# ALQUITY TRANSFORMING LIVES FOUNDATION

England & Wales · Charity number 1162494

## Details

| | |
|---|---|
| **Other names** | ALQUITY FOUNDATION |
| **Status** | Registered |
| **Legal form** | Charitable company |
| **Company number** | 09405449 |
| **Registered** | 2015-07-02 |
| **Register** | View on the Charity Commission register |

## Contact

| | |
|---|---|
| **Address** | Alquity Transforming Lives Foundation<br>Audrey House<br>16-20 Ely Place<br>London<br>EC1N 6SN |
| **Phone** | 02075577850 |
| **Email** | Francisco.Almada@alquity.com |

## Activities

**Objects:** 3.1 THE OBJECTS OF THE CHARITY (THE "OBJECTS") ARE, FOR THE PUBLIC BENEFIT, TO ADVANCE SUCH CHARITABLE PURPOSES ANYWHERE IN THE WORLD (ACCORDING TO THE LAW OF ENGLAND AND WALES) AS THE TRUSTEES SEE FIT FROM TIME TO TIME, IN PARTICULAR BUT WITHOUT LIMITATION: 3.1.1 THE PREVENTION OR RELIEF OF POVERTY OR FINANCIAL HARDSHIP, INCLUDING BY PROVIDING OR ASSISTING IN THE PROVISION OF TRAINING, HEALTHCARE PROJECTS AND ALL THE NECESSARY SUPPORT DESIGNED TO ENABLE INDIVIDUALS TO GENERATE A SUSTAINABLE INCOME AND BE SELF-SUFFICIENT;3.1.2 TO ADVANCE EDUCATION AND TO DEVELOP THE CAPACITY AND SKILLS OF PEOPLE WHO ARE SOCIALLY AND ECONOMICALLY DISADVANTAGED;3.1.3 THE RELIEF OF UNEMPLOYMENT IN SUCH WAYS AS MAY BE THOUGHT FIT, INCLUDING ASSISTANCE TO FIND EMPLOYMENT;3.1.4 THE RELIEF OF SICKNESS AND THE PRESERVATION OF HEALTH, INCLUDING BY PROVIDING OR ASSISTING IN THE PROVISION OF EQUIPMENT, FACILITIES AND SANITATION SERVICES.3.2 THIS ARTICLE 3 MAY BE AMENDED BY SPECIAL RESOLUTION BUT ONLY WITH THE PRIOR WRITTEN CONSENT OF THE COMMISSION.

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**Activities:** At Alquity we channel our donations into credible organisations?delivering sustainable?and transformational projects?-?to lift those living in extreme or relative poverty off?the bottom rungs of the ladder and stimulate economic growth from the grass-roots up.

## Classification

- **How:** Makes Grants To Organisations, Provides Other Finance
- **What:** Education/training, The Prevention Or Relief Of Poverty, Economic/community Development/employment
- **Who:** Children/young People, Other Charities Or Voluntary Bodies, The General Public/mankind

## Geography

- Brazil
- Ghana
- India
- Kenya
- Peru
- Vietnam

## Finances

| Period end | Income | Expenditure | Assets | Employees |
|---|---|---|---|---|
| 2025-06-30 | £131,375 | £53,316 | - | - |
| 2024-06-30 | £68,313 | £55,662 | - | - |
| 2023-06-30 | £82,694 | £67,672 | - | - |
| 2022-06-30 | £124,363 | £64,125 | - | - |
| 2021-06-30 | £86,583 | £71,915 | - | - |

## Trustees

| Name | Role | Appointed |
|---|---|---|
| **David Brocklebank** | Chair | 2017-08-14 |
| Julia Riches | | 2026-05-20 |
| Natasha Kwakwa | | 2026-05-20 |
| Paul Howard Robinson | | 2015-01-26 |
| Veena Giridhar Gopal | | 2017-08-01 |

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**ALQUITY TRANSFORMING LIVES FOUNDATION**

England & Wales - Charity number 1162494

# Accounts

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**REGISTERED COMPANY NUMBER: 09405449 (England and Wales)**
**REGISTERED CHARITY NUMBER: 1162494**

# ALQUITY TRANSFORMING LIVES FOUNDATION

## REPORT OF THE TRUSTEES AND

## AUDITED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2025

Mercer Lewin Ltd
Chartered Accountants and Registered Auditors
6-7 Citibase
New Barclay House
234 Botley Road
Oxford
OX2 0HP

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**ALQUITY TRANSFORMING LIVES FOUNDATION**

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**ALQUITY TRANSFORMING LIVES FOUNDATION**

**REPORT OF THE TRUSTEES**
**FOR THE YEAR ENDED 30 JUNE 2025**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 June 2025. The trustees have adopted the provisions of 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) (effective 1 January 2019).

## OBJECTIVES AND ACTIVITIES

### Objectives and aims

The Charity receives a regular donation from Alquity Investment Management Limited, based on its revenues, and this forms the primary source of funding for the charity. In the current period and looking forward, the Trustees are focusing on projects that promote the creation of sustainable livelihoods (UN Sustainable Development Goal 8). Our continued commitment to this focus area is supported by the most recent data and insight provided by the UN and the International Labour Organization.

As of 2024, 1 in 5 of the world's youth aged 15 to 24 were not in education, employment, or training (NEET). The gender gap within NEET rates also remains significant. In 2024, 14% of young men and almost 30% of young women were classified as NEET.

The International Labour Organization (ILO) reported that the global youth unemployment rate was 12.8% 2024. While the overall rate is reducing, the recovery in youth employment has not been uniform across all regions. Some regions, particularly the Arab States, East Asia, and South-East Asia and the Pacific, continue to face higher youth unemployment rates than pre- pandemic levels.

Furthermore, despite the overall decline, millions of young people still face challenges in finding decent work, and the ILO highlights concerns about the precarity of many jobs that are available. People in marginalized communities, like those served by our grantee partners, often lack the education, life skills, and technical knowledge needed for formal employment. Globally, over 60% of the workforce is in the informal economy, with significant regional variations; Africa has the highest percentage of informal employment (85.8%), followed by Asia and the Pacific (68.2%), and the Americas (40.0%). Jobs in the informal economy tend to be of lower value, lower quality, and are more precarious.

Inadequate education systems are a key contributory factor holding back the potential of economically disadvantaged populations. In many emerging market countries, more than 30% of students leave middle school having failed to achieve elementary school achievement levels in numeracy and literacy. As a result, they enter the workforce unprepared, limiting their ability to secure well-paying jobs - and with limited opportunities, many young people turn to gangs, lured by promises of easy income-often leading to injury, incarceration, or death.

Far too often, women are left behind and under-represented in political and economic decision- making processes and in the labour market. According to UN Women, in 2024, women's labour force participation in emerging markets shows significant regional disparities, with high rates in sub-Saharan Africa (Madagascar 82.6%, Nigeria 80.7%) and very low rates in parts of South Asia and the Middle East (India 32.8% in Southeast Asia, Afghanistan 5.1%). In 2024, care responsibilities remain the primary barrier, keeping over 700 million women globally out of the workforce. The global gender gap remains roughly 30 percentage points. Without decisive action, it could take another 68 years to achieve equal pay (UN).

With this context in mind, the focus of the Foundation is on social and economic challenges that changes in corporate behaviour alone cannot address. The Foundation's grants and financial support aim to:

- Help develop fairer, more sustainable economies that deliver inclusive long-term growth in the countries where Alquity invests,
- Support local entrepreneurs and SMEs to develop or grow their businesses,
- Support economic and social inclusion, particularly of women and girls.

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**Objectives and aims - continued**
Historically, the Foundation has given out grants to charity partners focusing on:

- Providing access to formal education and employment,
- Targeting sections of the community discriminated against or excluded due to social norms and pressures,
- Providing support and access to finance to overcome poverty traps and help responsibly run small and medium enterprises to scale and create employment opportunities.

## ACHIEVEMENTS AND PERFORMANCE

**Charitable activities**
During the year ending 30 June 2025 the Foundation focused primarily on the preparation and delivery of the Transforming Lives Awards programme, which is the Foundation's flagship initiative for identifying and supporting high-impact organisations working to improve livelihoods and economic opportunity in emerging markets.

The Transforming Lives Awards are designed to identify and recognise outstanding social enterprises and community organisations whose work contributes to inclusive economic growth, employment creation, and improved livelihood opportunities for marginalised communities.

During the reporting period the Foundation designed and launched the 2025 Awards process and undertook a global search to identify promising organisations aligned with the Foundation's objectives. This process involved the review of expert intermediary organisations and the selection of EMpower, The Emerging Markets Foundation to act as the facilitation partner for the awards and subsequent grant making process. A grant of £100,000 was agreed with EMpower to cover:

- EMpower's facilitation of the Awards process,
- The funding (sub-grants) for disbursement to the awardees,
- The management of the sub-grants and provision of accompaniment and technical support as required by the awardees.

25 Awards candidates from EMpower's global grantee portfolio were reviewed alongside candidates identified in collaboration with Alquity investee companies as well as through Alquity staff recommendations.

Following a structured shortlisting process including review by an independent panel in June 2025, the Trustees selected three organisations as Transforming Lives Award recipients:

- ROLE Foundation, based in Indonesia, which works to support sustainable livelihoods for adolescent girls and environmental stewardship through community-based training and enterprise development.
- Aspire Youth, in South Africa - an organisation supporting young people through programmes designed to build employability skills, confidence and pathways into work.
- Sozo Foundation, also based in South Africa, which works with young people in disadvantaged communities to provide education, life skills and employment opportunities.

The selection of these organisations took place within the reporting period, with the grant funding provided to EMpower and partnership agreements with the awardees progressing in the subsequent financial year. Grant allocations to the three organisations totalled approximately $84,500, with ROLE Foundation receiving $32,500, Sozo Foundation $32,000, and Aspire Youth $20,000. A further allocation of approximately $23,000 was reserved for a second round of grants to the same organisations, alongside £20,000 retained by EMpower to provide technical support, accompaniment, and knowledge sharing across the partnership during 2026.

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Through the Awards selection process, the Foundation also identified a co-funding opportunity with Mr Price Foundation in South Africa (the corporate foundation of an Alquity investee company, Mr Price) to support an innovative urban farming enterprise development programme working with disadvantaged youth. Joint planning continued through year-end with the intention to commence financial support in the following financial year.

During the year the Foundation also agreed a parallel co-funding arrangement with the Ashmore Foundation in support of the ROLE Foundation in Indonesia. Both organisations committed to provide $32,000 to ROLE in the subsequent financial year, with Ashmore funding sixteen girls through ROLE's BaliWISE skills training programme and ATLF funding the construction of a new bamboo classroom facility. The classroom will benefit all BaliWISE students - approximately 100 per year - as well as the broader community of participants engaged through ROLE's ZeroWaste programme, estimated at 1,400 people annually. While the two grants operate independently and through separate channels, the Foundation worked with ROLE to integrate both into a single reporting and accountability framework, reducing the administrative burden on the organisation and strengthening the coherence of the overall investment.

Alongside the Awards programme, the Trustees continued to engage with and monitor the progress of organisations supported through previous Transforming Lives Awards cycles and other grant partnerships.

During the year, the Trustees also undertook a review of programme-related investments held by the Foundation to ensure that their valuation and accounting treatment remained appropriate and reflected current circumstances.

## FINANCIAL REVIEW

### Financial position

During the year the Foundation received £62,648.40 in donations from Alquity Investment Management. No grants or new programme-related investments were made during the reporting period.

During the year the Foundation recruited a Foundation Lead on a two-days-per-week basis, commencing in March, to support the delivery of the 2025 Transforming Lives Awards programme.

The Trustees also undertook a review of the Foundation's programme-related investments, and provisions were made against the values of those investments where considered appropriate.

### Reserves

At all times, the Foundation's policy is to maintain a minimum of £25,000 of cash (or cash-like instruments) reserves.

In addition, it is the intent that any future committed grants would be covered by existing reserves and a maximum of 50% of the annualised, current three-month donation accrual rate. If 50% of the current rate is insufficient, then the donations stream will be used to accumulate a cash balance until such time as this metric is met.

The Foundation continued to hold some of its cash reserves with Oikocredit, a social impact investment organisation that provides loans to microfinance institutions and other enterprises in developing countries.

During the period the Trustees indicated their intention to withdraw the remaining funds held with Oikocredit in order to support the resourcing of the 2025 Transforming Lives Awards programme in the subsequent financial year. The withdrawal of these funds was completed following the year end, with the full balance returned to the Foundation.

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## FUTURE PLANS

Following the successful identification of three new awardee organisations through the 2025 Transforming Lives Awards process, the Foundation moved swiftly to establish partnerships with the selected organisations. Following the year end, grant agreements were completed with all three Transforming Lives Award recipients - ROLE Foundation, Aspire Youth, and Sozo Foundation - with funding disbursements commencing in the subsequent financial year, focusing on youth employment readiness, livelihoods, and economic inclusion in South Africa and Indonesia. A co-funding arrangement with Mr Price Foundation also progressed to commitment stage for funding in 2026.

The Foundation also intends to continue strengthening engagement with Alquity colleagues and partners in order to expand the reach and impact of its charitable activities.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

## REFERENCE AND ADMINISTRATIVE DETAILS

### Registered Company number

09405449 (England and Wales)

### Registered Charity number

1162494

### Registered office

9 Kingsway
London
WC2B 6XF

### Trustees

D M Brocklebank Chair
V A P Giridhar Gopal
P H Robinson Co-chair

### Auditors

Mercer Lewin Ltd
Chartered Accountants and Registered Auditors
6-7 Citibase
New Barclay House
234 Botley Road
Oxford
OX2 0HP

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## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Alquity Transforming Lives Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the trustees must not approve the financial statements unless they are satisfied that they 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

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

## AUDITORS

The auditors, Mercer Lewin Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 23 March 2026 and signed on its behalf by:

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P H Robinson - Trustee

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## REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ALQUITY TRANSFORMING LIVES FOUNDATION

### Opinion

We have audited the financial statements of Alquity Transforming Lives Foundation (the 'charitable company') for the year ended 30 June 2025 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 30 June 2025 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; and
- 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 Auditors' 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 charitable company'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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify 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.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

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## REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ALQUITY TRANSFORMING LIVES FOUNDATION

### Responsibilities of trustees

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

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

### Our responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We discussed the framework in which the company operates with senior management and in conjunction with our experience of the industry in which the company operates, sought to identify laws and regulations which are critical to the company's business. As a registered charity, the company is obliged to comply with regulations issued by The Charity Commission of England and Wales. Compliance with those regulations, including the need to make reports to the commission/regulator, was reviewed.

- As part of routine audit procedures, the possibility of non-compliance with general laws (e.g., employment law, health and safety regulations) were considered, in response to the assessed risks in relation to these laws and regulations.

- The risks of fraud were discussed with senior management, including details of any known instances. Our records of the company's systems and procedures was reviewed by the audit team (including the audit engagement partner) to identify possible areas where fraud might occur.

- The above procedures were undertaken by the audit team as a whole, led by the audit engagement partner. In this way the audit engagement partner was able to obtain assurance the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations and the possibility of irregularities arising from fraud.

- To address the risk of fraud through management bias and override of controls, we:
  - performed analytical procedures to identify any unusual or unexpected relationships;
  - tested journal entries to identify unusual transactions;
  - assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
  - investigated the rationale behind significant or unusual transactions.

- In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
  - agreeing financial statement disclosures to underlying supporting documentation;
  - reading the minutes of meetings of those charged with governance; and
  - enquiring of management as to actual and potential litigation and claims.

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**Our responsibilities for the audit of the financial statements – continued**

- There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

- Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Management Committee and other management and the inspection of regulatory and legal correspondence, if any.

- Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Use of our report**

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mercer Lewin Ltd
Chartered Accountants and Registered Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
6-7 Citibase
New Barclay House
234 Botley Road
Oxford
OX2 0HP

Date: 23 March 2026

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**ALQUITY TRANSFORMING LIVES FOUNDATION**

**STATEMENT OF FINANCIAL ACTIVITIES**
**FOR THE YEAR ENDED 30 JUNE 2025**

| | Notes | Unrestricted fund £ | Restricted fund £ | 2025 Total funds £ | 2024 Total funds £ |
|---|---|---|---|---|---|
| **INCOME AND ENDOWMENTS FROM** | | | | | |
| Donations and legacies | | 131,375 | - | 131,375 | 68,063 |
| Investment income | 2 | - | - | - | 250 |
| **Total** | | 131,375 | - | 131,375 | 68,313 |
| **EXPENDITURE ON** | | | | | |
| Raising funds | 3 | 42,518 | - | 42,518 | - |
| **Charitable activities** | | | | | |
| Sustainable development | | 10,798 | - | 10,798 | 55,662 |
| **Total** | | 53,316 | - | 53,316 | 55,662 |
| Net gains/(losses) on investments | | (9,979) | - | (9,979) | - |
| **NET INCOME** | | 68,080 | - | 68,080 | 12,651 |
| **RECONCILIATION OF FUNDS** | | | | | |
| Total funds brought forward | | 442,581 | - | 442,581 | 429,930 |
| **TOTAL FUNDS CARRIED FORWARD** | | 510,661 | - | 510,661 | 442,581 |

The notes form part of these financial statements

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**ALQUITY TRANSFORMING LIVES FOUNDATION**

**BALANCE SHEET**
**30 JUNE 2025**

| | Notes | Unrestricted fund £ | Restricted fund £ | 2025 Total funds £ | 2024 Total funds £ |
|---|---|---|---|---|---|
| **CURRENT ASSETS** | | | | | |
| Debtors | 7 | 105,581 | - | 105,581 | 287,522 |
| Investments | 8 | 388,768 | - | 388,768 | 138,747 |
| Cash at bank | | 21,412 | - | 21,412 | 21,412 |
| | | 515,761 | - | 515,761 | 447,681 |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 9 | (5,100) | - | (5,100) | (5,100) |
| **NET CURRENT ASSETS** | | 510,661 | - | 510,661 | 442,581 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 510,661 | - | 510,661 | 442,581 |
| **NET ASSETS** | | 510,661 | - | 510,661 | 442,581 |
| **FUNDS** | 10 | | | | |
| Unrestricted funds | | | | 510,661 | 442,581 |
| **TOTAL FUNDS** | | | | 510,661 | 442,581 |

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2025.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for
(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 23 March 2026 and were signed on its behalf by:

DocuSigned by:
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P H Robinson - Trustee

The notes form part of these financial statements

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## 1. ACCOUNTING POLICIES

### BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

### INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

### EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

### TAXATION

The charity is exempt from corporation tax on its charitable activities.

### FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

### PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

## 2. INVESTMENT INCOME

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| Interest received | - | 250 |

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## 3. RAISING FUNDS

### RAISING DONATIONS AND LEGACIES

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| Support costs | 42,518 | - |

## 4. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| Auditors' remuneration | 2,250 | 2,700 |

## 5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2025 nor for the year ended 30 June 2024.

### TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 30 June 2025 nor for the year ended 30 June 2024.

## 6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted fund | Restricted fund | Total funds |
|---|---|---|---|
| | £ | £ | £ |
| **INCOME AND ENDOWMENTS FROM** | | | |
| Donations and legacies | 68,063 | - | 68,063 |
| Investment income | 250 | - | 250 |
| **Total** | 68,313 | - | 68,313 |
| **EXPENDITURE ON** | | | |
| **Charitable activities** | | | |
| Sustainable development | 55,662 | - | 55,662 |
| **NET INCOME** | 12,651 | - | 12,651 |
| **RECONCILIATION OF FUNDS** | | | |
| Total funds brought forward | 429,930 | - | 429,930 |
| **TOTAL FUNDS CARRIED FORWARD** | 442,581 | - | 442,581 |



continued...

Docusign Envelope ID: FB99DF13-E443-4A07-8FB1-101E5FEF7C63



## 7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| Alquity Investment Management | 105,581 | 287,522 |

## 8. CURRENT ASSET INVESTMENTS

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| Programme related investments | 338,768 | 88,747 |
| OIKO investment | 50,000 | 50,000 |
| | 388,768 | 138,747 |

## 9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| Accruals | 5,100 | 5,100 |

## 10. MOVEMENT IN FUNDS

| | At 1/7/24 | Net movement in funds | At 30/6/25 |
|---|---|---|---|
| | £ | £ | £ |
| **Unrestricted funds** | | | |
| General fund | 442,581 | 68,080 | 510,661 |
| **TOTAL FUNDS** | 442,581 | 68,080 | 510,661 |

Net movement in funds, included in the above are as follows:

| | Incoming resources | Resources expended | Gains and losses | Movement in funds |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Unrestricted funds** | | | | |
| General fund | 131,375 | (53,316) | (9,979) | 68,080 |
| **TOTAL FUNDS** | 131,375 | (53,316) | (9,979) | 68,080 |

**Comparatives for movement in funds**

| | At 1/7/23 | Net movement in funds | At 30/6/24 |
|---|---|---|---|
| | £ | £ | £ |
| **Unrestricted funds** | | | |
| General fund | 429,930 | 12,651 | 442,581 |
| **TOTAL FUNDS** | 429,930 | 12,651 | 442,581 |



continued...

Docusign Envelope ID: FB99DF13-E443-4A07-8FB1-101E5FEF7C63



## 10. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---|---|---|---|
| **Unrestricted funds** | | | |
| General fund | 68,313 | (55,662) | 12,651 |
| **TOTAL FUNDS** | 68,313 | (55,662) | 12,651 |

A current year 12 months and prior year 12 months combined position is as follows:

| | At 1/7/23 £ | Net movement in funds £ | At 30/6/25 £ |
|---|---|---|---|
| **Unrestricted funds** | | | |
| General fund | 429,930 | 80,731 | 510,661 |
| **TOTAL FUNDS** | 429,930 | 80,731 | 510,661 |

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 199,688 | (108,978) | (9,979) | 80,731 |
| **TOTAL FUNDS** | 199,688 | (108,978) | (9,979) | 80,731 |

## 11. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 30 June 2025.

Docusign Envelope ID: FB99DF13-E443-4A07-8FB1-101E5FEF7C63

**ALQUITY TRANSFORMING LIVES FOUNDATION**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**
**FOR THE YEAR ENDED 30 JUNE 2025**

| | 2025<br>£ | 2024<br>£ |
|---|---|---|
| **INCOME AND ENDOWMENTS** | | |
| **Donations and legacies** | | |
| Donations | 131,375 | 68,063 |
| **Investment income** | | |
| Interest received | - | 250 |
| **Total incoming resources** | 131,375 | 68,313 |
| **EXPENDITURE** | | |
| **Charitable activities** | | |
| Rates and water | - | 6,105 |
| Donations payments | 10,600 | 20,036 |
| Website costs | 198 | 870 |
| | 10,798 | 27,011 |
| **Support costs** | | |
| **Management** | | |
| Wages | 27,500 | 20,071 |
| Social security | 3,173 | 2,770 |
| Pensions | 303 | - |
| Advertising | - | 1,850 |
| Sundries | 372 | - |
| | 31,348 | 24,691 |
| **Finance** | | |
| Bank charges | - | 28 |
| Exchange rate gains/losses | - | 1,232 |
| | - | 1,260 |
| **Governance costs** | | |
| Auditors' remuneration | 2,250 | 2,700 |
| Professional fees | 8,920 | - |
| | 11,170 | 2,700 |
| Total resources expended | 53,316 | 55,662 |
| **Net income before gains and losses** | 78,059 | 12,651 |
| **Realised recognised gains and losses** | | |
| Realised gains/(losses) on programme related investments | (9,979) | - |
| **Net income** | 68,080 | 12,651 |

**ALQUITY TRANSFORMING LIVES FOUNDATION**

England & Wales - Charity number 1162494

# Accounts

Docusign Envelope ID: B5450478-FC4B-476C-BAD8-6E0BB3736C60

**REGISTERED COMPANY NUMBER: 09405449 (England and Wales)**
**REGISTERED CHARITY NUMBER: 1162494**

# ALQUITY TRANSFORMING LIVES FOUNDATION

## REPORT OF THE TRUSTEES AND

## AUDITED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2024

Mercer Lewin Ltd
Chartered Accountants and Registered Auditors
6-7 Citibase
New Barclay House
234 Botley Road
Oxford
OX2 0HP

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**ALQUITY TRANSFORMING LIVES FOUNDATION**

**CONTENTS OF THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 30 JUNE 2024**


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**ALQUITY TRANSFORMING LIVES FOUNDATION**

**REPORT OF THE TRUSTEES**
**FOR THE YEAR ENDED 30 JUNE 2024**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 June 2024. The trustees have adopted the provisions of 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) (effective 1 January 2019).

## OBJECTIVES AND ACTIVITIES

### Objectives and aims

The Charity receives a regular donation from Alquity Investment Management Limited, based on its revenues, and this forms the primary source of funding for the charity. In the current period and looking forward, the Trustees are focusing on projects that promote the creation of sustainable livelihoods (UN Sustainable Development Goal 8) and employment readiness programmes (SDG 4). Our continued commitment to this focus area is supported by the most recent data and insight provided by the UN and the International Labour Organization.

As of 2023, 21.7% of the world's youth aged 15 to 24 were not in education, employment, or training (NEET). The gender gap within NEET rates also remains significant. In 2023, 14% of young men and almost 30% of young women were classified as NEET.

The International Labour Organization (ILO) reported that the global youth unemployment rate reached a 15-year low of 13% in 2023, representing a further drop from the pre-pandemic rate of 13.8% in 2019. However, while the overall rate is reducing, the recovery in youth employment has not been uniform across all regions. Some regions, particularly the Arab States, East Asia, and South-East Asia and the Pacific, continue to face higher youth unemployment rates than pre-pandemic levels.

Furthermore, despite the overall decline, millions of young people still face challenges in finding decent work, and the ILO highlights concerns about the precarity of many jobs that are available. People in marginalized communities, like those served by our grantee partners, often lack the education, life skills, and technical knowledge needed for formal employment. Globally, over 60% of the workforce is in the informal economy, with significant regional variations; Africa has the highest percentage of informal employment (85.8%), followed by Asia and the Pacific (68.2%), and the Americas (40.0%). Jobs in the informal economy tend to be of lower value, lower quality, and are more precarious.

Inadequate education systems are a key contributory factor holding back the potential of economically disadvantaged populations. In many emerging market countries, more than 30% of students leave middle school having failed to achieve elementary school achievement levels in numeracy and literacy. As a result they enter the workforce unprepared, limiting their ability to secure well-paying jobs - and with limited opportunities, many young people turn to gangs, lured by promises of easy income—often leading to injury, incarceration, or death.

Far too often, women are left behind and under-represented in political and economic decision-making processes and in the labour market. As of 2023, women's labor force participation rate stands at 51.8%, compared to 74.7% for men - a persistent gap. Globally, the gender pay gap stands at 23%. Women earn approximately 51.8 cents for every dollar earned by men. Without decisive action, it could take another 68 years to achieve equal pay (UN).

With this context in mind, the focus of the Foundation is on social and economic challenges that changes in corporate behaviour alone cannot address. The Foundation's grants and financial support aim to:

Help develop fairer, more sustainable economies that deliver inclusive long-term growth in the countries where Alquity invests,
Support local entrepreneurs and SMEs to develop or grow their businesses,
Support economic and social inclusion, particularly of women and girls.

Historically, the Foundation has given out grants to charity partners focusing on:

- Providing access to formal education and employment,
- Targeting sections of the community discriminated against or excluded due to social norms and pressures

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**Objectives and aims – continued**

- Providing support and access to finance to overcome poverty traps and help responsibly run small and medium enterprises to scale and create employment opportunities.

## ACHIEVEMENT AND PERFORMANCE

**Charitable activities**
2023-2024 was a period of reflection and consolidation for the Foundation, following the previously successful Transforming Lives Awards - subsequent multi-year awardee partnerships in locations across Africa, Asia and Latin America - and further rounds of funding support provided to existing partners through the period of the Covid-19 pandemic.

In December 2023, Suresh Mistry, Alquity's Head of Sustainability and Foundation trustee visited one of our 2019 Award winners, Phool, at their operation in Kanpur, India. Suresh saw how rapidly the organisation's operations have expanded during the period of our partnership - and met the women from marginalised communities who are employed and who also receive training and support on a wide range of vocational and life skills - enabling them to build their confidence and contribute more fully to their communities.

In January 2024, the Foundation made a grant of £20,000 to Shivia - a UK registered charity providing families living in poverty in India and Madagascar with tools and training to start a small agricultural enterprise from home. Shiva's work is well aligned with the objectives of the Foundation. As part of their mission to permanently improve the lives of marginalised and disadvantaged people, Shivia is committed to ensuring that their beneficiaries are able to earn a decent and living income.

The Foundation's funding is enabling Shivia to extend its 'flagship' programme - called Poultry Development Services - which was originally launched in 2011 in the rural villages close to Kolkata, India. The programme provides women with a 'toolkit' so that they can earn money from raising chickens and selling the produce - mature chickens and eggs.

With our support, Shiva is working with local partners to expand the programme into a new area in India within the state of Chhattisgarh - providing toolkits and training to 200 women in order to transform their lives and those of their families.

It is the intention of the Trustees to run a next Transforming Lives Awards Program in 2025.

## FINANCIAL REVIEW

**Financial position**
In the year the Foundation received £68,062.70 in donations from Alquity Investment Management. It has made awards of £20,000. In addition, reserves have been built up ready to progress with the next Transforming Lives Awards programme in 2025. During the year, a review has been undertaken of programme-related investments and provisions made against the values of those investments where considered appropriate.

**Reserves**
At all times, the Foundation will seek to ensure it has a minimum of £25,000 of cash (or cash-like instruments) reserves. In addition, it is the intent that any future committed grants would be covered by the reserves and a maximum of 50% of the annualised, current 3-month donation accrual rate. If 50% of the current rate is insufficient, then the donations stream will be used to accumulate a cash balance until such time as this metric is met.

The foundation has deposited some of its cash reserves with Oikocredit, Importantly Oikocedit uses deposited money to provide loans to microfinance institutions in the developing world and thereby helping to transform lives. The Trustees requested AIML's investment team to perform due diligence on Oikocredit, providing confidence that it should be viewed as a suitable substitute for holding cash with very little risk.

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## FUTURE PLANS

Looking ahead, following the acquisition by the business of VAM Funds, the Foundation is anticipating an uplift in donations from the business, and more opportunities to engage internal and external stakeholders in charitable activities.

Planning for an awards programme will commence in 2025, with a view to engaging industry peers, experts, and internal teams in collaboration to identify, recognise and financially support a small number of impact oriented, well-managed community-based organisations or social enterprises.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

## REFERENCE AND ADMINISTRATIVE DETAILS

### Registered Company number

09405449 (England and Wales)

### Registered Charity number

1162494

### Registered office

9 Kingsway
London
WC2B 6XF

### Trustees

D M Brocklebank Chair
V A P Giridhar Gopal
P H Robinson Co-chair

### Auditors

Mercer Lewin Ltd
Chartered Accountants and Registered Auditors
6-7 Citibase
New Barclay House
234 Botley Road
Oxford
OX2 0HP

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Alquity Transforming Lives Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued**

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

In so far as the trustees are aware:

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

**AUDITORS**

The auditors, Mercer Lewin Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 27 March 2025 and signed on its behalf by:

DocuSigned by:
D2904F626E03493...
.....
P H Robinson - Trustee

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## REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ALQUITY TRANSFORMING LIVES FOUNDATION

### Opinion

We have audited the financial statements of Alquity Transforming Lives Foundation (the 'charitable company') for the year ended 30 June 2024 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 30 June 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; and
- 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 Auditors' 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 charitable company'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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify 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.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

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## REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ALQUITY TRANSFORMING LIVES FOUNDATION

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

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

**Our responsibilities for the audit of the financial statements**
We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

- We discussed the framework in which the company operates with senior management and in conjunction with our experience of the industry in which the company operates, sought to identify laws and regulations which are critical to the company's business. As a registered charity, the company is obliged to comply with regulations issued by The Charity Commission of England and Wales. Compliance with those regulations, including the need to make reports to the commission/regulator, was reviewed.

- As part of routine audit procedures, the possibility of non-compliance with general laws (e.g., employment law, health and safety regulations) were considered, in response to the assessed risks in relation to these laws and regulations.

- The risks of fraud were discussed with senior management, including details of any known instances. Our records of the company's systems and procedures was reviewed by the audit team (including the audit engagement partner) to identify possible areas where fraud might occur.

- The above procedures were undertaken by the audit team as a whole, led by the audit engagement partner. In this way the audit engagement partner was able to obtain assurance the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations and the possibility of irregularities arising from fraud.

- To address the risk of fraud through management bias and override of controls, we:
"performed analytical procedures to identify any unusual or unexpected relationships;
" tested journal entries to identify unusual transactions;
" assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
" investigated the rationale behind significant or unusual transactions.

- In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
" agreeing financial statement disclosures to underlying supporting documentation;
" reading the minutes of meetings of those charged with governance; and
" enquiring of management as to actual and potential litigation and claims.

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**Our responsibilities for the audit of the financial statements – continued**

- There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

- Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Management Committee and other management and the inspection of regulatory and legal correspondence, if any.

- Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Use of our report**

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mercer Lewin Ltd
Chartered Accountants and Registered Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
6-7 Citibase
New Barclay House
234 Botley Road
Oxford
OX2 0HP

Date: 27 March 2025

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**ALQUITY TRANSFORMING LIVES FOUNDATION**

**STATEMENT OF FINANCIAL ACTIVITIES**
**FOR THE YEAR ENDED 30 JUNE 2024**

| | Notes | Unrestricted fund £ | Restricted fund £ | 2024 Total funds £ | 2023 Total funds £ |
|---|---|---|---|---|---|
| **INCOME AND ENDOWMENTS FROM** | | | | | |
| Donations and legacies | | 68,063 | - | 68,063 | 82,694 |
| Investment income | 2 | 250 | - | 250 | 250 |
| **Total** | | 68,313 | - | 68,313 | 82,944 |
| **EXPENDITURE ON** | | | | | |
| Raising funds | 3 | - | - | - | 56,553 |
| **Charitable activities** | | | | | |
| Sustainable development | | 55,662 | - | 55,662 | 11,369 |
| **Total** | | 55,662 | - | 55,662 | 67,922 |
| Net gains/(losses) on investments | | - | - | - | (29,625) |
| **NET INCOME/(EXPENDITURE)** | | 12,651 | - | 12,651 | (14,603) |
| **RECONCILIATION OF FUNDS** | | | | | |
| Total funds brought forward | | 429,930 | - | 429,930 | 444,533 |
| **TOTAL FUNDS CARRIED FORWARD** | | 442,581 | - | 442,581 | 429,930 |

The notes form part of these financial statements

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**ALQUITY TRANSFORMING LIVES FOUNDATION**

**BALANCE SHEET**
**30 JUNE 2024**

| | Notes | Unrestricted fund £ | Restricted fund £ | 2024 Total funds £ | 2023 Total funds £ |
|---|---|---|---|---|---|
| **CURRENT ASSETS** | | | | | |
| Debtors | 7 | 287,522 | - | 287,522 | 242,210 |
| Investments | 8 | 138,747 | - | 138,747 | 97,556 |
| Cash at bank | | 21,412 | - | 21,412 | 92,564 |
| | | 447,681 | - | 447,681 | 432,330 |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 9 | (5,100) | - | (5,100) | (2,400) |
| **NET CURRENT ASSETS** | | 442,581 | - | 442,581 | 429,930 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 442,581 | - | 442,581 | 429,930 |
| **NET ASSETS** | | 442,581 | - | 442,581 | 429,930 |
| **FUNDS** | 10 | | | | |
| Unrestricted funds | | | | 442,581 | 429,930 |
| **TOTAL FUNDS** | | | | 442,581 | 429,930 |

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2024.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for
(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 27 March 2025 and were signed on its behalf by:

DocuSigned by:
D2904F626E03490...
P H Robinson - Trustee

The notes form part of these financial statements

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 1. ACCOUNTING POLICIES

**BASIS OF PREPARING THE FINANCIAL STATEMENTS**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**INCOME**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**EXPENDITURE**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**TAXATION**

The charity is exempt from corporation tax on its charitable activities.

**FUND ACCOUNTING**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

### 2. INVESTMENT INCOME

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Interest received | 250 | 250 |



continued...

Docusign Envelope ID: B5450478-FC4B-476C-BAD8-6E0BB3736C60



## 3. RAISING FUNDS

### RAISING DONATIONS AND LEGACIES

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Support costs | - | 56,603 |

## 4. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Auditors' remuneration | 2,700 | 2,500 |

## 5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2024 nor for the year ended 30 June 2023.

### TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 30 June 2024 nor for the year ended 30 June 2023.

## 6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted fund | Restricted fund | Total funds |
|---|---|---|---|
| | £ | £ | £ |
| **INCOME AND ENDOWMENTS FROM** | | | |
| Donations and legacies | 82,694 | - | 82,694 |
| Investment income | 250 | - | 250 |
| **Total** | 82,944 | - | 82,944 |
| **EXPENDITURE ON** | | | |
| Raising funds | 56,553 | - | 56,553 |
| **Charitable activities** | | | |
| Sustainable development | 11,369 | - | 11,369 |
| **Total** | 67,922 | - | 67,922 |
| Net gains/(losses) on investments | (29,625) | - | (29,625) |
| **NET INCOME/(EXPENDITURE)** | (14,603) | - | (14,603) |
| **RECONCILIATION OF FUNDS** | | | |
| Total funds brought forward | 444,533 | - | 444,533 |
| **TOTAL FUNDS CARRIED FORWARD** | 429,930 | - | 429,930 |



continued...

Docusign Envelope ID: B5450478-FC4B-476C-BAD8-6E0BB3736C60



## 7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Alquity Investment Management | 287,522 | 242,210 |

## 8. CURRENT ASSET INVESTMENTS

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Programme related investments | 88,747 | 88,747 |
| OIKO investment | 50,000 | 8,809 |
| | 138,747 | 97,556 |

## 9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Accruals | 5,100 | 2,400 |

## 10. MOVEMENT IN FUNDS

| | At 1/7/23 | Net movement in funds | At 30/6/24 |
|---|---|---|---|
| | £ | £ | £ |
| **Unrestricted funds** | | | |
| General fund | 429,930 | 12,651 | 442,581 |
| **TOTAL FUNDS** | 429,930 | 12,651 | 442,581 |

Net movement in funds, included in the above are as follows:

| | Incoming resources | Resources expended | Movement in funds |
|---|---|---|---|
| | £ | £ | £ |
| **Unrestricted funds** | | | |
| General fund | 68,313 | (55,662) | 12,651 |
| **TOTAL FUNDS** | 68,313 | (55,662) | 12,651 |

**Comparatives for movement in funds**

| | At 1/7/22 | Net movement in funds | At 30/6/23 |
|---|---|---|---|
| | £ | £ | £ |
| **Unrestricted funds** | | | |
| General fund | 444,533 | (14,603) | 429,930 |
| **TOTAL FUNDS** | 444,533 | (14,603) | 429,930 |



continued...

Docusign Envelope ID: B5450478-FC4B-476C-BAD8-6E0BB3736C60



## 10. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 82,944 | (67,922) | (29,625) | (14,603) |
| **TOTAL FUNDS** | 82,944 | (67,922) | (29,625) | (14,603) |

A current year 12 months and prior year 12 months combined position is as follows:

| | At 1/7/22 £ | Net movement in funds £ | At 30/6/24 £ |
|---|---|---|---|
| **Unrestricted funds** | | | |
| General fund | 444,533 | (1,952) | 442,581 |
| **TOTAL FUNDS** | 444,533 | (1,952) | 442,581 |

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 151,257 | (123,584) | (29,625) | (1,952) |
| **TOTAL FUNDS** | 151,257 | (123,584) | (29,625) | (1,952) |

## 11. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 30 June 2024.

Docusign Envelope ID: B5450478-FC4B-476C-BAD8-6E0BB3736C60

**ALQUITY TRANSFORMING LIVES FOUNDATION**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**
**FOR THE YEAR ENDED 30 JUNE 2024**

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| **INCOME AND ENDOWMENTS** | | |
| **Donations and legacies** | | |
| Donations | 68,063 | 82,694 |
| **Investment income** | | |
| Interest received | 250 | 250 |
| **Total incoming resources** | 68,313 | 82,944 |
| **EXPENDITURE** | | |
| **Other trading activities** | | |
| Exceptional items | - | (50) |
| **Charitable activities** | | |
| Rates and water | 6,105 | 2,364 |
| Donations payments | 20,036 | 8,627 |
| Website costs | 870 | 378 |
| | 27,011 | 11,369 |
| **Support costs** | | |
| **Management** | | |
| Wages | 20,071 | 47,495 |
| Social security | 2,770 | 6,554 |
| Advertising | 1,850 | - |
| | 24,691 | 54,049 |
| **Finance** | | |
| Bank charges | 28 | 54 |
| Exchange rate gains/losses | 1,232 | - |
| | 1,260 | 54 |
| **Governance costs** | | |
| Auditors' remuneration | 2,700 | 2,500 |
| Total resources expended | 55,662 | 67,922 |
| **Net income** | 12,651 | 15,022 |

**ALQUITY TRANSFORMING LIVES FOUNDATION**

England & Wales - Charity number 1162494

# Accounts

**REGISTERED COMPANY NUMBER: 09405449 (England and Wales)**
**REGISTERED CHARITY NUMBER: 1162494**

# ALQUITY TRANSFORMING LIVES FOUNDATION

## REPORT OF THE TRUSTEES AND

## AUDITED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

Mercer Lewin Ltd
Chartered Accountants and Registered Auditors
6-7 Citibase
New Barclay House
234 Botley Road
Oxford
OX2 0HP

ALQUITY TRANSFORMING LIVES FOUNDATION

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FOR THE YEAR ENDED 30 JUNE 2023


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**ALQUITY TRANSFORMING LIVES FOUNDATION**

**REPORT OF THE TRUSTEES**
**FOR THE YEAR ENDED 30 JUNE 2023**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 June 2023. The trustees have adopted the provisions of 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) (effective 1 January 2019).

## OBJECTIVES AND ACTIVITIES

### Objectives and aims

The Charity receives a regular donation from Alquity Investment Management Limited, based on its revenues, and this forms the primary source of funding for the charity. In the current period and looking forward, the Trustees are focusing on projects that promote the creation of sustainable livelihoods (SDG 8) and employment readiness programmes (SDG 4).

While there has been a significant decline in the number of people living in extreme poverty in recent decades, we have been observing slower economic growth and widening inequalities in the global economy, which have been exacerbated by Covid-19. In 2019, 22.3 per cent of the world's youth were not engaged in either education, employment or training (NEET), a share that has shown no reduction in over a decade. Worldwide, young women are twice as likely as young men to be jobless and not engaged in education or training. In 2019, the global NEET rate was 31.1 per cent for young women, compared with 14.0 per cent for young men. Since more women than men have been pushed out of the labour force during the pandemic, the crisis is likely to worsen the NEET gender gap. According to the United Nations Development Program (UNDP) Covid led to a rise in the overall estimate of people worldwide still without employment in 2020 to over 200m.

Roughly half of the world's population still lives on the equivalent of about US$2 a day (UN).

The war in Ukraine and particularly the rapid rise in prices for essential purchases such as energy and food significantly exacerbated the situation.

Far too often, women are left behind and under-represented in political and economic decision-making processes and in the labour market. Women's labour force participation rate is 63 per cent compared to 94 per cent for men. Globally, the gender pay gap stands at 23%; without any decisive action, it could take another 68 years to achieve equal pay (UN).

With this context in mind, the focus of the Foundation is on social and economic challenges that changes in corporate behaviour alone cannot address. The Foundation's grants and financial support aim to:

-help develop fairer, more sustainable economies that deliver inclusive long-term growth in the countries where Alquity invests,
-support local entrepreneurs and SMEs to develop or grow their businesses,
-support social inclusion, particularly of women and girls.

Historically, the Foundation has given out grants to charity partners focusing on:
-Providing access to formal education and employment,
-Targeting sections of the community discriminated against or excluded due to social norms and pressures,
-Providing support and access to finance to overcome poverty traps and help responsibly run small and medium enterprises to scale and create employment opportunities.

## REPORT OF THE TRUSTEES
## FOR THE YEAR ENDED 30 JUNE 2023

### ACHIEVEMENT AND PERFORMANCE
### Charitable activities
### The Transforming Lives Awards

Since 2019, the foundation decided to deliver its giving via an Awards programme. The Transforming Lives Awards programme has the aim of identifying and recognising high impact and high potential non-profits and social enterprises focused on addressing issues related to SDG 8 (sustainable livelihoods) and the upper part of SDG 4 (employment readiness education). The Awards are split by region to recognise the source of the awards monies, deriving from the specific regions in which the Alquity Investment Management Funds invest. The initial broad target was to have between six and nine winners spread across Asia, Africa and Latin America.

The Awards have been delivered in collaboration with several reputable and expert partners.

Philanthropy University, the Awards' convening partner, was responsible for overseeing and managing the Awards process itself.

Charities Aid Foundation (CAF) was involved in carrying out due diligence checks and assessing and reviewing the Award applicants' proposals.

A number of high-profile organisations such as The World Bank (Solutions for Youth Employment), Acumen and Ashoka were involved as referral partners, putting forward strong organisations meeting the Awards' eligibility and assessment criteria.

Other organisations, including Alquity Investment Management Limited clients, such as Banque BRED, Banque Bonhôte, IPP Financial Advisors, Water Unite and UBS Optimus Foundation, joined as funding partners, either contributing to the costs of running the process and Awards event, or co-investing into the Award winning organisations' work.

It is the intention of the Trustees to run further Transforming Lives Awards Program, and the aim is for the next program being in 2024.

The structure of the program is broadly as below:

Stage 1 - Pre-application Sourcing
The focus during this phase was the identification and sourcing of applicants meeting our criteria, using both an open registration method and a proactive sourcing approach, seeking referrals from trusted networks and partners within the sector. This phase also involved a unique peer-to-peer review, with organisations having a say on who should be considered throughout the process. A total of 361 organisations applied and following our initial eligibility checks and peer review process 122 organisations were invited to submit a full application form.

Stage 2 - In-depth Assessment
Organisations were requested to submit a full application form, answering questions on their strategy, operations, finances and approach to sustainability and innovation. Based on our assessment of the applicants' organisational capacities, a shortlist of 30 organisations was put forward for further due diligence checks and assessments conducted with the support of the Charities Aid Foundation (CAF).

Stage 3 - Due diligence and field assessments
Additional due diligence checks carried out on the shortlist included a review of financial accounts, governance, reference checks from external partners and a review of online and media presence. All 30 shortlisted applicants - approximately 10 per region - were visited in person and assessed over a period of two to three days each. The field visit was the opportunity to meet the team in person, validate the information provided in the form and observe some of the programmes in action. As a result, full assessment and due diligence reports were compiled on the 30 shortlisted applicants.

Stage 4 - Regional Panels
A group of regional and thematic experts were convened to analyse finalists' reports and make recommendations on the top 5 organisations per region, as well as on the size of the Awards. Throughout the Panel sessions, bespoke and constructive feedback was collected and provided to unsuccessful applicants at the end of the process.

Stage 5 - Global Judging Panel
A Global Judging Panel, composed of senior high-profile individuals, reviewed regional experts' rankings, discussed the merits of each application and made recommendations on the eight Award winners.

Stage 6 - Final approval by Alquity Transforming Lives Foundation's Board
The final stage of the process involved a final review by the Board of Trustees of the Foundation and a ratification of Award winners and Award sizes. The funding support on offer represented a combination of unrestricted grants, start-up capital, loan, or second round equity funding to help organisations expand their operations and accelerate their growth, based on their needs.

The Alquity Investment Management and the Foundation host the Future World Forum and an Awards ceremony to recognise and celebrate the Award winners. The total award funding that was disbursed in the last awards represented $530,000. This included co-investments from Water Unite and UBS Optimus Foundation.

Covid 19 Response Fund
In April 2020, following the rise of Covid 19 cases globally and the devastating health, social and economic impact of the pandemic, the Alquity Transforming Lives Foundation launched a campaign to accelerate its support for those most affected, already suffering discrimination, hardship and economic exclusion, only been made worse by the effects of the pandemic.

The Trustees recognised the challenges that Covid has represented for all our award winners. We therefore ran our 40/40 campaign where we worked with partner organisations to award additional donations to our award winners to help sustain them through a difficult period, including them pivoting their operations.

Covid Response Awards:

Award winners in Africa:

GLOBAL MAMAS - globalmamas.org

Global Mamas works to create a life of prosperity for African women and their families. Women are empowered to create and sell high quality handmade products using traditional methods and become financially independent. Global Mamas' producers make on average 75% more than the minimum wage and 30% more than the average worker in the same industry in Ghana.

Global Mamas' Transforming Lives Award in 2019 represented a grant of US$60,000. The Award funding was used to buy a land and construct a Global Mamas Fair Trade Zone (FTZ), an eco-friendly facility that will showcase an alternative approach to manufacturing that is good for people and the planet. Construction work started in December 2020 and will be completed by the end of 2021. The ambition is to generate life-long employment for 200 women by the end of 2022.

Due to Covid it was not possible for Global Mamas cohort of women to meet and sell their products in the traditional way. The Foundation therefore granted an additional award of $15,000 for help build and develop an online shopping portal so as to allow goods to be sold this way, therefore protecting livelihoods and the Global Mamas community.

Award Winners in Latin America:

LUTA PELA PAZ - lutapelapaz.org

Luta Pela Paz uses boxing and martial arts combined with education and personal development to realise the potential of young people in communities affected by crime and violence. The organisation works with youth in Maré favela, Rio, where they use a methodology that provides a series of holistic and integrated services to give young people the tools to build peaceful, positive and productive lives. A key component of their method is employability - providing training, psycho-social support and access to opportunities.

Luta Pela Paz' Transforming Lives Award represents a grant of US$60,000. The Award funding was used to provide employability and psychosocial support to students throughout the year. The team carried out regular check-ins with students and young people within the community, employability-related pre-recorded videos, and live webinars, including a popular webinar on mental health and the workplace. Over the year, the employability staff worked with 242 young people, helping 26 into work and the psychosocial support team provided critical support during the pandemic, carrying out regular home visits and telephone support. In response to the Covid19 crisis, Luta Pela Paz also designed specific employability-related programmes, notably one in collaboration with Laboratoria, to run a pilot bootcamp training programme for young women in Maré. This pilot was be supported by the Alquity Foundation in 2021.

Due to Covid many of the young Luta Pela Paz students have been unable to attend classes or to afford devices and data packages to allow them to attend remotely. The Foundation therefore granted an additional award of $10,000 to help support in areas to pivot the learning options and technology available. We are also delighted to report that Luta Pela Paz collaborated with another Transforming Lives Award winner, Labratoria, to enhance the online learning options for their young people.

Award Winner in Asia

PLASTICS FOR CHANGE - https://www.plasticsforchange.org

Plastics for Change Transforming Lives Award represents a loan of US$50,000. The award funding was to help ensure the plastic waste picking community in India gets a fair price for their collection and minimising exploitation. Plastic for Change want to develop efficient plastic recycling centres in Goa to reduce the amount of plastic waste ending in the ocean and propose to onboard 20 informal scrap shops onto the platform and provide livelihoods to 100-120 waste pickers. The project will also divert 500 tonnes of ocean bound plastic in the next 12 months. The aim is to support the economic recovery of their supply chain.

Just like Brazil, India has been severely hit by the pandemic. Informal and migrant workers have been the most affected by the economic downturn and this project will help those without a safety net to rebuild their livelihoods whilst reducing plastic pollution. The Foundation therefore granted an additional award of $15,000 to help support in Goa where COVID-19 has had crippling effects on recycling infrastructure, with many scrap shops and wholesalers almost bankrupt due to poor tourist turnover.

## FINANCIAL REVIEW

### Financial position

In the year the Foundation received £124,363.25 in donations from Alquity investment Management and others. It has made awards of c. $15,000 through the Covid Response Awards. In addition, reserves have been built up ready to progress with the next Transforming Lives Awards program in 2024. During the year, a review has been undertaken of programme-related investments and provisions made against the values of those investments where considered appropriate.

### Reserves

At all times, the Foundation will seek to ensure it has a minimum of £50,000 of cash (or cash-like instruments) reserves. In addition, it is the intent that any future committed grants would be covered by the reserves and a maximum of 50% of the annualised, current 3-month donation accrual rate. If 50% of the current rate is insufficient, then the donations stream will be used to accumulate a cash balance until such time as this metric is met.

The foundation has deposited some of its cash reserves with Oikocredit, at an initial % coupon whilst allowing cash to be returned at any time within 14 days. Importantly Oikocedit uses deposited money to provide loans to microfinance institutions in the developing world and thereby helping to transform lives.

The Trustees requested AIML's investment team to perform due diligence on Oikocredit, providing confidence that it should be viewed as a suitable substitute for holding cash with very little risk.

In the later part of 2020, in the light of Covid, Oikocredit has reduced and then suspended the coupon payment. The deposit still achieves impact, and we would receive little cash interest on deposit and so for the time being we continue to hold some reserves with Oikocredit, but the Trustees will keep this under review.

## FUTURE PLANS

Looking ahead, the Foundation will be working closely with Award winners to identify specific social projects in response to the Covid 19 pandemic and its devastating impact on communities. Grants will be disbursed to successful charity partners in the next financial year.

Following the recent developments at Alquity Investment Management Ltd and the exciting launch in 2021 of the Alquity Global Impact Fund, the Trustees will also be reflecting on how these changes may influence the scope of the Foundation's work moving forward as well as its geographic focus.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

## REFERENCE AND ADMINISTRATIVE DETAILS

### Registered Company number

09405449 (England and Wales)

### Registered Charity number

1162494

### Registered office

9 Kingsway
London
WC2B 6XF

### Trustees

D M Brocklebank Chair
V A P Giridhar Gopal
P H Robinson Co-chair
R Shah Audit and Risk Chair

### Auditors

Mercer Lewin Ltd
Chartered Accountants and Registered Auditors
6-7 Citibase
New Barclay House
234 Botley Road
Oxford
OX2 0HP

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Alquity Transforming Lives Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued**

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

In so far as the trustees are aware:

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

**AUDITORS**

The auditors, Mercer Lewin Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 12 June 2024 and signed on its behalf by:



P H Robinson - Trustee

## REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ALQUITY TRANSFORMING LIVES FOUNDATION

### Opinion

We have audited the financial statements of Alquity Transforming Lives Foundation (the 'charitable company') for the year ended 30 June 2023 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 30 June 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; and
- 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 Auditors' 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 charitable company'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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify 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.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

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

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

**Our responsibilities for the audit of the financial statements**
We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

- We discussed the framework in which the company operates with senior management and in conjunction with our experience of the industry in which the company operates, sought to identify laws and regulations which are critical to the company's business. As a registered charity, the company is obliged to comply with regulations issued by The Charity Commission of England and Wales. Compliance with those regulations, including the need to make reports to the commission/regulator, was reviewed.

- As part of routine audit procedures, the possibility of non-compliance with general laws (e.g., employment law, health and safety regulations) were considered, in response to the assessed risks in relation to these laws and regulations.

- The risks of fraud were discussed with senior management, including details of any known instances. Our records of the company's systems and procedures was reviewed by the audit team (including the audit engagement partner) to identify possible areas where fraud might occur.

- The above procedures were undertaken by the audit team as a whole, led by the audit engagement partner. In this way the audit engagement partner was able to obtain assurance the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations and the possibility of irregularities arising from fraud.

- To address the risk of fraud through management bias and override of controls, we:
"performed analytical procedures to identify any unusual or unexpected relationships;
" tested journal entries to identify unusual transactions;
" assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
" investigated the rationale behind significant or unusual transactions.

- In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
" agreeing financial statement disclosures to underlying supporting documentation;
" reading the minutes of meetings of those charged with governance; and
" enquiring of management as to actual and potential litigation and claims.

- There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

- Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Management Committee and other management and the inspection of regulatory and legal correspondence, if any.

- Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Use of our report**

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mercer Lewin Ltd
Chartered Accountants and Registered Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
6-7 Citibase
New Barclay House
234 Botley Road
Oxford
OX2 0HP

12 June 2024

**ALQUITY TRANSFORMING LIVES FOUNDATION**

**STATEMENT OF FINANCIAL ACTIVITIES**
**FOR THE YEAR ENDED 30 JUNE 2023**

| | Notes | Unrestricted fund £ | Restricted fund £ | 2023 Total funds £ | 2022 Total funds £ |
|---|---|---|---|---|---|
| **INCOME AND ENDOWMENTS FROM** | | | | | |
| Donations and legacies | | 82,694 | - | 82,694 | 124,363 |
| **EXPENDITURE ON** | | | | | |
| Raising funds | 2 | 56,303 | - | 56,303 | (3,318) |
| **Charitable activities** | | | | | |
| Sustainable development | | 11,369 | - | 11,369 | 62,208 |
| Support costs | | - | - | - | 2,167 |
| **Total** | | 67,672 | - | 67,672 | 61,057 |
| Net gains/(losses) on investments | | (29,625) | - | (29,625) | - |
| **NET INCOME/(EXPENDITURE)** | | (14,603) | - | (14,603) | 63,306 |
| **RECONCILIATION OF FUNDS** | | | | | |
| Total funds brought forward | | 444,533 | - | 444,533 | 381,227 |
| **TOTAL FUNDS CARRIED FORWARD** | | 429,930 | - | 429,930 | 444,533 |

The notes form part of these financial statements

**ALQUITY TRANSFORMING LIVES FOUNDATION**

**BALANCE SHEET**
**30 JUNE 2023**

| | Notes | Unrestricted fund £ | Restricted fund £ | 2023 Total funds £ | 2022 Total funds £ |
|---|---|---|---|---|---|
| **CURRENT ASSETS** | | | | | |
| Debtors | 6 | 242,210 | - | 242,210 | 188,542 |
| Investments | 7 | 97,556 | - | 97,556 | 168,372 |
| Cash at bank | | 92,564 | - | 92,564 | 91,620 |
| | | 432,330 | - | 432,330 | 448,534 |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 8 | (2,400) | - | (2,400) | (4,001) |
| **NET CURRENT ASSETS** | | 429,930 | - | 429,930 | 444,533 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 429,930 | - | 429,930 | 444,533 |
| **NET ASSETS** | | 429,930 | - | 429,930 | 444,533 |
| **FUNDS** | 9 | | | | |
| Unrestricted funds | | | | 429,930 | 444,533 |
| **TOTAL FUNDS** | | | | 429,930 | 444,533 |

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2023.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for
(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 12 June 2024 and were signed on its behalf by:



P H Robinson - Trustee

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

## 1. ACCOUNTING POLICIES

### BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

### INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

### EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

### TAXATION

The charity is exempt from corporation tax on its charitable activities.

### FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

## 2. RAISING FUNDS

### RAISING DONATIONS AND LEGACIES

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Support costs | 56,603 | - |

## 3. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Auditors' remuneration | 2,500 | 2,167 |



continued...

## 4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2023 nor for the year ended 30 June 2022.

### TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 30 June 2023 nor for the year ended 30 June 2022.

## 5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted fund £ | Restricted fund £ | Total funds £ |
|---|---|---|---|
| **INCOME AND ENDOWMENTS FROM** | | | |
| Donations and legacies | 124,363 | - | 124,363 |
| **EXPENDITURE ON** | | | |
| Raising funds | (3,318) | - | (3,318) |
| **Charitable activities** | | | |
| Sustainable development | 62,208 | - | 62,208 |
| Support costs | 2,167 | - | 2,167 |
| **Total** | 61,057 | - | 61,057 |
| **NET INCOME** | 63,306 | - | 63,306 |
| **RECONCILIATION OF FUNDS** | | | |
| Total funds brought forward | 381,227 | - | 381,227 |
| **TOTAL FUNDS CARRIED FORWARD** | 444,533 | - | 444,533 |

## 6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2023 £ | 2022 £ |
|---|---|---|
| Alquity Investment Management | 242,210 | 188,542 |

## 7. CURRENT ASSET INVESTMENTS

| | 2023 £ | 2022 £ |
|---|---|---|
| Programme related investments | 88,747 | 118,372 |
| OIKO investment | 8,809 | 50,000 |
| | 97,556 | 168,372 |



continued...

## 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Trade creditors | - | 1 |
| Accruals | 2,400 | 4,000 |
| | 2,400 | 4,001 |

## 9. MOVEMENT IN FUNDS

| | At 1/7/22 | Net movement in funds | At 30/6/23 |
|---|---|---|---|
| | £ | £ | £ |
| **Unrestricted funds** | | | |
| General fund | 444,533 | (14,603) | 429,930 |
| **TOTAL FUNDS** | 444,533 | (14,603) | 429,930 |

Net movement in funds, included in the above are as follows:

| | Incoming resources | Resources expended | Gains and losses | Movement in funds |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Unrestricted funds** | | | | |
| General fund | 82,694 | (67,672) | (29,625) | (14,603) |
| **TOTAL FUNDS** | 82,694 | (67,672) | (29,625) | (14,603) |

**Comparatives for movement in funds**

| | At 1/7/21 | Net movement in funds | At 30/6/22 |
|---|---|---|---|
| | £ | £ | £ |
| **Unrestricted funds** | | | |
| General fund | 381,227 | 63,306 | 444,533 |
| **TOTAL FUNDS** | 381,227 | 63,306 | 444,533 |

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources | Resources expended | Movement in funds |
|---|---|---|---|
| | £ | £ | £ |
| **Unrestricted funds** | | | |
| General fund | 124,363 | (61,057) | 63,306 |
| **TOTAL FUNDS** | 124,363 | (61,057) | 63,306 |



continued...

## 9. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

| | At 1/7/21 £ | Net movement in funds £ | At 30/6/23 £ |
|---|---|---|---|
| **Unrestricted funds** | | | |
| General fund | 381,227 | 48,703 | 429,930 |
| **TOTAL FUNDS** | 381,227 | 48,703 | 429,930 |

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 207,057 | (128,729) | (29,625) | 48,703 |
| **TOTAL FUNDS** | 207,057 | (128,729) | (29,625) | 48,703 |

## 10. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 30 June 2023.

**ALQUITY TRANSFORMING LIVES FOUNDATION**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**
**FOR THE YEAR ENDED 30 JUNE 2023**

| | 2023<br>£ | 2022<br>£ |
|---|---|---|
| **INCOME AND ENDOWMENTS** | | |
| **Donations and legacies** | | |
| Donations | 82,694 | 124,363 |
| **Total incoming resources** | 82,694 | 124,363 |
| **EXPENDITURE** | | |
| **Other trading activities** | | |
| Exceptional items | (300) | (3,318) |
| **Charitable activities** | | |
| Rates and water | 2,364 | - |
| Donations payments | 8,627 | 11,221 |
| Website costs | 378 | 216 |
| Marketing | - | 612 |
| | 11,369 | 12,049 |
| **Support costs** | | |
| **Management** | | |
| Wages | 47,495 | 45,137 |
| Social security | 6,554 | 6,229 |
| | 54,049 | 51,366 |
| **Finance** | | |
| Bank charges | 54 | 53 |
| Exchange rate gains/losses | - | (1,260) |
| | 54 | (1,207) |
| **Governance costs** | | |
| Auditors' remuneration | 2,500 | 2,167 |
| Total resources expended | 67,672 | 61,057 |
| **Net income** | 15,022 | 63,306 |

**ALQUITY TRANSFORMING LIVES FOUNDATION**

England & Wales - Charity number 1162494

# Accounts

REGISTERED COMPANY NUMBER: 09405449 (England and Wales)
REGISTERED CHARITY NUMBER: 1162494

# ALQUITY TRANSFORMING LIVES FOUNDATION

## REPORT OF THE TRUSTEES AND

## AUDITED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2022

Mercer Lewin Ltd
Chartered Accountants and Registered Auditors
6-7 Citibase
New Barclay House
234 Botley Road
Oxford
OX2 0HP

ALQUITY TRANSFORMING LIVES FOUNDATION

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FOR THE YEAR ENDED 30 JUNE 2022


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ALQUITY TRANSFORMING LIVES FOUNDATION

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 June 2022. The trustees have adopted the provisions of 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) (effective 1 January 2019).

## OBJECTIVES AND ACTIVITIES

### Objectives and aims

The Charity receives a regular donation from Alquity Investment Management Limited, based on its revenues, and this forms the primary source of funding for the charity. In the current period and looking forward, the Trustees are focusing on projects that promote the creation of sustainable livelihoods (SDG 8) and employment readiness programmes (SDG 4).

While there has been a significant decline in the number of people living in extreme poverty in recent decades, we have been observing slower economic growth and widening inequalities in the global economy, which have been exacerbated by Covid-19. In 2019, 22.3 per cent of the world's youth were not engaged in either education, employment or training (NEET), a share that has shown no reduction in over a decade. Worldwide, young women are twice as likely as young men to be jobless and not engaged in education or training. In 2019, the global NEET rate was 31.1 per cent for young women, compared with 14.0 per cent for young men. Since more women than men have been pushed out of the labour force during the pandemic, the crisis is likely to worsen the NEET gender gap. According to the United Nations Development Program (UNDP) Covid led to a rise in the overall estimate of people worldwide still without employment in 2020 to over 200m.

Roughly half of the world's population still lives on the equivalent of about US$2 a day (UN).

The war in Ukraine and particularly the rapid rise in prices for essential purchases such as energy and food significantly exacerbated the situation.

Far too often, women are left behind and under-represented in political and economic decision-making processes and in the labour market. Women's labour force participation rate is 63 per cent compared to 94 per cent for men. Globally, the gender pay gap stands at 23%; without any decisive action, it could take another 68 years to achieve equal pay (UN).

With this context in mind, the focus of the Foundation is on social and economic challenges that changes in corporate behaviour alone cannot address. The Foundation's grants and financial support aim to:

- help develop fairer, more sustainable economies that deliver inclusive long-term growth in the countries where Alquity invests,
- support local entrepreneurs and SMEs to develop or grow their businesses,
- support social inclusion, particularly of women and girls.

Historically, the Foundation has given out grants to charity partners focusing on:

- Providing access to formal education and employment,
- Targeting sections of the community discriminated against or excluded due to social norms and pressures,
- Providing support and access to finance to overcome poverty traps and help responsibly run small and medium enterprises to scale and create employment opportunities.

## ACHIEVEMENT AND PERFORMANCE

### Charitable activities

### The Transforming Lives Awards

Since 2019, the foundation decided to deliver its giving via an Awards programme. The Transforming Lives Awards programme has the aim of identifying and recognising high impact and high potential non-profits and social enterprises focused on addressing issues related to SDG 8 (sustainable livelihoods) and the upper part of SDG 4 (employment readiness education). The Awards are split by region to recognise the source of the awards monies, deriving from the specific regions in which the Alquity Investment Management Funds invest. The initial broad target was to have between six and nine winners spread across Asia, Africa and Latin America.

The Awards have been delivered in collaboration with several reputable and expert partners.

Philanthropy University, the Awards' convening partner, was responsible for overseeing and managing the Awards process itself.

Charities Aid Foundation (CAF) was involved in carrying out due diligence checks and assessing and reviewing the Award applicants' proposals.

A number of high-profile organisations such as The World Bank (Solutions for Youth Employment), Acumen and Ashoka were involved as referral partners, putting forward strong organisations meeting the Awards' eligibility and assessment criteria.

Other organisations, including Alquity Investment Management Limited clients, such as Banque BRED, Banque Bonhôte, IPP Financial Advisors, Water Unite and UBS Optimus Foundation, joined as funding partners, either contributing to the costs of running the process and Awards event, or co-investing into the Award winning organisations' work.

It is the intention of the Trustees to run further Transforming Lives Awards Program, and the aim is for the next program being in 2024.

The structure of the program is broadly as below:

**Stage 1 - Pre-application Sourcing**
The focus during this phase was the identification and sourcing of applicants meeting our criteria, using both an open registration method and a proactive sourcing approach, seeking referrals from trusted networks and partners within the sector. This phase also involved a unique peer-to-peer review, with organisations having a say on who should be considered throughout the process. A total of 361 organisations applied and following our initial eligibility checks and peer review process 122 organisations were invited to submit a full application form.

**Stage 2 - In-depth Assessment**
Organisations were requested to submit a full application form, answering questions on their strategy, operations, finances and approach to sustainability and innovation. Based on our assessment of the applicants' organisational capacities, a shortlist of 30 organisations was put forward for further due diligence checks and assessments conducted with the support of the Charities Aid Foundation (CAF).

**Stage 3 - Due diligence and field assessments**
Additional due diligence checks carried out on the shortlist included a review of financial accounts, governance, reference checks from external partners and a review of online and media presence. All 30 shortlisted applicants - approximately 10 per region - were visited in person and assessed over a period of two to three days each. The field visit was the opportunity to meet the team in person, validate the information provided in the form and observe some of the programmes in action. As a result, full assessment and due diligence reports were compiled on the 30 shortlisted applicants.

**Stage 4 - Regional Panels**
A group of regional and thematic experts were convened to analyse finalists' reports and make recommendations on the top 5 organisations per region, as well as on the size of the Awards. Throughout the Panel sessions, bespoke and constructive feedback was collected and provided to unsuccessful applicants at the end of the process.

**Stage 5 - Global Judging Panel**
A Global Judging Panel, composed of senior high-profile individuals, reviewed regional experts' rankings, discussed the merits of each application and made recommendations on the eight Award winners.

**Stage 6 - Final approval by Alquity Transforming Lives Foundation's Board**
The final stage of the process involved a final review by the Board of Trustees of the Foundation and a ratification of Award winners and Award sizes. The funding support on offer represented a combination of unrestricted grants, start-up capital, loan, or second round equity funding to help organisations expand their operations and accelerate their growth, based on their needs.

The Alquity Investment Management and the Foundation host the Future World Forum and an Awards ceremony to recognise and celebrate the Award winners. The total award funding that was disbursed in the last awards represented $530,000. This included co-investments from Water Unite and UBS Optimus Foundation.

**Covid 19 Response Fund**
In April 2020, following the rise of Covid 19 cases globally and the devastating health, social and economic impact of the pandemic, the Alquity Transforming Lives Foundation launched a campaign to accelerate its support for those most affected, already suffering discrimination, hardship and economic exclusion, only been made worse by the effects of the pandemic.

The Trustees recognised the challenges that Covid has represented for all our award winners. We therefore ran our 40/40 campaign where we worked with partner organisations to award additional donations to our award winners to help sustain them through a difficult period, including them pivoting their operations.

**Covid Response Awards**
**Award winners in Africa:**

GLOBAL MAMAS - globalmamas.org

Global Mamas works to create a life of prosperity for African women and their families. Women are empowered to create and sell high quality handmade products using traditional methods and become financially independent. Global Mamas' producers make on average 75% more than the minimum wage and 30% more than the average worker in the same industry in Ghana.

Global Mamas' Transforming Lives Award in 2019 represented a grant of US$60,000. The Award funding was used to buy a land and construct a Global Mamas Fair Trade Zone (FTZ), an eco-friendly facility that will showcase an alternative approach to manufacturing that is good for people and the planet. Construction work started in December 2020 and will be completed by the end of 2021. The ambition is to generate life-long employment for 200 women by the end of 2022.

Due to Covid it was not possible for Global Mamas cohort of women to meet and sell their products in the traditional way. The Foundation therefore granted an additional award of $15,000 for help build and develop an online shopping portal so as to allow goods to be sold this way, therefore protecting livelihoods and the Global Mamas community.

**Award Winners in Latin America:**

LUTA PELA PAZ - lutapelapaz.org

Luta Pela Paz uses boxing and martial arts combined with education and personal development to realise the potential of young people in communities affected by crime and violence. The organisation works with youth in Maré favela, Rio, where they use a methodology that provides a series of holistic and integrated services to give young people the tools to build peaceful, positive and productive lives. A key component of their method is employability - providing training, psycho-social support and access to opportunities.

Luta Pela Paz' Transforming Lives Award represents a grant of US$60,000. The Award funding was used to provide employability and psychosocial support to students throughout the year. The team carried out regular check-ins with students and young people within the community, employability-related pre-recorded videos, and live webinars, including a popular webinar on mental health and the workplace. Over the year, the employability staff worked with 242 young people, helping 26 into work and the psychosocial support team provided critical support during the pandemic, carrying out regular home visits and telephone support. In response to the Covid19 crisis, Luta Pela Paz also designed specific employability-related programmes, notably one in collaboration with Laboratoria, to run a pilot bootcamp training programme for young women in Maré. This pilot was be supported by the Alquity Foundation in 2021.

Due to Covid many of the young Luta Pela Paz students have been unable to attend classes or to afford devices and data packages to allow them to attend remotely. The Foundation therefore granted an additional award of $10,000 to help support in areas to pivot the learning options and technology available. We are also delighted to report that Luta Pela Paz collaborated with another Transforming Lives Award winner, Labratoria, to enhance the online learning options for their young people.

**Award Winner in Asia:**

PLASTICS FOR CHANGE - https://www.plasticsforchange.org

Plastics for Change Transforming Lives Award represents a loan of US$50,000. The award funding was to help ensure the plastic waste picking community in India gets a fair price for their collection and minimising exploitation. Plastic for Change want to develop efficient plastic recycling centres in Goa to reduce the amount of plastic waste ending in the ocean and propose to onboard 20 informal scrap shops onto the platform and provide livelihoods to 100-120 waste pickers. The project will also divert 500 tonnes of ocean bound plastic in the next 12 months. The aim is to support the economic recovery of their supply chain.

Just like Brazil, India has been severely hit by the pandemic. Informal and migrant workers have been the most affected by the economic downturn and this project will help those without a safety net to rebuild their livelihoods whilst reducing plastic pollution. The Foundation therefore granted an additional award of $15,000 to help support in Goa where COVID-19 has had crippling effects on recycling infrastructure, with many scrap shops and wholesalers almost bankrupt due to poor tourist turnover.

## FINANCIAL REVIEW

### Financial position

In the year the Foundation received £124,363.25 in donations from Alquity investment Management and others. It has made awards of c. $15,000 through the Covid Response Awards. In addition, reserves have been built up ready to progress with the next Transforming Lives Awards program in 2024.

### Reserves

At all times, the Foundation will seek to ensure it has a minimum of £50,000 of cash (or cash-like instruments) reserves. In addition, it is the intent that any future committed grants would be covered by the reserves and a maximum of 50% of the annualised, current 3-month donation accrual rate. If 50% of the current rate is insufficient, then the donations stream will be used to accumulate a cash balance until such time as this metric is met.

The foundation has deposited some of its cash reserves with Oikocredit, at an initial % coupon whilst allowing cash to be returned at any time within 14 days. Importantly Oikocedit uses deposited money to provide loans to microfinance institutions in the developing world and thereby helping to transform lives.

The Trustees requested AIML's investment team to perform due diligence on Oikocredit, providing confidence that it should be viewed as a suitable substitute for holding cash with very little risk.

In the later part of 2020, in the light of Covid, Oikocredit has reduced and then suspended the coupon payment. The deposit still achieves impact, and we would receive little cash interest on deposit and so for the time being we continue to hold some reserves with Oikocredit, but the Trustees will keep this under review.

## FUTURE PLANS

Looking ahead, the Foundation will be working closely with Award winners to identify specific social projects in response to the Covid 19 pandemic and its devastating impact on communities. Grants will be disbursed to successful charity partners in the next financial year.

Following the recent developments at Alquity Investment Management Ltd and the exciting launch in 2021 of the Alquity Global Impact Fund, the Trustees will also be reflecting on how these changes may influence the scope of the Foundation's work moving forward as well as its geographic focus.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

## REFERENCE AND ADMINISTRATIVE DETAILS

**Registered Company number**
09405449 (England and Wales)

**Registered Charity number**
1162494

**Registered office**
9 Kingsway
London
WC2B 6XF

**Trustees**
D M Brocklebank Chair
V A P Giridhar Gopal
P H Robinson Co-chair
R Shah Audit and Risk Chair

**Auditors**
Mercer Lewin Ltd
Chartered Accountants and Registered Auditors
6-7 Citibase
New Barclay House
234 Botley Road
Oxford
OX2 0HP

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Alquity Transforming Lives Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued**

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

In so far as the trustees are aware:

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

**AUDITORS**

The auditors, Mercer Lewin Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 21 March 2023 and signed on its behalf by:

R. Shah.

R Shah - Trustee

## REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ALQUITY TRANSFORMING LIVES FOUNDATION

### Opinion

We have audited the financial statements of Alquity Transforming Lives Foundation (the 'charitable company') for the year ended 30 June 2022 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 30 June 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; and
- 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 Auditors' 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 charitable company'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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify 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.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

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

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

**Our responsibilities for the audit of the financial statements**
We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We discussed the framework in which the charitable company operates with senior management and in conjunction with our experience of the industry in which the charitable company operates, sought to identify laws and regulations which are critical to the charitable company's business. As a registered charity, the company is obliged to comply with regulations issued by The Charity Commission of England and Wales. Compliance with those regulations, including the need to make reports to the commission/regulator, was reviewed.

- As part of routine audit procedures, the possibility of non-compliance with general laws (e.g., employment law, health and safety regulations) were considered, in response to the assessed risks in relation to these laws and regulations.

- The risks of fraud were discussed with senior management, including details of any known instances. Our records of the company's systems and procedures was reviewed by the audit team (including the audit engagement partner) to identify possible areas where fraud might occur.

- The above procedures were undertaken by the audit team as a whole, led by the audit engagement partner. In this way the audit engagement partner was able to obtain assurance the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations and the possibility of irregularities arising from fraud.

- To address the risk of fraud through management bias and override of controls, we:

  - performed analytical procedures to identify any unusual or unexpected relationships;
  - tested journal entries to identify unusual transactions;
  - assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
  -investigated the rationale behind significant or unusual transactions.

**Our responsibilities for the audit of the financial statements – continued**

- In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

  -agreeing financial statement disclosures to underlying supporting documentation;
  -reading the minutes of meetings of those charged with governance; and
  -enquiring of management as to actual and potential litigation and claims.

- There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

- Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Management Committee and other management and the inspection of regulatory and legal correspondence, if any.

- Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Use of our report**
This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mercer Lewin Ltd
Chartered Accountants and Registered Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
6-7 Citibase
New Barclay House
234 Botley Road
Oxford
OX2 0HP

Date: 21 March 2023

ALQUITY TRANSFORMING LIVES FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2022

| | Notes | Unrestricted fund £ | Restricted fund £ | 2022 Total funds £ | 2021 Total funds £ |
|---|---|---|---|---|---|
| **INCOME AND ENDOWMENTS FROM** | | | | | |
| Donations and legacies | | 124,363 | - | 124,363 | 86,583 |
| **EXPENDITURE ON** | | | | | |
| Raising funds | | (250) | - | (250) | - |
| **Charitable activities** | | | | | |
| Sustainable development | | 62,208 | - | 62,208 | 70,482 |
| Support costs | | 2,167 | - | 2,167 | 1,433 |
| **Total** | | 64,125 | - | 64,125 | 71,915 |
| **NET INCOME** | | 60,238 | - | 60,238 | 14,668 |
| **RECONCILIATION OF FUNDS** | | | | | |
| Total funds brought forward | | 381,227 | - | 381,227 | 366,559 |
| **TOTAL FUNDS CARRIED FORWARD** | | 441,465 | - | 441,465 | 381,227 |

The notes form part of these financial statements

ALQUITY TRANSFORMING LIVES FOUNDATION

**BALANCE SHEET**
**30 JUNE 2022**

| | Notes | Unrestricted fund £ | Restricted fund £ | 2022 Total funds £ | 2021 Total funds £ |
|---|---|---|---|---|---|
| **CURRENT ASSETS** | | | | | |
| Debtors | 5 | 185,474 | - | 185,474 | 235,739 |
| Investments | 6 | 168,372 | - | 168,372 | 168,372 |
| Cash at bank | | 91,620 | - | 91,620 | 39,105 |
| | | 445,466 | - | 445,466 | 443,216 |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 7 | (4,001) | - | (4,001) | (61,989) |
| **NET CURRENT ASSETS** | | 441,465 | - | 441,465 | 381,227 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 441,465 | - | 441,465 | 381,227 |
| **NET ASSETS** | | 441,465 | - | 441,465 | 381,227 |
| **FUNDS** | 8 | | | | |
| Unrestricted funds | | | | 441,465 | 381,227 |
| **TOTAL FUNDS** | | | | 441,465 | 381,227 |

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2022.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for
(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 21 March 2023 and were signed on its behalf by:

R Shah - Trustee

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

## 1. ACCOUNTING POLICIES

### BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

### INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

### EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

### TAXATION

The charity is exempt from corporation tax on its charitable activities.

### FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

## 2. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Auditors' remuneration | 2,167 | 1,433 |



continued...

## 3. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2022 nor for the year ended 30 June 2021.

### TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 30 June 2022 nor for the year ended 30 June 2021.

## 4. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted fund £ | Restricted fund £ | Total funds £ |
|---|---|---|---|
| **INCOME AND ENDOWMENTS FROM** | | | |
| Donations and legacies | 86,583 | - | 86,583 |
| **EXPENDITURE ON** | | | |
| **Charitable activities** | | | |
| Sustainable development | 70,482 | - | 70,482 |
| Support costs | 1,433 | - | 1,433 |
| **Total** | 71,915 | - | 71,915 |
| **NET INCOME** | 14,668 | - | 14,668 |
| **RECONCILIATION OF FUNDS** | | | |
| Total funds brought forward | 366,559 | - | 366,559 |
| **TOTAL FUNDS CARRIED FORWARD** | 381,227 | - | 381,227 |

## 5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 £ | 2021 £ |
|---|---|---|
| Alquity Investment Management | 185,474 | 235,739 |

## 6. CURRENT ASSET INVESTMENTS

| | 2022 £ | 2021 £ |
|---|---|---|
| Programme related investments | 118,372 | 118,372 |
| OIKO investment | 50,000 | 50,000 |
| | 168,372 | 168,372 |



continued...

## 7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Trade creditors | 1 | 108 |
| Accruals | 4,000 | 61,881 |
| | 4,001 | 61,989 |

## 8. MOVEMENT IN FUNDS

| | At 1/7/21 | Net movement in funds | At 30/6/22 |
|---|---|---|---|
| | £ | £ | £ |
| **Unrestricted funds** | | | |
| General fund | 381,227 | 60,238 | 441,465 |
| **TOTAL FUNDS** | 381,227 | 60,238 | 441,465 |

Net movement in funds, included in the above are as follows:

| | Incoming resources | Resources expended | Movement in funds |
|---|---|---|---|
| | £ | £ | £ |
| **Unrestricted funds** | | | |
| General fund | 124,363 | (64,125) | 60,238 |
| **TOTAL FUNDS** | 124,363 | (64,125) | 60,238 |

**Comparatives for movement in funds**

| | At 1/7/20 | Net movement in funds | At 30/6/21 |
|---|---|---|---|
| | £ | £ | £ |
| **Unrestricted funds** | | | |
| General fund | 366,559 | 14,668 | 381,227 |
| **TOTAL FUNDS** | 366,559 | 14,668 | 381,227 |

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources | Resources expended | Movement in funds |
|---|---|---|---|
| | £ | £ | £ |
| **Unrestricted funds** | | | |
| General fund | 86,583 | (71,915) | 14,668 |
| **TOTAL FUNDS** | 86,583 | (71,915) | 14,668 |



continued...

## 8. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

| | At 1/7/20 £ | Net movement in funds £ | At 30/6/22 £ |
|---|---|---|---|
| **Unrestricted funds** | | | |
| General fund | 366,559 | 74,906 | 441,465 |
| **TOTAL FUNDS** | 366,559 | 74,906 | 441,465 |

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---|---|---|---|
| **Unrestricted funds** | | | |
| General fund | 210,946 | (136,040) | 74,906 |
| **TOTAL FUNDS** | 210,946 | (136,040) | 74,906 |

## 9. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 30 June 2022.

ALQUITY TRANSFORMING LIVES FOUNDATION

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2022

| | 2022<br>£ | 2021<br>£ |
|---|---|---|
| **INCOME AND ENDOWMENTS** | | |
| **Donations and legacies** | | |
| Donations | 124,363 | 86,583 |
| **Total incoming resources** | 124,363 | 86,583 |
| **EXPENDITURE** | | |
| **Other trading activities** | | |
| Exceptional items | (250) | - |
| **Charitable activities** | | |
| Donations payments | 11,221 | 18,796 |
| Website costs | 216 | (222) |
| Marketing | 612 | 985 |
| | 12,049 | 19,559 |
| **Support costs** | | |
| **Management** | | |
| Wages | 45,137 | 44,299 |
| Social security | 6,229 | 5,320 |
| | 51,366 | 49,619 |
| **Finance** | | |
| Bank charges | 53 | 112 |
| Exchange rate gains/losses | (1,260) | 1,192 |
| | (1,207) | 1,304 |
| **Governance costs** | | |
| Auditors' remuneration | 2,167 | 1,433 |
| Total resources expended | 64,125 | 71,915 |
| **Net income** | 60,238 | 14,668 |

**ALQUITY TRANSFORMING LIVES FOUNDATION**

England & Wales - Charity number 1162494

# Accounts

REGISTERED COMPANY NUMBER: 09405449 (England and Wales)
REGISTERED CHARITY NUMBER: 1162494

# ALQUITY TRANSFORMING LIVES FOUNDATION

## REPORT OF THE TRUSTEES AND

## AUDITED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

Mercer Lewin Ltd
Chartered Accountants and Registered Auditors
41 Cornmarket Street
Oxford
OX1 3HA

ALQUITY TRANSFORMING LIVES FOUNDATION

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FOR THE YEAR ENDED 30 JUNE 2021


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ALQUITY TRANSFORMING LIVES FOUNDATION

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 June 2021. The trustees have adopted the provisions of 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) (effective 1 January 2019).

## OBJECTIVES AND ACTIVITIES

### Objectives and aims

The Charity receives a regular donation from Alquity Investment Management Limited, based on its revenues, and this forms the primary source of funding for the charity. In the current period and looking forward, the Trustees are focusing on projects that promote the creation of sustainable livelihoods (SDG 8) and employment readiness programmes (SDG 4).

While there has been a significant decline in the number of people living in extreme poverty in recent decades, we have been observing slower economic growth and widening inequalities in the global economy, which have been exacerbated by Covid-19. In 2019, 22.3 per cent of the world's youth were not engaged in either education, employment or training (NEET), a share that has shown no reduction in over a decade. Worldwide, young women are twice as likely as young men to be jobless and not engaged in education or training. In 2019, the global NEET rate was 31.1 per cent for young women, compared with 14.0 per cent for young men. Since more women than men have been pushed out of the labour force during the pandemic, the crisis is likely to worsen the NEET gender gap. According to the United Nations Development Program (UNDP) Covid led to a rise in the overall estimate of people worldwide still without employment in 2020 to over 200m.

Roughly half of the world's population still lives on the equivalent of about US$2 a day (UN).

Far too often, women are left behind and under-represented in political and economic decision-making processes and in the labour market. Women's labour force participation rate is 63 per cent compared to 94 per cent for men. Globally, the gender pay gap stands at 23%; without any decisive action, it could take another 68 years to achieve equal pay (UN).

With this context in mind, the focus of the Foundation is on social and economic challenges that changes in corporate behaviour alone cannot address. The Foundation's grants and financial support aim to:

-help develop fairer, more sustainable economies that deliver inclusive long-term growth in the countries where Alquity invests,
-support local entrepreneurs and SMEs to develop or grow their businesses,
-support social inclusion, particularly of women and girls.

Historically, the Foundation has given out grants to charity partners focusing on:
-Providing access to formal education and employment,
-Targeting sections of the community discriminated against or excluded due to social norms and pressures,
-Providing support and access to finance to overcome poverty traps and help responsibly run small and medium enterprises to scale and create employment opportunities.

## ACHIEVEMENT AND PERFORMANCE

### Charitable activities

#### The Transforming Lives Awards

In 2019, the foundation decided to deliver its giving via an Awards programme. The Transforming Lives Awards programme was delivered throughout 2019 with the aim of identifying and recognising high impact and high potential non-profits and social enterprises focused on addressing issues related to SDG 8 (sustainable livelihoods) and the upper part of SDG 4 (employment readiness education). The Awards were split by region to recognise the source of the awards monies, deriving from the specific regions in which the Alquity Investment Management Funds invest. The initial broad target was to have between six and nine winners spread across Asia, Africa and Latin America.

## ACHIEVEMENT AND PERFORMANCE – continued

The Awards were delivered in collaboration with several reputable and expert partners.

Philanthropy University, the Awards' convening partner, was responsible for overseeing and managing the Awards process itself.

Charities Aid Foundation (CAF) was involved in carrying out due diligence checks and assessing and reviewing the Award applicants' proposals.

A number of high-profile organisations such as The World Bank (Solutions for Youth Employment), Acumen and Ashoka were involved as referral partners, putting forward strong organisations meeting the Awards' eligibility and assessment criteria.

Other organisations, including Alquity Investment Management Limited clients, such as Banque BRED, Banque Bonhôte, IPP Financial Advisors, Water Unite and UBS Optimus Foundation, joined as funding partners, either contributing to the costs of running the process and Awards event, or co-investing into the Award winning organisations' work.

It is the intention of the Trustees to run a further Transforming Lives Awards Program, although this has been delayed due to the impact of Covid. We now anticipate the next program being in 2023.

The structure of the program was as below:

**Stage 1 - Pre-application Sourcing**
The focus during this phase was the identification and sourcing of applicants meeting our criteria, using both an open registration method and a proactive sourcing approach, seeking referrals from trusted networks and partners within the sector. This phase also involved a unique peer-to-peer review, with organisations having a say on who should be considered throughout the process. A total of 361 organisations applied and following our initial eligibility checks and peer review process 122 organisations were invited to submit a full application form.

**Stage 2 - In-depth Assessment**
Organisations were requested to submit a full application form, answering questions on their strategy, operations, finances and approach to sustainability and innovation. Based on our assessment of the applicants' organisational capacities, a shortlist of 30 organisations was put forward for further due diligence checks and assessments conducted with the support of the Charities Aid Foundation (CAF).

**Stage 3 - Due diligence and field assessments**
Additional due diligence checks carried out on the shortlist included a review of financial accounts, governance, reference checks from external partners and a review of online and media presence. All 30 shortlisted applicants - approximately 10 per region - were visited in person and assessed over a period of two to three days each. The field visit was the opportunity to meet the team in person, validate the information provided in the form and observe some of the programmes in action. As a result, full assessment and due diligence reports were compiled on the 30 shortlisted applicants.

**Stage 4 - Regional Panels**
A group of regional and thematic experts were convened to analyse finalists' reports and make recommendations on the top 5 organisations per region, as well as on the size of the Awards. Throughout the Panel sessions, bespoke and constructive feedback was collected and provided to unsuccessful applicants at the end of the process.

**Stage 5 - Global Judging Panel**
A Global Judging Panel, composed of senior high-profile individuals, reviewed regional experts' rankings, discussed the merits of each application and made recommendations on the eight Award winners.

ACHIEVEMENT AND PERFORMANCE – continued

**Stage 6 - Final approval by Alquity Transforming Lives Foundation's Board**
The final stage of the process involved a final review by the Board of Trustees of the Foundation and a ratification of Award winners and Award sizes. The funding support on offer represented a combination of unrestricted grants, start-up capital, loan, or second round equity funding to help organisations expand their operations and accelerate their growth, based on their needs.

The Alquity Investment Management and the Foundation hosted the Future World Forum and an Awards ceremony in London on the 9th September 2019 to recognise and celebrate the Award winners. The total award funding that has been disbursed in the 2019/20 financial year represents $530,000. This included co-investments from Water Unite and UBS Optimus Foundation.

**Covid 19 Response Fund**
In April 2020, following the rise of Covid 19 cases globally and the devastating health, social and economic impact of the pandemic, the Alquity Transforming Lives Foundation launched a campaign to accelerate its support for those most affected, already suffering discrimination, hardship and economic exclusion, only been made worse by the effects of the pandemic.

In the current financial year, the Trustees have recognised the challenges that Covid has represented for all our award winners. We therefore ran our 40/40 campaign where we worked with partner organisations to award additional donations to our award winners to help sustain them through a difficult period, including them pivoting their operations.

**Covid Response Awards:**

**Award winners in Africa:**

GLOBAL MAMAS - globalmamas.org

Global Mamas works to create a life of prosperity for African women and their families. Women are empowered to create and sell high quality handmade products using traditional methods and become financially independent. Global Mamas' producers make on average 75% more than the minimum wage and 30% more than the average worker in the same industry in Ghana.

Global Mamas' Transforming Lives Award in 2019 represented a grant of US$60,000. The Award funding was used to buy a land and construct a Global Mamas Fair Trade Zone (FTZ), an eco-friendly facility that will showcase an alternative approach to manufacturing that is good for people and the planet. Construction work started in December 2020 and will be completed by the end of 2021. The ambition is to generate life-long employment for 200 women by the end of 2022.

Due to Covid it was not possible for Global Mamas cohort of women to meet and sell their products in the traditional way. The Foundation therefore granted an additional award of $15,000 for help build and develop an online shopping portal so as to allow goods to be sold this way, therefore protecting livelihoods and the Global Mamas community.

**Award Winners in Latin America:**

LUTA PELA PAZ - lutapelapaz.org

Luta Pela Paz uses boxing and martial arts combined with education and personal development to realise the potential of young people in communities affected by crime and violence. The organisation works with youth in Maré favela, Rio, where they use a methodology that provides a series of holistic and integrated services to give young people the tools to build peaceful, positive and productive lives. A key component of their method is employability - providing training, psycho-social support and access to opportunities.

## ACHIEVEMENT AND PERFORMANCE – continued

Luta Pela Paz' Transforming Lives Award represents a grant of US$60,000. The Award funding was used to provide employability and psychosocial support to students throughout the year. The team carried out regular check-ins with students and young people within the community, employability-related pre-recorded videos, and live webinars, including a popular webinar on mental health and the workplace. Over the year, the employability staff worked with 242 young people, helping 26 into work and the psychosocial support team provided critical support during the pandemic, carrying out regular home visits and telephone support. In response to the Covid19 crisis, Luta Pela Paz also designed specific employability-related programmes, notably one in collaboration with Laboratoria, to run a pilot bootcamp training programme for young women in Maré. This pilot will be supported by the Alquity Foundation in 2021.

Due to Covid many of the young Luta Pela Paz students have been unable to attend classes or to afford devices and data packages to allow them to attend remotely. The Foundation therefore granted an additional award of $10,000 to help support in areas to pivot the learning options and technology available. We are also delighted to report that Luta Pela Paz collaborated with another Transforming Lives Award winner, Labratoria, to enhance the online learning options for their young people.

## FINANCIAL REVIEW

### Financial position

In the year the Foundation received £86,581.82 in donations from Alquity investment Management and others. It has made awards of c. $25,000 through the Covid Response Awards. In addition, reserves have been built up ready to progress with the next Transforming Lives Awards program in 2023.

### Reserves

At all times, the Foundation will seek to ensure it has a minimum of £50,000 of cash (or cash-like instruments) reserves. In addition, it is the intent that any future committed grants would be covered by the reserves and a maximum of 50% of the annualised, current 3-month donation accrual rate. If 50% of the current rate is insufficient, then the donations stream will be used to accumulate a cash balance until such time as this metric is met.

The foundation has deposited some of its cash reserves with Oikocredit, at an initial % coupon whilst allowing cash to be returned at any time within 14 days. Importantly Oikocedit uses deposited money to provide loans to microfinance institutions in the developing world and thereby helping to transform lives.

The Trustees requested AIML's investment team to perform due diligence on Oikocredit, providing confidence that it should be viewed as a suitable substitute for holding cash with very little risk.

In the later part of 2020, in the light of Covid, Oikocredit has reduced and then suspended the coupon payment. The deposit still achieves impact, and we would receive little cash interest on deposit and so for the time being we continue to hold some reserves with Oikocredit, but the Trustees will keep this under review.

## RISKS

The major risks to which the Foundation is exposed have been reviewed with the Trustees and actions have been established to mitigate them.

Trustees noted that the main risks faced by the Foundation were the risk of the Alquity Investment Management Company going into administration with the Company being the Foundation's primary funder. In the context of the Covid19 global pandemic and its implications on business performance, the Board of Trustees of the Foundation, agreed that accrued donations due from the Company to be paid to the Foundation may be deferred and held by the Company to navigate these unprecedented times.

## FINANCIAL REVIEW – continued

It was considered in the best interests of the Foundation for the donations to be deferred, as by holding the Company to its payment commitments the survival of the Company and consequently of the Foundation itself could be jeopardised. It was noted by the Trustees that all funding commitments made by the Foundation could successfully be met, regardless of this resolution, as the Foundation held sufficient reserves.

The Company has recently completed a number of transactions including the first stage of a fund raise and also a partnership with a significant Swedish asset management group. The trustees have agreed for donations to resume as normal and for the deferred element to be paid across to the Foundation on the basis of rising revenues for the company so that the deferral can be cleared over a period in a sustainable way. The Company has agreed to pay 1% interest on the monies outstanding. The trustees will keep this position under review.

## FUTURE PLANS

Looking ahead, the Foundation will be working closely with Award winners to identify specific social projects in response to the Covid 19 pandemic and its devastating impact on communities. Grants will be disbursed to successful charity partners in the next financial year.

Following the recent developments at Alquity Investment Management Ltd and the exciting launch in 2021 of the Alquity Global Impact Fund, the Trustees will also be reflecting on how these changes may influence the scope of the Foundation's work moving forward as well as its geographic focus.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

**Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

## REFERENCE AND ADMINISTRATIVE DETAILS

**Registered Company number**
09405449 (England and Wales)

**Registered Charity number**
1162494

**Registered office**
9 Kingsway
London
WC2B 6XF

**Trustees**
D M Brocklebank Chair
V A P Giridhar Gopal
P H Robinson Co-chair
R Shah Audit and Risk Chair

**Auditors**
Mercer Lewin Ltd
Chartered Accountants and Registered Auditors
41 Cornmarket Street
Oxford
OX1 3HA

## REPORT OF THE TRUSTEES
## FOR THE YEAR ENDED 30 JUNE 2021

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Alquity Transforming Lives Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

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

### AUDITORS

The auditors, Mercer Lewin Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 29 March 2022 and signed on its behalf by:

.....
R Shah - Trustee

## REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ALQUITY TRANSFORMING LIVES FOUNDATION

### Opinion

We have audited the financial statements of Alquity Transforming Lives Foundation (the 'charitable company') for the year ended 30 June 2021 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 30 June 2021 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; and
- 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 Auditors' 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 charitable company'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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify 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.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

## REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ALQUITY TRANSFORMING LIVES FOUNDATION

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

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

**Our responsibilities for the audit of the financial statements**
We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

- We discussed the framework in which the charitable company operates with senior management and in conjunction with our experience of the industry in which the charitable company operates, sought to identify laws and regulations which are critical to the charitable company's business. As a registered charity, the company is obliged to comply with regulations issued by The Charity Commission of England and Wales. Compliance with those regulations, including the need to make reports to the commission/regulator, was reviewed.

- As part of routine audit procedures, the possibility of non-compliance with general laws (e.g., employment law, health and safety regulations) were considered, in response to the assessed risks in relation to these laws and regulations.

- The risks of fraud were discussed with senior management, including details of any known instances. Our records of the company's systems and procedures was reviewed by the audit team (including the audit engagement partner) to identify possible areas where fraud might occur.

- The above procedures were undertaken by the audit team as a whole, led by the audit engagement partner. In this way the audit engagement partner was able to obtain assurance the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations and the possibility of irregularities arising from fraud.

- To address the risk of fraud through management bias and override of controls, we:
    - performed analytical procedures to identify any unusual or unexpected relationships;
    - tested journal entries to identify unusual transactions;
    - assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
    -investigated the rationale behind significant or unusual transactions.

**Our responsibilities for the audit of the financial statements – continued**

- In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

  -agreeing financial statement disclosures to underlying supporting documentation;
  -reading the minutes of meetings of those charged with governance; and
  -enquiring of management as to actual and potential litigation and claims.

- There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

- Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Management Committee and other management and the inspection of regulatory and legal correspondence, if any.

- Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Use of our report**
This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mercer Lewin Ltd
Chartered Accountants and Registered Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
41 Cornmarket Street
Oxford
OX1 3HA

Date: 30 March 2022

ALQUITY TRANSFORMING LIVES FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2021

| | Notes | Unrestricted fund £ | Restricted fund £ | 2021 Total funds £ | 2020 Total funds £ |
|---|---|---|---|---|---|
| **INCOME AND ENDOWMENTS FROM** | | | | | |
| Donations and legacies | | 86,583 | - | 86,583 | 222,767 |
| **EXPENDITURE ON** | | | | | |
| **Charitable activities** | | | | | |
| Sustainable development | | 70,482 | - | 70,482 | 399,571 |
| Support costs | | 1,433 | - | 1,433 | 2,400 |
| **Total** | | 71,915 | - | 71,915 | 401,971 |
| **NET INCOME/(EXPENDITURE)** | | 14,668 | - | 14,668 | (179,204) |
| **RECONCILIATION OF FUNDS** | | | | | |
| **Total funds brought forward** | | 366,559 | - | 366,559 | 545,763 |
| **TOTAL FUNDS CARRIED FORWARD** | | 381,227 | - | 381,227 | 366,559 |

The notes form part of these financial statements

ALQUITY TRANSFORMING LIVES FOUNDATION

**BALANCE SHEET**
**30 JUNE 2021**

| | Notes | Unrestricted fund £ | Restricted fund £ | 2021 Total funds £ | 2020 Total funds £ |
|---|---|---|---|---|---|
| **CURRENT ASSETS** | | | | | |
| Debtors | 5 | 235,739 | - | 235,739 | 155,974 |
| Investments | 6 | 168,372 | - | 168,372 | 168,372 |
| Cash at bank | | 39,105 | - | 39,105 | 57,660 |
| | | 443,216 | - | 443,216 | 382,006 |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 7 | (61,989) | - | (61,989) | (15,447) |
| **NET CURRENT ASSETS** | | 381,227 | - | 381,227 | 366,559 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 381,227 | - | 381,227 | 366,559 |
| **NET ASSETS** | | 381,227 | - | 381,227 | 366,559 |
| **FUNDS** | 8 | | | | |
| Unrestricted funds | | | | 381,227 | 366,559 |
| **TOTAL FUNDS** | | | | 381,227 | 366,559 |

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2021.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for
(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 29 March 2022 and were signed on its behalf by:

R Shah - Trustee

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

## 1. ACCOUNTING POLICIES

### BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

### INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

### EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

### TAXATION

The charity is exempt from corporation tax on its charitable activities.

### FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

### PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

## 2. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Auditors' remuneration | 1,433 | 2,400 |



continued...

## 3. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2021 nor for the year ended 30 June 2020.

### TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 30 June 2021 nor for the year ended 30 June 2020.

## 4. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted fund £ | Restricted fund £ | Total funds £ |
|---|---|---|---|
| **INCOME AND ENDOWMENTS FROM** | | | |
| Donations and legacies | 222,767 | - | 222,767 |
| **EXPENDITURE ON** | | | |
| **Charitable activities** | | | |
| Sustainable development | 399,571 | - | 399,571 |
| Support costs | 2,400 | - | 2,400 |
| **Total** | 401,971 | - | 401,971 |
| **NET INCOME/(EXPENDITURE)** | (179,204) | - | (179,204) |
| **RECONCILIATION OF FUNDS** | | | |
| **Total funds brought forward** | 545,763 | - | 545,763 |
| **TOTAL FUNDS CARRIED FORWARD** | 366,559 | - | 366,559 |

## 5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 £ | 2020 £ |
|---|---|---|
| Alquity Investment Management | 235,739 | 155,974 |

## 6. CURRENT ASSET INVESTMENTS

| | 2021 £ | 2020 £ |
|---|---|---|
| Programme related investments | 118,372 | 118,372 |
| OIKO investment | 50,000 | 50,000 |
| | 168,372 | 168,372 |



continued...

## 7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Trade creditors | 108 | (1) |
| Accruals | 61,881 | 15,448 |
| | 61,989 | 15,447 |

## 8. MOVEMENT IN FUNDS

| | At 1/7/20 | Net movement in funds | At 30/6/21 |
|---|---|---|---|
| | £ | £ | £ |
| **Unrestricted funds** | | | |
| General fund | 366,559 | 14,668 | 381,227 |
| **TOTAL FUNDS** | 366,559 | 14,668 | 381,227 |

Net movement in funds, included in the above are as follows:

| | Incoming resources | Resources expended | Movement in funds |
|---|---|---|---|
| | £ | £ | £ |
| **Unrestricted funds** | | | |
| General fund | 86,583 | (71,915) | 14,668 |
| **TOTAL FUNDS** | 86,583 | (71,915) | 14,668 |

**Comparatives for movement in funds**

| | At 1/7/19 | Net movement in funds | At 30/6/20 |
|---|---|---|---|
| | £ | £ | £ |
| **Unrestricted funds** | | | |
| General fund | 545,763 | (179,204) | 366,559 |
| **TOTAL FUNDS** | 545,763 | (179,204) | 366,559 |

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources | Resources expended | Movement in funds |
|---|---|---|---|
| | £ | £ | £ |
| **Unrestricted funds** | | | |
| General fund | 222,767 | (401,971) | (179,204) |
| **TOTAL FUNDS** | 222,767 | (401,971) | (179,204) |



continued...

## 8. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

| | At 1/7/19 £ | Net movement in funds £ | At 30/6/21 £ |
|---|---|---|---|
| **Unrestricted funds** | | | |
| General fund | 545,763 | (164,536) | 381,227 |
| **TOTAL FUNDS** | 545,763 | (164,536) | 381,227 |

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---|---|---|---|
| **Unrestricted funds** | | | |
| General fund | 309,350 | (473,886) | (164,536) |
| **TOTAL FUNDS** | 309,350 | (473,886) | (164,536) |

## 9. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 30 June 2021.

ALQUITY TRANSFORMING LIVES FOUNDATION

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2021

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| **INCOME AND ENDOWMENTS** | | |
| **Donations and legacies** | | |
| Donations | 86,583 | 222,767 |
| **Total incoming resources** | 86,583 | 222,767 |
| **EXPENDITURE** | | |
| **Charitable activities** | | |
| Sundries | - | 7,471 |
| Donations payments | 18,796 | 294,053 |
| Website costs | (222) | 216 |
| Marketing | 985 | 523 |
| Awards process costs | - | 18,140 |
| Travel and subsistence | - | 5,379 |
| | 19,559 | 325,782 |
| **Support costs** | | |
| **Management** | | |
| Wages | 44,299 | 63,517 |
| Social security | 5,320 | 1,811 |
| Pensions | - | 101 |
| | 49,619 | 65,429 |
| **Finance** | | |
| Bank charges | 112 | 337 |
| Exchange rate gains/losses | 1,192 | 8,023 |
| | 1,304 | 8,360 |
| **Governance costs** | | |
| Auditors' remuneration | 1,433 | 2,400 |
| Total resources expended | 71,915 | 401,971 |
| **Net income/(expenditure)** | 14,668 | (179,204) |