Charity registration number: 1160373

Most of the information you give in this form will become publicly available on the Register of Charities. Any field that the Charity Commission will not display will be clearly marked.

This document is a record of the information provided in the Annual Return 2021.

PART A - Charity information

Financial period

Financial period start date

01/01/2021

Financial period end date

31/12/2021

Income and spending

Income £

£ 9,128,376

Spending £

£ 25,238,806

Serious Incidents

For the period of this return, were there any serious incidents in your charity that have not been reported to the Charity Commission?

No

Fundraising - professional fundraiser

Did your charity raise funds from the public?

No

Grantmaking

Was grant making the main way your charity carried out its purposes?

Yes

Government contracts

During the financial period for this annual return, did the charity receive income from contracts (other than grant agreements) with central government or local authorities?

No

Government grants

During the financial period for this annual return, did the charity receive income from grants from central government or local authorities?

Yes

How many grants did your charity receive from central government or local authorities?

1

What was the total value of these grants?

£ 1,256,291

Income from outside the UK

Did your charity receive income from outside the UK ?

Yes

Australia

Overseas government or quasi government bodies

£ 371,002

Overseas charities, NGO's or NPO's

£ 0

Other overseas institutions

£ 0

Individuals resident overseas (for example school fees and memberships)

£ 0

Unknown /Do not know

£ 0

Bangladesh**Overseas government or quasi government bodies**

£ 0

Overseas charities, NGO's or NPO's

£ 0

Other overseas institutions

£ 61,586

Individuals resident overseas (for example school fees and memberships)

£ 0

Unknown /Do not know

£ 0

Ireland**Overseas government or quasi government bodies**

£ 425,169

Overseas charities, NGO's or NPO's

£ 0

Other overseas institutions

£ 0

Individuals resident overseas (for example school fees and memberships)

£ 0

Unknown /Do not know

£ 0

Liechtenstein**Overseas government or quasi government bodies**

£ 0

Overseas charities, NGO's or NPO's

£ 0

Other overseas institutions

£ 259,702

Individuals resident overseas (for example school fees and memberships)

£ 0

Unknown /Do not know

£ 0

Sweden

Overseas government or quasi government bodies

£ 1,221,340

Overseas charities, NGO's or NPO's

£ 0

Other overseas institutions

£ 0

Individuals resident overseas (for example school fees and memberships)

£ 0

Unknown /Do not know

£ 0

Switzerland

Overseas government or quasi government bodies

£ 0

Overseas charities, NGO's or NPO's

£ 0

Other overseas institutions

£ 58,618

Individuals resident overseas (for example school fees and memberships)

£ 0

Unknown /Do not know

£ 0

United States

Overseas government or quasi government bodies

£ 0

Overseas charities, NGO's or NPO's

£ 4,117,385

Other overseas institutions

£ 0

Individuals resident overseas (for example school fees and memberships)

£ 0

Unknown /Do not know

£ 0

Spending outside England & Wales

Did your charity operate outside England and Wales?

Yes

Select countries/territories your charity operated in during the financial period covered by this annual return

- Bangladesh
- Benin
- Burkina Faso
- Congo (Democratic Republic)
- Ethiopia
- India
- Indonesia
- Ivory Coast
- Lesotho
- Liberia
- Madagascar
- Malawi
- Nigeria
- Rwanda
- Tanzania
- Zambia

Bangladesh	£ 5,565,037
Benin	£ 0
Burkina Faso	£ 0
Congo (Democratic Republic)	£ 0
Ethiopia	£ 10,907,472
India	£ 1,314,091
Indonesia	£ 0
Ivory Coast	£ 0

Lesotho	£ 0
Liberia	£ 0
Madagascar	£ 0
Malawi	£ 4,239,074
Nigeria	£ 0
Rwanda	£ 371,002
Tanzania	£ 0
Zambia	£ 0
Total Spending outside England & Wales	
	£ 22,396,676

Spending outside England & Wales

When spending money or working outside England and Wales, did your charity transfer money other than using the regulated banking system?

No

Spending outside England & Wales

Did your charity have procedures and controls in place to monitor expenditure outside England and Wales?

Yes

Are the trustees satisfied that your charity's risk management policies and procedures adequately covered activities and spending outside England and Wales?

Yes

Trading subsidiaries

Did the charity have any subsidiaries?

No

Trustee payments

Did any of the trustees receive any remuneration, payments or benefits from the charity other than refunds of legitimate trustee expenses?

No

Did any of the trustees resign and then take up employment with the charity?

No

Employees' salaries

Did any of your charity's staff receive total employee benefits of £60,000 or more? Select No if your charity does not have any staff or does not pay any staff.

Yes

For your highest paid member of staff only, what was the total value of their employee benefits?
(For example if your highest paid member of staff received £35,000 enter 35000). If you do not have any staff or did not pay any staff, enter 0 (zero)

£ 192,792

£60,000 to £70,000

3

£70,001 to £80,000

3

£120,001 to £130,000

2

£130,001 to £140,000

1

£150,001 to £200,000

2

Volunteers

How many UK volunteers, excluding trustees, did the charity have during the financial period?

0

Financial controls

Did your charity review its internal financial controls?

Yes

PART B - Financial information

Account type

Does your charity prepare:

Charity only accounts

Income and endowments

Donations & legacies

£ 9,104,098

Of the total donations & legacies
what amount is Endowments received

£ 0

Investment income

£ 24,278

Other income

£ 0

Of the total donations & legacies
what amount is Legacies

£ 0

Other trading activities

£ 0

Income from charitable activities

£ 0

Total Income and endowments

£ 9,128,376

Expenditure

Expenditure on raising funds

£ 1,433,429

Other expenditure

£ 0

**Of the total expenditure on charitable activities
what value is Grants to institutions**

£ 22,497,588

**Of the total expenditure on raising funds
what value is Investment management costs**

£ 0

Expenditure on charitable activities

£ 23,805,377

**Of the total expenditure on charitable activities
what value is Governance costs**

£ 195,889

Total Expenditure

£ 25,238,806

Gains/(losses)**Gains/(losses) on revaluation of fixed assets**

This figure should be prefixed with the minus symbol if it is a negative value.

£ 0

Actuarial gains/(losses) on defined benefit pension schemes

This figure should be prefixed with the minus symbol if it is a negative value.

£ 0

Net gains/(losses) on investments

This figure should be prefixed with the minus symbol if it is a negative value.

£ 0

Other gains/(losses)

This figure should be prefixed with the minus symbol if it is a negative value.

£ 0

Assets

Total fixed assets

£ 161,275

Of the total fixed assets
what value is Fixed asset investments

£ 0

Total current assets

£ 24,018,420

Of the total current assets
what value is Current asset
investments

£ 0

Of the total current assets
what value is Cash at bank and in
hand

£ 14,304,391

Funds

Endowment funds

£ 0

Restricted funds

£ -4,621,609

Unrestricted funds

£ 2,419,678

Total Funds

£ -2,201,931

Liabilities

Creditors due within 1 year

£ 10,908,214

Creditors falling due after one year and provisions

£ 15,473,412

Defined benefit pension scheme asset/(liability)

This figure should be prefixed with a minus symbol if it is a negative value

£ 0

Total net assets/(liabilities)

£ -2,201,931

Additional information**Support costs**

£ 1,302,219

Depreciation charge for the year

£ 19,292

Level of reserves

£ 2,419,678

Average number of employees

20

Privacy statement

Any information you give us will be held securely and processed only in accordance with the rule on data protection. We will not disclose your personal details to anyone unconnected to the Charity Commission unless:

- you have consented to their release; or
- we are legally obliged to disclose them; or
- we regard disclosure as either (a) necessary so that we can properly carry out our statutory functions or (b) necessary in the public interest.

We may share and disclose information about you with relevant public authorities, regulatory bodies and agencies, outside the Charity Commission but only if:

- we can lawfully do so; and

- **we decide that disclosure is necessary for national security, crime detection, prevention, and law enforcement, or other issues in the public interest**

Information we collect about you

We will use this information:

To enable us to carry out our statutory functions and duties;

This will include the following actions:

- (a) update, consolidate, and improve the accuracy of our records;**
- (b) undertake crime detection and prevention and law enforcement and assist the third parties specified above to investigate or prevent crime and carry out law enforcement;**
- (c) data analysis, testing, research, statistical and survey purposes**

Information we receive from other sources.

Information we receive from other sources

We may combine this information with information you give to us and information we collect about you.

We may use this information and the combined information for the purposes set out above (depending on the types of information we receive).

We will ensure that any such disclosure and use is proportionate; considers your right to respect for your private life; and is done fairly and lawfully in accordance with the data protection principles of the Data Protection Act.

The Data Protection Act 1998 regulates the use of 'personal data', which is essentially any information, however stored, about identifiable living individuals.

As a 'data controller' under the Act, the Charity Commission must comply with it. Any changes we may make to our privacy statement in the future will be set out in the replacement version of this form.

Please check back frequently to see any updates or changes to our privacy policy.

Declaration

This annual return has not been submitted and no Declaration has been made

THE POWER OF NUTRITION

England & Wales - Charity number 1160373

Accounts

THE POWER OF
nutritioⁿ

The Power of Nutrition

Annual Report and Financial Statements

For the year ended 31 December 2020

114-118 Southampton Row, London, WC1B 5AA

Company number: 09288843

Registered charity number: 1160373

+44 (0) 203 1413 905

info@powerofnutrition.org

www.powerofnutrition.org

@FundNutrition

Trustees' Annual Report

Reference & Administrative Details	2
Message from the Chief Executive.....	3
Strategic Report	7
1. <i>Objectives & activities</i>	<i>7</i>
1.1. Background.....	7
1.2. Purposes & aims	7
2. <i>Achievements & performance.....</i>	<i>8</i>
2.1. Supporting quality, high-impact nutrition programmes	8
3. <i>Looking ahead.....</i>	<i>9</i>
4. <i>Financial review</i>	<i>11</i>
4.1. Income	11
4.2. Expenditure	11
4.2.1. Programmatic Expenditure.....	11
4.2.2. Operational Expenditure	11
4.3. Foreign exchange movement.....	12
4.4. Reserves and going concern.....	12
5. <i>Structure, governance & management.....</i>	<i>12</i>
5.1. Structure	12
5.2. Governance & management.....	13
5.3. Key policies & risk management.....	14
6. <i>Statement of responsibilities of Trustees</i>	<i>17</i>
Independent Auditor's Report	19
<i>Opinion.....</i>	<i>19</i>
<i>Basis for opinion.....</i>	<i>19</i>
<i>Conclusions relating to going concern</i>	<i>19</i>
<i>Other Information.....</i>	<i>20</i>
<i>Opinions on other matters prescribed by the Companies Act 2006</i>	<i>20</i>
<i>Matters on which we are required to report by exception.....</i>	<i>20</i>
<i>Auditor's responsibilities for the audit of the financial statements.....</i>	<i>20</i>
<i>Use of our report.....</i>	<i>22</i>
Statement of financial activities	23
Balance sheet.....	24
Statement of cash flows.....	25
Notes to the financial statements.....	26

The Power of Nutrition, a company limited by guarantee, was incorporated in England and Wales on 30 October 2014 with company number 09288843. It was registered as a charity in England and Wales on 6 February 2015 with charity number 1160373.

Reference & Administrative Details

Company number	09288843
Charity number	1160373
Registered office and operational address	114-118 Southampton Row, London WC1B 5AA (Operational) One Bartholomew Close, London EC1A 7BL (Registered)
Trustees	Trustees, who are also directors under company law, who served during the period and up to the date of this report were as follows: Jonathan Brinsden David Bull CBE Michael Rann Ertharin Cousin (resigned 3 July 2020) Mark Cutifani Alasdair Cook Caroline Kuhnert Faustina-Fynn Nyame (appointed 3 July 2020, resigned 5 August 2021)
Principal staff	Simon Bishop (Chief Executive, appointed January 2021) Martin Short (Chief Executive, resigned September 2020) Michelle Thompson (Director of Partnerships and Brands) Alok Ranjan (Director of Investments, appointed January 2021) Mavis Owusu-Gyamfi (Director of Investments, resigned June 2020) Chris Skeet (Director of Finance) Carla Martins (Director of Human Resources and Operations)
Bankers	Barclays PO Box 885 Mortlock House, Station Road Histon CB24 9DE HSBC 133 Regent Street, London W1B 4HX
Solicitors	BDB Pitmans One Bartholomew Close, London EC1A 7BL
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House, 108-114 Golden Lane, London, EC1Y 0TL

Message from the Chief Executive

In 2020, 149 million children under five suffered from stunting, a life-altering condition caused by chronic undernutrition, repeated infections, and inadequate childcare and feeding practices. This number increased for the first time in decades. The impacts of stunting are irreversible and go beyond the individual – it affects physical and cognitive development, reducing life prospects and potential. Despite the astounding number of undernourished women and children, the affordability of proven interventions, and the well-known high return of investment, nutrition remains one of the most underfunded areas in development. In 2020, still less than 0.1% of Overseas Development Assistance (ODA) budget was channelled to direct nutrition interventions.

The complexities and challenges the COVID-19 pandemic introduced – impacting nutrition programming, shrinking national economies, and reducing bilateral aid budgets – exacerbated the existing undernutrition crisis and widened the nutrition financing gap. With an estimated additional \$1.7bn of annual funding¹ needed to mitigate the effects of COVID-19 on nutrition (on top of the recommended \$7bn annual nutrition funding gap required to meet the World Health Assembly's targets), **The Power of Nutrition's goal to leverage funding for nutrition is more important than ever.**

The Power of Nutrition was created in 2015 to mobilise new funding for nutrition to invest in programmes tackling stunting at scale, and to enhance the prioritisation of nutrition within governments, foundations, and business actors. As this summary demonstrates, The Power of Nutrition has made important progress against these targets.

2015-2020 Achievements

DELIVERING FOR WOMEN AND CHILDREN



Our partnerships are delivering direct and indirect nutrition interventions to people at greatest risk of stunting. In 2020 alone, our programmes have collectively improved the lives of **12.5 million** children, **1.2 million** adolescents and **7.8 million** women.

15 programmes

across Sub-Saharan Africa and Asia

We added **3** new programmes to our portfolio in the past year

We now cover **12** countries with the highest burden of stunting



MORE NUTRITION, MORE MONEY



Since our inception, we have raised **USD 87 million** in diverse investments – unlocking further critical funds for nutrition.

Convened **40+** strategic partnerships



Since 2015, we have brokered strong multisectoral partnerships across private and public sectors to maximise the impact of our interventions and transform children's futures.

¹ Standing Together for Nutrition Consortium report: "The COVID-19 crisis will exacerbate maternal and child undernutrition and child mortality in low- and middle-income countries", 2021: <https://www.nature.com/articles/s43016-021-00319-4>

Programme portfolio

We are proud to share that, as of December 2020, The Power of Nutrition's programmes have helped **prevent 413,000 cases of stunting, 13,500 child deaths, and 513,000 cases of maternal anaemia.**

Since the organisation's inception, the programmes have enabled 40.3 million children under-five, 1.2 million adolescents, and over 18.5 million pregnant and lactating women or new mothers to access vital nutrition solutions including Iron and Folic Acid supplements, Vitamin A supplements, education on Infant and Young Child Feeding and Growth Monitoring Promotion services – reaching **over 60 million people.**

These achievements were made possible with the dedication, funds, and expertise our implementing partners and investors bring to our multi-sectoral partnerships.

"In 5 years, The Power of Nutrition has established itself as a key player in the global nutrition landscape and operationalised a complex model. [It has] significantly exceeded expectations in terms of the number of women and children reached with key nutrition services."

– FCDO Annual Review, 2021

This reporting period was affected by the spread of COVID-19, where implementers of some programmes had to reduce service provision or scale-up activities. Agility was critical, and we continued to drive fundraising for **COVID-19 nutrition-focused responses** and work with partners to maintain oversight of services and develop contingency plans. Programmes strengthened community education on handwashing with soap and sanitation where possible.

The pandemic also affected knowledge of how health and nutrition services were being impacted. In Africa, while we observed a worrying increase in numbers of malnourished people (Madagascar and Burkina Faso in particular) and reduced spending on activities (Cote d'Ivoire, Tanzania, Benin, Nigeria, Burkina Faso), very few national nutrition results were published due to delayed surveys. The pandemic also caused further reduced IDA availability in Lesotho, meaning our newly approved programme was reduced from \$64.4m to a total programme size of \$26.2m.

COVID-19 provided The Power of Nutrition with intelligence on **good practices and learnings**, which will feed into the design of new investments and ongoing portfolio management. This includes the importance of flexible and adaptable programming, communications on the benefits of nutrition to avoid

Rwanda Case Study

Our investment in Rwanda has enabled **1.5 million women and children** to access essential health and nutrition interventions (almost 700,000 children, over 850,000 women).

Key achievements in the programme's first two years:

- **Micronutrient powders introduced to 31% of the target population** in certain regions (previously 0%), reaching 77,000 children aged 6-23 months.
- **88% of children under-five had their height measured** at a facility in 2020. Exceeded target of 30% for the year (reaching over 450,000 more children than planned).
- Over **52,000 children aged 6-23 months consuming fortified based flour.**
- The programme is **digitalising the vital registration system** and linking it with the social protection system. These innovative digital health activities allow better distribution of benefits, better monitoring of outcomes and services, and enhance synergies between sectors.

dips in service demand during crises, and the opportunities and complexities of digital-based approaches.

Despite the challenges, our portfolio continued to expand and, as of December 2020, The Power of Nutrition had approved investments in **15 programmes across 12 countries** in sub-Saharan Africa and Asia, representing a total co-investment portfolio worth **\$473m**.

Fundraising

Between January and December 2020, six Letters of Intent were received by The Power of Nutrition, representing \$9.1m of future grant commitments.

- \$3 million from the Bill and Melinda Gates Foundation (BMGF) for operational expenditure
- \$2.5 million from The End Fund
- \$2.5 million from Open Philanthropy
- \$13,000 from Wood PLC
- \$1 million from Cargill
- \$75,000 from The Cloudera Foundation

Please note that funds committed through Letters of Intent will not all be recognised as income in our accounts in the year of receipt due to Income recognition rules but does provide a good indicator of fundraising activity as well as the diversity of donors.

2020 was one of the most challenging fundraising periods for both The Power of Nutrition and the broader sector since our inception due to the impact of Covid-19. With philanthropy, corporate and development budgets prioritising humanitarian or short-term crisis relief responses, and the Tokyo Nutrition for Growth (N4G) Summit being postponed to 2021, nutrition financing dropped down the agendas of global leaders and investors. The exceptional virtual nature of the year also made relationship-building a significant challenge.

Given these complexities, our expanded network is a huge achievement, and we celebrate the breadth and diversity of our partners committed to ending stunting. As of December 2020, we have brokered **over 40 multi-sectoral partnerships** across private and public sectors and directly raised over **\$87m** in investments, unlocking new and critical funds for nutrition.

"The Power of Nutrition is filling a critical gap in the sector by aligning donors and country governments around common priorities and supporting countries in scaling up evidence-based nutrition-specific interventions".

- Mathematica Midline Assessment, 2020

Communications and advocacy

2020 saw **increased focus on advocacy** to keep nutrition high on the agenda of decision-makers, especially in light of UK Aid budget cuts and the delayed N4G Summit, which removed a huge opportunity for putting global focus on nutrition. Influencing efforts included joint engagement of political lobbyists alongside nutrition sector peers, and direct outreach by The Power of Nutrition, which led to meetings with Members of Parliament and parliamentary advocacy groups.

Like many organisations, we pivoted our communications approach and increased our digital presence, allowing us to maintain a proactive external voice. We published regular communications to keep

stakeholders informed on our progress, including e-newsletters, blogs, videos, social media updates, and our first public-facing Biannual Report. Our **digital engagement rates improved exponentially**, with LinkedIn followers increasing by 70% and website visits up 50% in one year.

Our narrative in stakeholder and external communications focused on the widespread and long-term impact of Covid-19 on nutrition, reinforcing the growing numbers of stunted children and the declining funds for nutrition. We hosted educational webinars with partners, including Royal DSM and Bill & Melinda Gates Foundation, allowing potential donors to re-engage with The Power of Nutrition and raising awareness of shared issues. We secured thought leadership platforms for The Power of Nutrition, with media coverage including the Financial Times and a podcast on Business Fights Poverty and speaking slots at the RESULTS International Conference and AVPN Global Conference.

Looking ahead

Six years since the creation of The Power of Nutrition, we enter a new phase for the organisation.

With a new CEO in place, 2021 has seen our team, Board, and partners engaged in a strategic review to define our role in the nutrition financing sector, respond to a complex (and increasingly challenging) funding landscape, and evolve our model and ways of working to meet the needs of those to whom we are most accountable – malnourished children, adolescents, and women. This process will culminate in late 2021 with a refined model and new organisational strategy for 2022-25 '*Transforming global nutrition fundraising, together*'. This will see The Power of Nutrition keep much of its DNA, including attracting new money to nutrition, convening partnerships and defragmenting the market. We will expand our focus on stunting to tackle all forms of malnutrition and will move from our current prescriptive 'x4 leverage' model to two responsive, innovative models. This will include launching Nutrition Ventures, an innovative financing platform that will see The Power of Nutrition expand beyond (the sadly shrinking) traditional grant aid as its main instrument to explore a range of innovative financing mechanisms and funding flows, with the aim of helping the global nutrition sector become pioneers in innovative financing. We'll also shift from a focus on fundraising for our own programmes to act much more as a tenacious sector champion and public good. All of this will make us a much more sustainable organisation, with diversified sources to fund operational expenditure (OpEx), a more balanced risk/return portfolio, a wider donor base – and with more relevance to changing global agendas.

The Power of Nutrition and partners have also been working on new research quantifying the long-term costs and socioeconomic impact of stunting in childhood. This novel research will launch in 2021 and will bolster the evidence base for investing in nutrition.

Appropriately, 2021 is the 'Nutrition for Growth Year of Action', and the UN Food Systems Summit and Tokyo N4G Summit provide major platforms for The Power of Nutrition to communicate our plans and evidence our value-add for the sector, while pushing for renewed global prioritisation of nutrition. We intend to play an integral role in catalysing action and, through our network, mobilise new financial commitments and partnerships to transform global nutrition and improve the lives of millions more children, adolescents, and women.

Simon Bishop

CEO, The Power of Nutrition

Strategic Report

The Board of Trustees of The Power of Nutrition, which is also its board of directors, hereby presents the information required by the Companies Act 2006 (the Strategic Report and Directors' Report) together with the financial statements for the year ended 31 December 2020.

Reference and administrative information set out on page 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2015).

1. Objectives & activities

1.1. Background

The Power of Nutrition – a company limited by guarantee and a charity registered in the UK, and principally referred to as a “charitable foundation” – grew from a commitment by the Children's Investment Fund Foundation (CIFF), the UK's Department for International Development (DFID [now known as The Foreign, Commonwealth and Development Office - FCDO]) and the UBS Optimus Foundation (UBSOF) to develop a catalytic financing facility that would bridge a financing gap in the nutrition sector to accelerate progress on child undernutrition. It was registered in February 2015 and formally launched in April 2015.

1.2. Purposes & aims

The Power of Nutrition was created to generate new resources to prevent undernutrition and to improve nutrition outcomes for children at scale. Our aim is to save lives and protect children from low birthweight, stunting and other forms of undernutrition. Nutrition is a fundamental building block for life. It is also recognised as a powerful multiplier for economic and social development: it saves lives and enables children and societies to grow to their full potential.

To transform nutrition outcomes, save lives and protect children, we:

- Unlock financing for nutrition from new and diverse sources, including the private sector and non-traditional investors; and
- Make charitable investments to scale up quality, high-impact child and maternal nutrition programmes in countries with the highest need in sub-Saharan Africa and Asia.

To achieve our goals, our current funding model comprises of co-financing agreements with selected partners. The model guarantees that new investors' contributions will be multiplied by a minimum of four times – an exceptional level of co-financing in the international development space.

The Power of Nutrition first finds new funders in nutrition; the funds raised are then matched by The Power of Nutrition. We use this financing to encourage the allocation of more new financing at the country level through a second guaranteed match provided by the implementing partners. The sources of this match currently include new donors to UNICEF, grants and concessional loans through the World Bank's International Development Association (IDA) and new implementing partners. All financing is directed by our implementing partners to quality, high-impact nutrition programmes that focus on improving child and maternal nutrition outcomes at scale.

2. Achievements & performance

During the period covered in this report, the charitable foundation completed its fifth full year of independent operation and consolidated its position as an operational entity. We have made significant progress towards our fundraising goals, albeit at a slower pace than in prior years, booking income totalling USD 15.4 million including matched fund income. During the course of the year we also wrote back a total of USD 21.4m relating to grant commitments represented by donor letters of intent, which had been recorded as income in prior years but have either subsequently been withdrawn or are no longer expected to be honoured by donors (please see note 2a for further details). This needs to be seen in the context of COVID-19, which had a significant impact on fundraising for nutrition, as many investments were re-prioritised by funders towards pandemic-relief measures. We also saw donors reprioritise nutrition within their overall organisational strategies. Our Board approved three further programmatic investments during the year (Lesotho, Liberia 2 and Mobile Doctorni – India). We now have twelve active programmes and one completed programme (Liberia Phase 1). The total portfolio value is USD 473m at end 2020.

2.1. Supporting quality, high-impact nutrition programmes

We invested USD 5 million in Lesotho with the World Bank as implementing partner. This programme is designed to work with the government of Lesotho to improve the quality and utilisation of health and nutrition services at the facility and community level as well as improving the governance of health and nutrition.

USD 5 million was invested in our 2nd programme in Liberia to be disbursed over three years with UNICEF as the implementing partner. The programme will support implementation of the government of Liberia's national nutrition programme and 2018 nutrition policy.

We continued to oversee the implementation of our investments in Tanzania (USD 44 million), Ethiopia (USD 40 million), Madagascar (USD 90 million), Cote d'Ivoire (USD 60.4 million), Rwanda (USD 116 million), Nigeria (USD 3.9 million) and Burkina Faso (USD 30 million) all with the World Bank; as well as our 2nd investment in Liberia (USD 10 million), Benin (USD 10 million) and Maharashtra (USD 10 million), all three of which are with our implementing partner UNICEF. Investments with new implementing partners included Gujarat (USD 10 million) with CARE and Action Against Hunger implementing, together with our Indonesian investment (USD 10 million), which is being implemented by Save the Children and Nutrition International.

It should be noted that a number of our programmes are currently reflecting a negative funding balance (see note 13a to the financial statements). A number of these arise from our current accounting treatment where we book the full anticipated expenditure at the start of the programme, even though activities on-the-ground may not start for several years, whereas our grant income recognition policy generally means that promised grant income is only recognized throughout the life of the programme (these are Maharashtra (USD 1.8m) and Liberia 2 (USD 3.3m)). We are currently reviewing our income and expenditure approach so they more closely reflect the project life cycle. There are a further 3 programmes (Gujarat (USD 2.5m), Indonesia (USD 1.6m) and Benin (USD 2.5m)) where they are not fully funded in their later operating years but we are confident we can fundraise to fill this gap, responsibly scaling back the level of ambition in these programmes if we are unsuccessful.

These negative fund balances are currently covered by our broadly restricted funds (see note 13a-c) totalling USD 20.1m. These broadly restricted funds have looser restrictions whereby The Power of Nutrition has significant flexibility on how and where to spend the funds.

We are working in partnership with the UNICEF to develop a proposal for a new investment in Bangladesh and a second investment in Ethiopia. In March 2021 we gave Board approval for the Bangladesh investment and the second investment in Ethiopia.

3. Looking ahead

The Power of Nutrition is working to fulfil its mandate to drive transformative nutrition outcomes at scale. We have built strong foundations and will, in 2021, launch a new, bold and ambitious strategy; this will enable us to bring in new funding, make additional programme investments and ultimately improve the lives of children and women of childbearing age in our priority countries in Africa and Asia.

We also have to acknowledge we are operating in an increasingly challenging environment. Increases in global aid (ODA) allocations to nutrition, following a decade of rises, have now at best plateaued and are likely in decline. Leaders in global nutrition, like FCDO, are significantly reducing their nutrition funding, following the British Government's decision to reduce their aid from 0.7% to 0.5% of GNI. France's recent commitment to increase their aid to 0.7% of GNI and make tackling malnutrition a top 3 priority is welcome but goes against the trend. Covid-19 has - and will likely continue - to impact us, hampering in-person fundraising, a key aspect of our work and we've seen a clear trend in donor funds for nutrition being diverted to the COVID-19 response.

Our two main operating expenditure (OpEx) funders, BMGF and CIFF, are also evolving their nutrition priorities, and will commit less or spend their commitments differently in the years ahead. We are jointly committed to reducing our reliance on them, as part of becoming a more self-sustaining organisation. We are currently working with them to ensure this occurs over time – given the challenge public good organisations like us face in attracting core funders – consistent with their position as responsible donors and to ensure any changes minimise the impact on the people we exist to serve. In respect of programmatic investments, programmes may need to slow down or postpone activities due to Covid-19, which may result in delays and the potential need for extensions in the future. Furthermore, gains in nutrition and health system strengthening made to date may regress due to the pandemic.

See *Section 5.3 Key policies and risk management* below for more information.

Our strategic objectives in the coming years include:

- Launching our new organisational strategy for 2022-25 '*Transforming global nutrition fundraising, together*'
- Building relationships with new funders to bring them into the nutrition space, achieving ambitious fundraising targets and strengthening our network of supporters among philanthropic, corporate, high net worth individuals, bilateral and other funders, including those not currently focused on nutrition.
- Further developing our programmatic investments, including working with existing implementation partners to build a pipeline of new investments, as well as identifying new potential implementing partners.
- Maintaining and building on our systems to ensure accountability, transparency, traceability of financing and impact for our beneficiaries.
- Launching Nutrition Ventures, an innovative financing platform that will see The Power of Nutrition expand beyond traditional grant aid as its main instrument to explore a range of innovative financing mechanisms and funding flows, with the aim of helping the global nutrition sector become pioneers in innovative financing.

- Continue to monitor and evaluate existing investments to ensure compatibility with our investment targets, as well as supporting the long-term independent evaluation of The Power of Nutrition and our impact.
- Improving our communications and advocacy, with stronger messaging and branding, as well as increasing the reach of our communications channels.
- Continuing to invest in our people, to build a first-class team and organisation, with a culture of inclusivity, empowerment, creativity and entrepreneurship.

4. Financial review

4.1. Income

During the period covered in this report, The Power of Nutrition generated income totalling USD 15.4 million (2019: USD 18.6 million). This income was received from two founding partners, three 3rd party donors and one bi-lateral donor:

- CIFF USD 3.6 million (USD 3.4 million)
- FCDO USD 8 million (USD 4.7 million)
- Private and Bi-lateral Donors income of USD 3.7 million. In 2019 we booked income of USD 10.1 million.
- Bank interest earned USD 0.1 million (USD 0.4m)

Offsetting this income were grant income write-backs totalling USD 21.4million which related to income booked in prior years which was either withdrawn by donors or we do not expect to be honoured by donors (please see Section 2 above and note 2b to the financial statements for further details).

4.2. Expenditure

A total of USD 13.3 million (2019: USD 29.2 million) was recognised as expenditure during the year. This can be analysed across 2 key expenditure groupings, namely Programmatic and Operational expenditure. Programmatic expenditure is defined as what the Foundation directly spends on programmes that are designed and run by our implementing partners in our target countries. Operational expenditure is defined as the expenses incurred through the day to day running of the Foundation, including the costs of its staff and operations.

4.2.1. Programmatic Expenditure

- Total charitable grants awarded during the course of the year amounted to USD 10.4 million (2019: USD 26.3 million):
 - USD 5 million was expensed against our implementing partner the World Bank in respect of a nutrition programme in Lesotho.
 - USD 5 million was expensed to our implementing partner UNICEF in respect of a 2nd nutrition programme in Liberia. Funds will be disbursed over 3 years.

4.2.2. Operational Expenditure

- Operating expenses totalling USD 2.9 million (2019: USD 2.9 million) were incurred during the period:
 - The majority of this operating expenditure was funded through an arrangement with one of our funding partners (CIFF).
 - The most significant cost, USD 1.9 million (2019: USD 1.8 million), was staff related; this equates to 66% of our current operating expenses. Staff costs as a percentage of overall operating expenses will likely remain between 65% and 70% if the organisation continues on its current trajectory.

4.3. Foreign exchange movement

Our policy is to convert any currency funds received to USD at the time of receipt. This has better aligned currency funds held with underlying disbursements which are predominantly in USD.

A gain of USD 0.2 million (2019: gain of USD 0.2 million) was realised in respect of the movement on the USD / GBP currency rate impacting on funds received in GBP and converted to USD.

4.4. Reserves and going concern

The charitable foundation does not hold a set level of reserves. Net funds totalling \$12.5m of the charitable foundation are considered to be restricted, to be used to fund maternal and child nutrition programmes aimed at reducing child undernutrition and malnutrition worldwide. Funds totalling \$6.2m are considered to be unrestricted. As noted above, to date, operational expenses have substantially been met under an arrangement with one of the funding partners. However, we have begun to diversify our OpEx funding base and have booked USD 2 million to date in respect of OpEx funding from other 3rd party donors. Therefore, the trustees do not consider there is a need for a formal reserves policy. However, our aim is to hold at least 6 months' worth of cash reserves to cover operational expenses at any one time.

- Cash holdings are held where possible in interest bearing accounts.
- Cash at bank totalled USD 18.5 million (2019: USD 18.9 million) at year end.

The Executive considers that it has adequate financial reserves to continue to deliver on its plans through to end 2022 and that we have a reasonable expectation that we will have adequate resources to continue in operational existence beyond end 2022. The accounts have therefore been prepared on the basis that the charitable foundation is a going concern.

5. Structure, governance & management

5.1. Structure

The Power of Nutrition is a charitable company limited by guarantee. It was incorporated as a company on 30 October 2014 under the name Catalytic Financing Facility for Nutrition, and registered as a charity under the same name on 6 February 2015. The company was established under a Memorandum of Association and is governed under its Articles of Association, which sets out its objects and powers.

The name was formally changed to The Power of Nutrition on 19 April 2015 pursuant a Board resolution of 10 March 2015.

The objectives of The Power of Nutrition as stated in the Articles of Association are to support the advancement of health and the prevention or relief of poverty by providing, or assisting in the provision of, financial support to maternal and child nutrition programmes worldwide.

The Board of Trustees have a duty to report in the Trustees' Annual Report on the charitable foundation's public benefit. They should demonstrate that:

- The benefits generated by the activities of The Power of Nutrition are clear. This report sets out in some detail the activities that the charitable foundation has carried out over the past year in order to achieve our mission.

- The benefits generated relate to the objectives of The Power of Nutrition. All activities undertaken are intended to further the charitable objectives of the charitable foundation, noted above.

The accounts of the charitable foundation are filed with Companies House and the Charity Commission.

5.2. Governance & management

The governing body of the charitable foundation is the Board of Trustees. The Trustees are appointed in their capacity as individuals and are also Directors for the purposes of company law. The Trustees are responsible for reviewing and approving the strategy and operational policies of the charitable foundation (including such areas as risk management and legal and regulatory compliance), reviewing reports on the charitable foundation's financial activities and monitoring investment and fundraising activities.

Board of Trustees

During the year ended 31 December 2020, the Board of Trustees welcomed one new trustee who joined the Board namely Faustina-Fynn Nyame (3 July 2020). One trustee resigned during the year namely Ertharin Cousin (3 July 2020). One trustee Faustina-Fynn Nyame resigned in the 2021 year (5 August 2021).

The Trustees have no beneficial interest in the charitable foundation. All Trustees sit on the Board of The Power of Nutrition in their own individual capacity and execute their duties in the best interests of the Foundation. There are no Corporate Trustees. All Trustees give their time freely and no Trustee remuneration was paid in the year. Trustees are mindful of identifying and managing conflicts of interest and manage their proceedings in accordance with the detailed conflict of interest procedure set out in the charitable foundation's Articles of Association. Please also see the related party note 17 to the Annual Financial Statements.

The Board met three times during 2020 (2019: three).

The Executive

Day-to-day responsibility is delegated to the Executive under the leadership of the Chief Executive who reports to the Board and works closely with the Chair.

The Executive is responsible for raising new financing, working with the implementing partners to channel the financing to evidence-based investments in nutrition, and reporting to the Board and other key stakeholders.

The team has structured its operational functions across three key pillars: partnerships & brands (fundraising), investments, and communications.

Partners

The Power of Nutrition is a growing partnership of funding and implementing partners committed to helping children grow to their full potential. During the year ended 31 December 2020:

- Three founding funding partners committed financing to the organisation. These are: CIFF, FCDO and UBS Optimus Foundation.
- We continue to work with our two principal implementing partners The World Bank and UNICEF.
- We also work with seven other implementing partners (Save the Children, Nutrition International, Action Against Hunger, Care International, World Vision, GroupM and GiveDirectly), all of whom have been approved by our Board.

5.3. Key policies & risk management

The Board is responsible for ensuring that the charitable foundation has an appropriate system of controls, financial and otherwise. It is also responsible for safeguarding the assets of the charitable foundation and, therefore, for taking reasonable steps for the prevention of fraud and other irregularities.

A set of core operating policies guide the day-to-day work of The Power of Nutrition. These include:

- Managing our Costs & Travel Expense policies
- Anti-Bribery & Corruption & Anti-Money Laundering policies
- Whistleblowing policy
- Safeguarding Children and Vulnerable Adults
- Equal Opportunities policy
- Disciplinary & Grievance policy
- Harassment and Bullying policy
- Diversity, Equality and Inclusion policy
- Remuneration and Benefits policy
- Investment Approval policy
- Investor Vetting policy
- Data Protection policy
- Brand and Communications policy
- Privacy policy
- Health and Safety policy.
- Anti-Slavery and Human Trafficking policy

The Power of Nutrition is committed to ensuring that it provides a safe and trusted environment which safeguards and promotes the welfare and wellbeing of beneficiaries, our staff and partners. The Power of Nutrition enforces safeguarding practices through its procedures and policies including:

- ensuring compliance with our Safeguarding Children and Vulnerable Adults policy;
- a code of conduct for staff;
- recruiting staff safely by undertaking due diligence on individuals prior to appointment;
- using our safeguarding procedures to share concerns and relevant information with the appropriate agencies as necessary;
- using our disciplinary procedures to manage any allegations against staff appropriately;
- ensuring there are effective complaint and whistleblowing measures in place as per our Whistleblowing policy.

Our safeguarding policy is reviewed, approved and endorsed by the Board of Trustees annually or when updated after relevant legislation changes.

The Power of Nutrition requires all partners, agencies and grantees to:

- have adopted and to comply with a safeguarding policy ensuring equivalent safeguarding standards and mechanisms as provided for in The Power of Nutrition safeguarding policy; or
- where the partner, agency or grantee has no such policy in place, adhere to The Power of Nutrition safeguarding policy.

Assisted by the Executive and the Finance and Audit Committee, the Board reviews and assesses the major risks to which The Power of Nutrition is exposed. Risks are assigned a 'Gross Risk Score' based on *likelihood of occurrence* and *potential impact*, and a 'Net Risk Score' that takes in to account the strength of mitigation measures in place. Taking into account the controls and safeguards currently in place, the key risks and uncertainties identified by the Board are as follows:

Key risks summary

The Power of Nutrition has in place a risk matrix that is reviewed monthly by the Executive team, before every Board meeting by the Finance and Audit Committee, and by the Board of Trustees at every Board meeting.

As of June 2021, the organisation has identified the following risks as having 'High' or 'Very High' net risk scores:

Implications of COVID-19 across the organisation

The ongoing COVID-19 pandemic poses risks across all areas of the organisation. Currently all employees are working remotely in accordance with government guidelines, and a phased, cautious return to working in the office is planned. Similar precautions have been taken across our partner organisations; and key workers who are continuing to provide critical services are doing so with mitigation measures in place to reduce the risk of COVID-19 transmission.

Across the portfolio, the pandemic has resulted in a slowdown in the delivery of programmatic activities; in some of our programme countries, programme teams are working on a 50% roster basis, to minimise the risk of transmission. Not all team members are able to access reliable internet when working from home. Responses to the pandemic have varied from programme to programme, with some programmes seeing a diversion of funds to a specific COVID-19 / nutrition response, while others have delayed activities and updated messaging to accommodate COVID-19 in social behaviour change campaigns. The key risk from our perspective is that gains made in nutrition slide backwards, due to drops in the uptake of services and the macroeconomic environment creating food security crises. We continue to work closely with our partners to ensure that programmes can continue to implement activities to the greatest extent possible while maintaining safety of workers as a key priority.

The COVID-19 pandemic has understandably diverted the attention of many donors and governments. A concerted effort is underway to communicate the continued importance of funding nutrition and making the link between strengthened health systems and better resilience against pandemics and all shocks that countries may face.

FCDO budget cuts and implications for match Model

One of our founding funders, the UK Foreign, Commonwealth and Development Office (FCDO), has been subject to budget cuts of £4 billion. This has resulted in a cut to funding for The Power of Nutrition;

while we expected to receive £7 million from FCDO in 2021, we will now receive £3 million. Given FCDO is a core partner we reported this to the Charity Commission, as is appropriate. While this 57% reduction was undesirable, this was a positive outcome compared to many FCDO grantees, and they are clear we remain a “highly-valued” partner, scoring A in their 2021 Annual assessment of our performance. In addition, through careful management, we were able to protect almost all of our existing programmes, despite the cuts.

With no certainty around the future of funding commitments from FCDO for 2022 or beyond, the organisation faces a risk in that a core element of our offering - match funding from FCDO – may no longer be provided by them.

The team continues to advocate strongly for a maintained focus on nutrition by the UK government and a reversal of the aid cut decision, and is positioning for a 3-year funding settlement as part of the UK government's 3-year Spending Review, while in parallel seeking to fundraise from alternative funders who may be in a position to take on the role of ‘match funder’ for The Power of Nutrition.

CIFF changing nutrition priorities

CIFF, our main OpEx funder, is changing their overall nutrition priorities and will, as a result, commit less or spend their commitments differently in the years ahead. Given our current reliance on them, this is a clear risk to The Power of Nutrition. CIFF contributed \$2.8m in OpEx funding and \$0.8m in Programmatic funding in 2020.

We are jointly committed to reducing our reliance on them in the years ahead, as part of becoming a more self-sustaining organisation. We are currently working with them to ensure this occurs over time - given the challenge public good organisations like us face in attracting core funders – and in a way that which is consistent with their position as a responsible donor and to ensure any changes minimise the impact on the people we exist to serve.

We are also having positive discussions with several other funders about providing OpEx, as well as implementing standard (across the international development sector) cost recovery from all funders; something we historically haven't had to do due to the CIFF commitment.

We are also reviewing our expenditure, to ensure we are a lean, efficient organisation.

Inability to raise unrestricted funding & negative programme funding balance

Given most donors desire to commit funds to front-line programmes, rather than cover (necessary) central costs, we continue to struggle to raise sufficient unrestricted funding. This is often an operational hindrance, given the financial complexity of our model, which requires us to bring together diverse funders and implementers to leverage programmes at scale: more unrestricted funding would speed-up partnerships and most importantly get programmes going more quickly.

The fundraising team continues to actively seek out unrestricted financing, while the finance and audit committee regularly monitors this situation.

As explained under paragraph 2.1, there are currently 3 programmes (Gujurat, Indonesia and Benin) that are not fully funded but we expect to raise future funding that will cover the negative funding balance totaling \$6.6m. To put this in context, our 15 programmes will utilise \$473m but an additional \$6.6m will need to be raised to cover this commitment fully over the longer term. In addition to raising future

funding, we are currently actively exploring other solutions, including discussions with donors, reducing the scale of some programmes and/or allocating unrestricted funds generated.

Staff retention

Not being able to retain staff is a very high risk in an organisation such as The Power of Nutrition. In a smaller organisation the impact of valued employees leaving can be much greater.

To mitigate this risk, The Power of Nutrition has been taking a proactive approach by implementing competitive and fair remuneration packages, ensuring that robust human resources policies are in place, developing a clear performance management system, giving employees a voice, and ensuring that they feel listened to, respected and able to contribute to their fullest extent. A new *Benefits and Remuneration Policy* was approved by the Board in June 2021, after consultation with all members of the team. Additionally, staff have been fully engaged in the creation of our new Strategy.

Fundraising statement

The Power of Nutrition does not engage in public fundraising but does occasionally use professional fundraisers. We nevertheless monitor the relevant fundraising regulations (including the Institute of Fundraising guidelines (UK)) and codes to ensure compliance where relevant. During the year there was compliance with these regulations and codes. The charitable foundation did not receive any complaints relating to its fundraising practise during the year.

Remuneration statement

Salaries for permanent staff across all functions have been set in line with a range of market rate indicators and internal parity. Any salary adjustments made in the year were in line with our Remuneration and Benefits Policy in existence at the time and which was subsequently updated and approved by the Board of Trustees in June 2021.

Public benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit.' That guidance addresses the need for all charities' aims to be, demonstrably, for the public benefit. The trustees consider the facilitation and provision of nutrition services to be wholly for the public's benefit.

6. Statement of responsibilities of Trustees

The Trustees (who are also Directors for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and accounting standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial period 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 the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;

- Observe the methods and principles in the Charities Statement of Recommended Practice (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 information relevant to the audit of which the auditors are unaware; and
- They have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and to establish that the auditors are 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 membership of The Power of Nutrition comprises the Trustees, the Children's Investment Fund Foundation and the UBS Optimus Foundation and entitles the members to voting rights only. Neither the Trustees nor the Members have any beneficial interest in The Power of Nutrition.

The Trustees' Annual Report, incorporating the strategic report and directors' report, has been approved by the Trustees on 17 November 2021 and signed on their behalf by

.....

Michael Rann, Chairman

Independent Auditor's Report

Opinion

We have audited the financial statements of The Power of Nutrition (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 The Power of Nutrition'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 financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of 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; and
- 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 charitable company and its 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 requires us to report to you if, in our opinion:

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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, which included obtaining and reviewing supporting documentation, concerning the charity'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 charity 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 charity 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. 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.

Noelia Serrano (Senior statutory auditor)

3 December 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

For the year ended 31 December 2020

	Note	Unrestricted \$	Restricted \$	2020 Total \$'000	Unrestricted \$	Restricted \$	2019 Total \$'000
Income from:							
Grants	2	5,800	9,458	15,258	3,400	14,839	18,239
Bank interest		16	93	109	9	382	391
Total income		5,816	9,551	15,367	3,409	15,221	18,630
Income write-backs:							
Grants written back	2a	-	(21,431)	(21,431)	-	-	-
Income after write-backs:		5,816	(11,880)	(6,064)	3,409	15,221	18,630
Expenditure on:							
Raising funds	3	1,728	97	1,825	1,784	-	1,784
Charitable activities	3	1,170	10,257	11,427	1,134	26,250	27,384
Total expenditure		2,898	10,354	13,252	2,918	26,250	29,168
Net Loss before other recognised gains and losses		2,918	(22,234)	(19,316)	491	(11,029)	(10,538)
Gain on foreign exchange movements		208	-	208	211	-	211
Net movement in funds		3,126	(22,234)	(19,108)	702	(11,029)	(10,327)
Reconciliation of funds:							
Total funds brought forward	13b	3,040	34,811	37,851	2,338	45,840	48,178
Total funds carried forward	13a	6,166	12,577	18,743	3,040	34,811	37,851

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 13 to the financial statements.

As at 31 December 2020

	Note	\$'000	2020 \$'000	\$'000	2019 \$'000
Fixed assets:					
Tangible assets	9a		42		46
Intangible assets	9b		31		-
Current assets:					
Debtors	10	17,166		36,799	
Short term deposits		2,047		1,982	
Cash at bank and in hand		18,509		18,944	
			37,722	57,725	
Liabilities:					
Creditors: amounts falling due within one year	11a	6,554		8,046	
Net current assets					
			31,168		49,679
Total assets less current liabilities					
			31,241		49,725
Creditors: amounts falling due after one year	11b		12,498		11,874
Total net assets					
			18,743		37,851
The funds of the charity:					
Restricted income funds	12		12,577		34,811
Unrestricted income funds			6,166		3,040
Total charity funds					
			18,743		37,851

Approved by the trustees on 17 November 2021 and signed on their behalf by

Michael Rann
Chairman

For the year ended 31 December 2020

		2020		2019	
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities	Note				
Net cash used in operating activities	14		(634)		(4,298)
Cash flows from investing activities:					
Interest income		109		391	
Purchase of fixed assets		(53)		(54)	
Net cash provided by investing activities			56		337
Change in cash and cash equivalents in the year			(578)		(3,961)
Cash and cash equivalents at the beginning of the year			20,926		24,676
Change in cash and cash equivalents due to exchange rate movements			208		211
Cash and cash equivalents at the end of the year			20,556		20,926

1 Accounting policies

a) Statutory information

Power of Nutrition is a charitable company limited by guarantee and is incorporated in England & Wales. The registered office address 50 Broadway, London, SW1H 0BL and the operational address is 114-118 Southampton Row, London, WC1B 5AA

b) Basis of preparation

The financial statements have been prepared in accordance with 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable foundation's ability to continue as a going concern and that they do not consider the impact of Covid 19 to have an impact on the ability of the foundation to continue as a going concern

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Presentational currency and foreign exchange

The presentational and functional currency of the charitable foundation is United States Dollars (USD). At the year end the exchange rate adopted was £1: USD 1.36 (Prior year £1: USD 1.32) Assets and liabilities in foreign currencies are translated into USD at the rate of exchange for the month in which the transaction was incurred. Exchange differences are shown on the statement of financial activities.

f) Income

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

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. In the case of FCDO match funding, NORAD and Platform funding which are classified as restricted, these type of funds are broadly restricted meaning they are not specific to a programme on booking and could be used across different programmes and geographies. Unrestricted funding can be utilised as required by the organisation, The Power of Nutrition's OPEX funding is classified as unrestricted.

h) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1 Accounting policies (continued)

i) Expenditure and irrecoverable VAT

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

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of grant-making undertaken to further the purposes of the charity and associated support costs

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

j) Grants payable

Grants payable are charged to the Statement of Financial Activities in the year in which the offer is conveyed to the recipient. The balance of grants payable due at the end of each reporting period are shown as creditors on the balance sheet.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

k) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

- Cost of raising funds	55%
- Grant making	30%
- Governance costs	15%

Governance costs are the costs associated with the governance arrangements of the charitable foundation. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charitable foundation's activities.

l) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

m) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds \$660 (£500). Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

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

- Leasehold improvements (over the life of the lease)	3 years
- Computer equipment	3 years

n) Intangible fixed assets

Intangible fixed assets acquired separately from the charity are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. The intangible asset is an Investment Management System which is in development and yet to go live hence no amortisation has been charged in the year.

1 Accounting policies (continued)

o) Debtors

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

p) Cash at bank and in hand

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

q) Creditors and provisions

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

The charitable foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

r) Pensions

The charitable foundation operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable foundation in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable foundation to the fund. The charitable foundation has no liability under the scheme other than for the payment of those contributions. All such contributions form part of unrestricted expenditure.

2 Income from grants

	Unrestricted	Restricted	2020	Unrestricted	Restricted	2019
	\$'000	\$'000	Total	\$'000	\$'000	Total
			\$'000			\$'000
Children's Investment Fund Foundation (CIFF)	2,800	764	3,564	3,400	-	3,400
Department for International Development (DFID)	-	8,040	8,040	-	4,683	4,683
Bill and Melinda Gates Foundation	3,000	-	3,000	-	-	-
Eleanor Crook Foundation	-	-	-	-	2,505	2,505
Rotary Foundation	-	-	-	-	5,000	5,000
NORAD	-	-	-	-	1,149	1,149
JSW Foundation	-	-	-	-	500	500
DFAT - Australian Government	-	500	500	-	500	500
Others	-	154	154	-	502	502
	5,800	9,458	15,258	3,400	14,839	18,239

2a Write backs against booked grant income

	Unrestricted	Restricted	2020	Unrestricted	Restricted	2019
	\$'000	\$'000	Total	\$'000	\$'000	Total
			\$'000			\$'000
Eleanor Crook Foundation	-	(2,500)	(2,500)	-	-	-
JSW Foundation	-	(2,500)	(2,500)	-	-	-
Asia Philanthropy Circle	-	(1,582)	(1,582)	-	-	-
Tata Trust	-	(10,000)	(10,000)	-	-	-
Grand Challenges Canada (GCC)	-	(2,400)	(2,400)	-	-	-
Department for International Development (DFID) (GCC Match Funds)	-	(2,449)	(2,449)	-	-	-
	-	(21,431)	(21,431)	-	-	-

The write back against grant income figures represent the withdrawal of grant commitments by the following donors which had been booked to grant income in earlier years (\$2.5m in respect of the Eleanor Crook Foundation and \$2.5m in respect of the JSW Foundation which were withdrawn ahead of the planned programmes). A further \$1.582m was withdrawn from our active Indonesian programme by the Asia Philanthropy Circle. In addition we have made write backs against Tata Trusts (\$10m) and Grand Challenges Canada (\$2.4m) where we are of the opinion that it is very unlikely that they will honour their initial commitments to the organisation. There is also an associated DFID match funding amount of \$2.449m for GCC that will not be received.

3a Analysis of expenditure - current year

	Cost of raising funds \$'000	Grant-making \$'000	Governance costs \$'000	Support costs \$'000	2020 Total \$'000	2019 Total \$'000
Staff costs (Note 6)	635	601	228	458	1,922	1,820
Other staff costs	82	60	71	15	228	87
Grant commitments	97	10,257	-	-	10,354	26,250
Premises	-	-	-	155	155	209
Travel	8	18	13	6	45	225
Office, IT and insurance	7	1	11	110	129	107
Communications and business development	16	1	-	3	20	105
Audit	-	-	30	-	30	22
Consultancy	100	24	-	82	206	133
Fundraising Intermediaries	28	-	-	-	28	55
Legal and professional fees	-	-	-	109	109	133
Depreciation	-	-	-	26	26	22
	973	10,962	353	964	13,252	29,168
Support costs	530	289	145	(964)	-	-
Governance costs	322	176	(498)	-	-	-
Total expenditure 2020	1,825	11,427	-	-	13,252	
Total expenditure 2019	1,784	27,384	-	-	29,168	

3b Analysis of expenditure - prior year

	Cost of raising funds \$'000	Grant-making \$'000	Governance costs \$'000	Support costs \$'000	2019 Total \$'000	2018 Total \$'000
Staff costs (Note 6)	738	646	71	365	1,820	1,924
Other staff costs	56	4	-	27	87	79
Grant commitments	-	26,250	-	-	26,250	49,914
Premises	-	-	-	209	209	153
Travel	118	71	25	11	225	264
Office, IT and insurance	3	1	-	103	107	83
Communications and business development	41	2	-	62	105	106
Audit	-	-	22	-	22	21
Consultancy	22	2	-	109	133	323
Fundraising Intermediaries	55	-	-	-	55	23
Legal and professional fees	2	-	-	131	133	129
Depreciation	-	-	-	22	22	28
	1,035	26,976	118	1,039	29,168	53,044
Support costs	571	312	156	(1,039)	-	-
Governance costs	177	97	(274)	-	-	-
Total expenditure 2019	1,784	27,384	-	-	29,168	
Total expenditure 2018	1,965	51,079	-	-	53,044	

4a Grant making - current year

	Grants to institutions \$'000	Support costs \$'000	2020 \$'000
Cost of grants	10,257	1,170	11,427

4b Grant making - prior year

	Grants to institutions \$'000	Support costs \$'000	2019 \$'000
Cost of grants	26,250	1,134	27,384

The Power of Nutrition makes charitable grants to its implementing partners to scale up quality, high-impact child and maternal nutrition programmes

In 2020, USD 10.3m (2019: USD 26.3m) was committed mainly across 2 nutrition programmes, namely Lesotho (\$5m) with the World Bank and our 2nd programme in Liberia (\$5m) with UNICEF.

5 Net loss for the year

This is stated after charging / (crediting):

	2020 \$'000	2019 \$'000
Depreciation	26	22
Operating lease rentals:		
Property	95	115
Auditor remuneration (excluding VAT):		
Audit	30	22
Other services	-	-
Foreign exchange gains	(208)	(211)

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2020 \$'000	2019 \$'000
Salaries and wages	1,643	1,505
Redundancy and termination costs	-	57
Social security costs	188	163
Employer's contribution to defined contribution pension schemes	54	44
Other forms of employee benefits	37	51
	1,922	1,820

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2020 No.	2019 No.
\$273,000 - \$285,999 (£210,000 - £220,000)	-	-
\$247,000 - \$259,999 (£190,000 - £210,000)	-	1
\$195,000 - £207,999 (£150,000 - £160,000)	1	-
\$182,000 - \$194,999 (£140,000 - £150,000)	1	-
\$169,000 - \$181,999 (£130,000 - £140,000)	-	-
\$156,000 - \$168,999 (£120,000 - £130,000)	-	1
\$143,000 - \$155,999 (£110,000 - £120,000)	1	1
\$130,000 - \$142,999 (£100,000 - £110,000)	1	-
\$104,000 - \$116,999 (£80,000 - £90,000)	2	1
\$91,000 - \$103,999 (£70,000 - £80,000)	1	1
\$78,000 - \$90,999 (£60,000 - £70,000)	4	-

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were \$945,455 (2019: \$962,946).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2019: \$nil). No charity trustee received payment for professional or other services supplied to the charity (2019: \$nil).

Travel expenses relating to trustees totalled \$2,937 (2019: \$17,719).

Related party transactions are disclosed in note 17.

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 20 (2019: 15.9).

	2020 No.	2019 No.
Raising funds	6.5	5.8
Grantmaking	7.3	6.2
Support	6.0	3.7
Governance	0.2	0.2
	20.0	15.9

8 Taxation

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

9a Tangible fixed assets

	Computer \$'000	Leasehold \$'000	Total \$'000
Cost or valuation			
At the start of the year	60	79	139
Additions in year	18	4	22
Disposals in year	-	-	-
At the end of the year	<u>78</u>	<u>83</u>	<u>161</u>
Depreciation			
At the start of the year	39	54	93
Charge for the year	14	12	26
Eliminated on disposal	-	-	-
At the end of the year	<u>53</u>	<u>66</u>	<u>119</u>
Net book value			
At the end of the year	<u>25</u>	<u>17</u>	<u>42</u>
At the start of the year	<u>21</u>	<u>25</u>	<u>46</u>

9b Intangible fixed assets

	IM system \$'000	Total \$'000
Cost or valuation		
At the start of the year	-	-
Additions in year	31	31
Disposals in year	-	-
At the end of the year	<u>31</u>	<u>31</u>

The Investment Management System is in development and yet to go live hence no amortisation has been charged in the year. All of the above assets are used for charitable purposes.

10 Debtors

	2020 \$'000	2019 \$'000
Grant income receivable	17,020	36,577
Other debtors	39	130
Prepayments	107	92
	<u>17,166</u>	<u>36,799</u>

\$8m (2019: \$22.5m) is classified as short-term debtors with the expectation of receiving these funds within 12 months of the year end date. \$9.2m (2019: \$14.5m) is classified being due for collection between 13 and 24 months post year end date.

11a Creditors: amounts falling due within one year

	2020	2019
	\$'000	\$'000
Trade creditors	5	81
Grant return payable to FCDO	-	1,000
Grants payable to UNICEF	3,969	2,639
Grants payable to the World Bank	-	2,000
Grants payable to CARE and Action Against Hunger	543	1,052
Grants payable to Save The Children	957	956
Accruals	85	251
Other creditors	995	67
	6,554	8,046

11b Creditors: amounts falling due between one and three years

	2020	2019
	\$'000	\$'000
Grants payable to UNICEF	6,076	5,462
Grants payable to CARE and Action Against Hunger	3,572	3,064
Grants payable to Save The Children	2,850	3,348
	12,498	11,874

12a Analysis of net assets between funds (current year)

	Unrestricted	Restricted	Total funds
	\$'000	\$'000	\$'000
Tangible fixed assets	42	-	42
Intangible fixed assets	31	-	31
Net assets	6,093	25,075	31,168
Long term liabilities	-	(12,498)	(12,498)
Net assets at 31 December 2020	6,166	12,577	18,743

12b Analysis of net assets between funds (prior year)

	Unrestricted	Restricted	Total funds
	\$'000	\$'000	\$'000
Tangible fixed assets	46	-	46
Net assets	2,994	46,685	49,679
Long term liabilities	-	(11,874)	(11,874)
Net assets at 1 January 2019	3,040	34,811	37,851

13a Movement in funds (year 2020)

By Programme/Funder	Bal 1 Jan 2020 \$'000	Total Incoming Resources \$'000	Total Resources Expensed \$'000	Transfers \$'000	Bal 31 Dec 2020 \$'000
Unrestricted					
OPEX funding	3,040	6,024	(2,898)	-	6,166
Restricted					
(a) FCDO Match funding	9,941	(911)	-	-	9,030
(b) NORAD funding	1,591	-	-	-	1,591
(c) Platform Funding	9,672	(96)	-	-	9,576
(d) Maharashtra programme	(2,500)	691	-	-	(1,809)
(e) Indonesia programme	(2,000)	(1,082)	-	-	(3,082)
(f) Gujarat programme	(2,500)	-	-	-	(2,500)
(g) Benin programme	(2,500)	-	-	-	(2,500)
(h) Research Programmes	100	65	(226)	-	(61)
(i) ECF Funder	2,500	(2,500)	-	-	-
(j) JSW Funder	2,500	(2,500)	-	-	-
(k) Comic Relief (USA) Funder	576	-	-	-	576
(l) Rotary Foundation Funder	5,000	-	-	-	5,000
(m) TATA Foundation Funder	10,000	(10,000)	-	-	-
(n) GCC Funder	2,400	(2,400)	-	-	-
(o) Lesotho programme	-	5,000	(5,000)	-	-
(p) Liberia 2 programme	-	1,667	(5,000)	-	(3,333)
(q) Unilever programme	-	70	(53)	-	17
Other	31	116	(75)	-	72
Total Restricted	34,811	(11,880)	(10,354)	-	12,577
Total Funds	37,851	(5,856)	(13,252)	-	18,743

Purposes of unrestricted funds

These funds are not restricted for a specific purpose and can be utilised as required by the organisation. In practise these funds are used to fund the operating expenses of The Power of Nutrition.

Purposes of restricted funds

Restricted funds are to be used for specific purposes as advised by the donor (i.e in a specific programme or geography), some of these restricted funds above are classified as broadly restricted funds (see a-c) which means these funds can be used across different programmes and geographies including transfers to other funds that may be in deficit if required.

Restricted Funds description**(a) FCDO match funds**

FCDO match funds will be used to fund nutrition programmes across various geographies with the exception of India.

(b) NORAD funding

Norad funding can be used across The Power of Nutrition approved programmes but this funding is intended for our Bangladesh programme and our Mobile Doctorni programme in India which is still to be launched.

(c) Platform Funding

Platform Funding is aimed to be used within nutrition programmes when required.

(d) Maharashtra programme

Funding for the Maharashtra programme supports the strengthening of the implementation capacity and and delivery of essential nutrition services in Maharashtra at both State and District levels for the benefit of children and mothers. The negative balance at the end of 2020 reflects funds committed to those activities and for which monies are expected to be received in the 2021 to 2024 years from the Children's Investment Fund Foundation.

In year 2021, \$582k was received from the Children's Investment Fund Foundation towards the Maharashtra programme.

(e) Indonesia programme

Funding for the BISA programme in Indonesia, this programme is assisting the Government of Indonesia in transforming the lives of women, adolescent girls and young children, enabling them to access better nutrition and helping children reach their full potential. The negative balance at the end of 2020 reflects funds committed to those activities and for which \$1,500k is expected to be received in the 2021 to 2023 years from DFAT. To cover the remaining \$1,582k negative, we are looking for a replacement funder (year 2021 to 2023) after the withdrawal by APC of their funding commitment for this programme.

In year 2021, \$500k was received from DFAT towards the BISA programme in Indonesia.

(f) Gujarat programme

Funding for the Gujarat nutrition programme which will support the State Government of Gujarat to deliver its stunting reduction programme. The negative balance at the end of 2020 reflects funds committed to those activities and which monies are expected to be received in the period 2021 to 2024.

(g) Benin programme

Funding for the Benin programme is to support the Government of Benin's national nutrition programme which is expected to avert 9,000 cases of stunting amongst children; avert 85,400 cases of maternal anaemia and 1,000 child deaths. The negative balance at the end of 2020 reflects funds committed to those activities and for which monies are expected to be received in the period 2021-2024.

(h) Research programmes

Funding for supporting research primarily linking good nutrition with improved business returns and uplift in a country's GDP.

The negative balance at the end of 2020 reflects funds committed to those activities and which monies are expected to be received in the period 2021.

(i) ECF funder

Funding from the Eleanor Crooke Foundation (ECF) for a future nutrition programme that has been withdrawn.

(j) JSW funder

Funding from the JSW Foundation for a future nutrition programme that has been withdrawn.

(k) Comic Relief (USA) Funder

Funding that is to support the Burkina Faso programme, this programme is supporting the nutrition component of the Government of Burkina Faso's Health Services reinforcement Project

(l) Rotary Foundation funder

Funding from the Rotary Foundation for a future nutrition programme

(m) TATA Foundation funder

Funding from the TATA Foundation to support future nutrition programmes, written back against income as unlikely to be honoured

(n) GCC funder

Funding from Grand Challenges Canada to support future nutrition programmes , written back against income as unlikely to be honoured.

(o) Lesotho programme

Funding for the Lesotho programme aimed at increasing the utilisation and quality of key nutrition and health services and improving nutrition related behaviour change.

(p) Liberia 2 programme

Funding for our 2nd programme in Liberia, working to improve nutrition at scale in Liberia and supporting the implementation of the Liberian government's national nutrition programme and 2018 nutrition policy. The negative balance at the end of 2020 reflects funds committed to those activities and for which monies are expected to be received in the 2021 to 2023 years from Medicor and FCDO.

In year 2021, we received funding of \$1,323k from FCDO and \$200k from Medicor towards the Liberia 2 programme.

(q) Unilever programme

Funding from Unilever that will be used for a future programme in India

13b Movement in funds (year 2019)

By Programme/Funder	Bal 1 Jan 2019 \$'000	Total Incoming Resources \$'000	Total Resources Expensed \$'000	Transfers \$'000	Bal 31 Dec 2019 \$'000
Unrestricted					
OPEX funding	2,338	3,620	(2,918)	-	3,040
Restricted					
(a) FCDO Match funding	5,260	4,681	-	-	9,941
(b) NORAD funding	497	1,149	(55)	-	1,591
(c) Platform Funding	9,288	384	-	-	9,672
(d) Burkina Faso programme	11,100	-	(11,100)	-	-
(e) Maharashtra programme	2,500	-	(5,000)	-	(2,500)
(f) Indonesia programme	2,250	750	(5,000)	-	(2,000)
(g) Gujarat programme	2,500	-	(5,000)	-	(2,500)
(h) Benin programme	(2,500)	-	-	-	(2,500)
(i) Research Programmes	(55)	250	(95)	-	100
(j) ECF Funder	-	2,500	-	-	2,500
(k) JSW Funder	2,000	500	-	-	2,500
(l) Comic Relief (USA) Funder	576	-	-	-	576
(m) Rotary Foundation Funder	-	5,000	-	-	5,000
(n) TATA Foundation Funder	10,000	-	-	-	10,000
(o) GCC Funder	2,400	-	-	-	2,400
Other	24	7	-	-	31
Total Restricted	45,840	15,221	(26,250)	-	34,811
Total Funds	48,178	18,841	(29,168)	0	37,851

Purposes of unrestricted funds

These funds are not restricted for a specific purpose and can be utilised as required by the organisation. In practise these funds are used to fund the operating expenses of The Power of Nutrition.

Purposes of restricted funds

Restricted funds are to be used for specific purposes as advised by the donor (i.e in a specific programme or geography), some of these restricted funds above are classified as broadly restricted funds (see a-c) which means these funds can be used across different programmes and geographies including transfers to other funds that may be in deficit if required.

Restricted Funds description

(a) FCDO match funds

FCDO match funds will be used to fund nutrition programmes across various geographies with the exception of India.

(b) NORAD funding

Norad funding can be used across The Power of Nutrition approved programmes but this funding is intended for our Bangladesh programme and our Mobile Doctorn programme in India which is still to be launched.

(c) Platform Funding

Platform Funding is aimed to be used within nutrition programmes when required.

(d) Burkina Faso programme

Funding for the Burkina Faso programme supports the nutrition component of the Government of Burkina Faso's Health Services Reinforcement Project.

(e) Maharashtra programme

Funding for the Maharashtra programme supports the strengthening of the implementation capacity and and delivery of essential nutrition services in Maharashtra at both State and District levels for the benefit of children and mothers. The negative balance at the end of 2019 reflects funds committed to those activities and for which monies are expected to be received in the 2020 to 2024 years from the Children's Investment Fund Foundation.

(f) Indonesia programme

Funding for the BISA programme in Indonesia, this programme is assisting the Government of Indonesia in transforming the lives of women, adolescent girls and young children, enabling them to access better nutrition and helping children reach their full potential. The negative balance at the end of 2019 reflects funds committed to those activities and for which monies are expected to be received in the 2020 to 2023 years from DFAT.

(g) Gujarat programme

Funding for the Gujarat nutrition programme which will support the State Government of Gujarat to deliver its stunting reduction programme. The negative balance at the end of 2019 reflects funds committed to those activities and which monies are expected to be received in the period 2020 to 2024.

(h) Benin programme

Funding for the Benin programme is to support the Government of Benin's national nutrition programme which is expected to avert 9,000 cases of stunting amongst children; avert 85,400 cases of maternal anaemia and 1,000 child deaths. The negative balance at the end of 2019 reflects funds committed to those activities and for which monies are expected to be received in the period 2020-2024.

(i) Research programmes

Funding for supporting research primarily linking good nutrition with improved business returns and uplift in a country's GDP.

(j) ECF funder

Recognising incoming funding from the Eleanor Crooke Foundation (ECF) for a future nutrition programme.

(k) JSW funder

Recognising funding from the JSW Foundation for a future nutrition programme.

(l) Comic Relief (USA) Funder

Funding that is to support the Burkina Faso programme, this programme is supporting the nutrition component of the Government of Burkina Faso's Health Services reinforcement Project

(m) Rotary Foundation funder

Recognising incoming funding from the Rotary Foundation for a future nutrition programme.

(n) TATA Foundation funder

Funding from the TATA Foundation to support future nutrition programmes.

(o) GCC funder

Funding from Grand Challenges Canada to support future nutrition programmes

14 Reconciliation of net loss to net cash flow from operating activities

	2020	2019
	\$'000	\$'000
Net loss for the reporting period (as per the statement of financial activities)	(19,316)	(10,538)
Depreciation charges	26	22
Interest income	(109)	(391)
Decrease/(Increase) in debtors	19,633	(1,602)
(Decrease)/Increase in creditors	(868)	8,211
Net cash provided by operating activities	(634)	(4,298)

15 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods. These leases relate to property.

	2020	2019
	\$'000	\$'000
Less than one year	134	118
Years two to five	279	400
	413	518

16 Legal status of the charitable foundation

The charitable foundation is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to \$1.36 (£1).

17 Related party transactions

One trustee of the charitable foundation was a senior employee of CIFF during the year. The charitable foundation received \$3.6m of income from CIFF (2019: \$3.4m) during the year.

One trustee of the charitable foundation is a partner of the legal firm BDB Pitmans. The Power of Nutrition paid \$81,443 (2019: \$100,964) in legal fees to BDB Pitmans in the year. All transactions were at an arm's length basis.

18 Post balance sheet event

At the end of April 2021 we were advised by FCDO that due to the UK government reducing the spend on International Aid from 0.7% of Gross National Income to 0.5%, our budget allocation from FCDO for the 2021/2022 year would reduce from \$9.7m to \$4.1m. Despite the cuts, we have been able to protect the majority of our programmes with just 2 out of 17 existing programmes requiring additional funding over the next 2 year period to cover the gap in funding. Currently we have no certainty over funding commitments from FCDO for 2022 or beyond.