

ATI Evolution Foundation

Registered Charity No: 1166515

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31st December 2023

ATI Evolution Foundation

Trustees' Report for the year ended 31st December 2023

The trustees present their report along with the financial statements of the Foundation for the year to 31st December 2023. The Foundation is a CIO (Charitable Incorporated Organisation) and is registered with the Charity Commission for England and Wales with registered charity number 1166515.

Trustees

Mark Farrington
Dr. Ekaterina Valeeva-Farrington
Dr. Charles Oliphant
Leonardo Isacchi (Appointed 6th October 2023)
Efrem Marder (Resigned 2nd October 2023)
Julia Helena Lawless (Resigned 2nd October 2023)

The trustees, as shown above, were appointed by the charity's Constitution dated 1 April 2016, and subsequent trustees can be appointed by them. The Foundation became a registered charity at Charity Commission on 13 April 2016. All the trustees receive regular updates on the charity sector.

Principal Office

Unit B, 14 Collent Street
London
E9 6SG

Bankers

Barclays Plc
1 Churchill Place
London
E14 5HP

Investment managers

Hargreaves Lansdown
One College Square South
Anchor Road
Bristol
BS1 5HL

Independent Examiner

Moore Kingston Smith LLP
Chartered Accountants
Floor 6
9 Appold Street
London
EC2A 2AP

Objects and Activities

ATI Evolution Foundation is a registered charity raising money in support of professionally run NGOs (Non-governmental organisation) and non-profit organisations dedicated to the preservation of Tibetan culture and humanitarian relief in the Himalayan region. Key areas of focus are on NGOs and non-profit organisations supporting Tibetan language, Tibetan medicine, Tibetan arts and Tibetan Buddhism.

Strategy for achieving objectives

The Foundation has an objective of building a lasting investment fund that, through intelligent and socially responsible investing, generates an annual investment return that provides material support toward the operating expenses of our beneficiary non-profit organisations.

Public Benefit

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

Achievements, Performance and Financial Review

The Foundation did not receive any donations during 2023 as planned and received a small amount of interest and dividend income in the year of £8,394 (2022: £12,373). A single donation of \$999,993 was received in 2017. The Foundation aims to build an investment portfolio with the intention of giving grants to beneficiaries using the interest/dividends earned from the investment fund. All investments are held with the investment managers Hargreaves Lansdown.

ATI Evolution Foundation

Trustees' Report for the year ended 31st December 2023

Grant Making Policy

The Foundation's strategy for making grants to its list of beneficiaries will not be implemented until the endowment reaches \$5 million. Building the endowment to a sufficient size so that annual investment return targets of 4% constitute a material grant for our beneficiary organisations is an essential tenant of the Foundation's long-term strategy. When the \$5 million endowment hurdle is cleared, the Board of Trustees will deliberate annually to determine percentage allocations to our list of beneficiaries. Granting some percentage of the annual distribution pool to all beneficiaries is our over-arching policy, with greater emphasis on necessity than operational performance. Solvency and consistent Mission Statements are also an important prerequisite.

In certain circumstances, the Foundation may make smaller, incremental grants to its list of beneficiaries prior to the endowment reaching its \$5 million target. These small grants would be aimed at ensuring a base level of charitable activity while we await future donations and endowment growth. These smaller grants shall not exceed 40% of retained net investment income.

Investments Policy & Performance

The investment policy of the Foundation is to achieve low volatility, absolute returns, whilst attempting to maintain the capital value. In addition to a low volatility return profile, the Foundation will also endeavour to implement a bespoke, socially responsible investment strategy that reflects the sensibilities of our donor and beneficiary community.

The Net Investment Portfolio Performance (NIPP) is an annual measure to assess the net return of the investment portfolio and is defined as a percentage of the sum of net yearly gains, investment income derived from the portfolio and management fees as a proportion of the cost of the portfolio. The NIPP for the year to 31 December 2023 was 12% compared to -10% in the previous year.

Reserves Policy

The reserves policy is intended to be conservative and provides adequate assurance to the trustees that the charity operates as a going concern at all times. To this end, ATI Evolution Foundation aims to maintain free reserves (those unrestricted reserves not tied up in fixed assets or risk-based investment products) at an amount of £100,000 to cover operational costs of the Foundation for several years. At year end the charity held free reserves of £173,138, defined as £56,854 (2022: £65,351) held in bank accounts and £116,284 (2022:£127,269) of cash held in the investment portfolio.

Risk Management

The major risks to which the Foundation is exposed, as identified by the trustees, have been reviewed and the trustees are satisfied that the processes are in place mitigate those risks.

- There is a risk that the investments will not yield sufficient returns in any one given year to meet the Foundation's investment return objective of 4%, however, this risk is mitigated by targeting distributions in line with a long term average of investment returns. Surpluses will be retained in over-performance years, which can then be used to smooth distributions in under-performance years.

Key management and remuneration policy

The trustees are not remunerated and the Foundation has no employees.

Appointment of Trustees

New trustees may be appointed by the trustees, to fill a vacancy or as an additional trustee. The Foundation shall select appropriate trustees and provide them with an induction to acquaint them with the governance and policies of the Foundation as well as what is expected of them in their new role. Additional training and/or information will be provided to the trustees on an ongoing basis.

ATI Evolution Foundation

Trustees' Report for the year ended 31st December 2023

Future Plans

The Foundation ultimately targets five permanent board members and is in constant dialogue with prospective candidates. The trustees plan to pursue a policy of continuity over the coming twelve months, with no major operational changes forecast for the coming year. At the appropriate time in the future, the Foundation will pursue a global fundraising campaign to build a lasting endowment to support its charitable activities. The Foundation hopes that its 5-year track record of successful fund management returns, particularly amid such a complex and volatile investment environment, will encourage future donors and build trust in our professional capabilities.

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Foundation and of the income and expenditure of the Foundation for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Trustees

Date:

28/3/24


Trustee

MARK FARRINGTON

Independent Examiner's Report to the Trustees of ATI Evolution Foundation

I report to the trustees on my examination of the accounts of the ATI Evolution Foundation ('the Foundation') for the year ended 31 December 2023.

Responsibilities and basis of report

As the charity trustees of the Foundation you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Foundation's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Foundation as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Adam Fullerton, FCA DChA

Independent Examiner

For and on behalf of Moore Kingston Smith LLP

Floor 6
9 Appold Street
London
EC2A 2AP

Date: 28/03/2024

ATI Evolution Foundation

Statement of Financial Activities

For the year ended 31st December 2023

		31 December 2023	31 December 2022
	Note	£	£
Income from:			
Investment income	2	8,394	12,373
Total		<u>8,394</u>	<u>12,373</u>
Expenditure on:			
<i>Raising funds:</i>			
Investment management costs		(935)	(78)
<i>Charitable Activities:</i>			
Charitable activities in furtherance of objects	3	(54,690)	(31,900)
Net gains/(loss) on investments	10	96,851	(63,273)
Revaluation loss on intangible assets	9	(6,519)	(13,687)
Total		<u>34,707</u>	<u>(108,938)</u>
Net movement in funds		<u>43,101</u>	<u>(96,565)</u>
Total funds brought forward		771,597	868,162
Total funds carried forward		<u><u>814,698</u></u>	<u><u>771,597</u></u>

All income and expenditure were unrestricted in the current and preceding year.

The notes on pages 7 to 11 form part of the financial statements.

ATI Evolution Foundation

Balance Sheet as at 31st December 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed Assets					
Intangible fixed assets	9		986		7,505
Investments	10		762,562		697,560
Current Assets					
Debtors	11			6,653	
Cash at bank		55,854		63,351	
		55,854		72,004	
Creditors: Amounts falling due within one year	12	(5,694)		(5,472)	
		<u>(5,694)</u>		<u>(5,472)</u>	
Net Current Assets			51,160	66,531	
TOTAL ASSETS less current liabilities			814,090	771,396	
TOTAL NET ASSETS			<u>814,090</u>	<u>771,396</u>	
Funds					
Unrestricted Funds			814,090	771,396	

The accounts have been prepared in accordance with FRS 102.

The notes on pages 7 to 11 form part of the financial statements.

The accounts were approved by the Trustees and authorised for issue on: 27/3/24
and signed on its behalf by:

Trustees



ATI Evolution Foundation

Notes to the Accounts

For the year ended 31st December 2023

1 Accounting policies

Basis of accounting

The financial statements have been prepared on a going concern basis under the historical cost convention modified for the investments which are accounted for at market value.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Foundation is a public benefit entity for the purposes of FRS 102 and therefore the Foundation also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP) and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

The principle accounting policies adopted in the preparation of the financial statements are set out below.

Going Concern Basis

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the charity will continue in operation for a period of at least one year from the date of approval of the financial statements. The Trustees have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future.

Income

Income is credited to the Statement of Financial Activities on an accruals basis when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met.

Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. Expenditure is recognised once there is legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Grants for specific purposes relate to transfers made to recipient organisations for the purposes of charitable activities.

Support costs are those incurred in the administration of the charity and are primarily associated with the constitutional and statutory requirements.

Costs of raising funds are those incurred in the external management of the charities cash and investment portfolio.

ATI Evolution Foundation

Notes to the Accounts

For the year ended 31st December 2023

1 Accounting policies (continued)

Foreign currencies

Transactions denominated in foreign currencies are translated into Sterling at the exchange rate ruling at the date of the transactions. Assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the end of the financial period. All exchange differences are dealt with in the Statement of Financial Activities.

Intangible fixed assets

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at fair value at the year end.

Investments

Investments are included in the accounts at market value. Realised and unrealised gains and losses on investments are included within the funds and are recognised in the Statement of Financial Activities.

Cash and Cash Equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

Grants payable

Contractual arrangements are recognised as goods and services are supplied. Other grant payments are recognised when a constructive obligation arises.

Financial Instruments

The Foundation has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Critical accounting estimates and areas of judgement

In the view of the trustees in applying the accounting policies adopted, no critical accounting estimates and judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

2 Investment income

	2023 £	2022 £
Dividend income	4,702	12,024
Bank interest	3,692	349
	<u>8,394</u>	<u>12,373</u>

ATI Evolution Foundation

Notes to the Accounts

For the year ended 31st December 2023

3 Grants and donations payable in furtherance of objects

	2023 £	2022 £
Charitable grants to institutions	16,328	16,666
Support costs (see note 8)	38,362	15,234
	<u>54,690</u>	<u>31,900</u>

4 Movement in funds

This is stated after:

	2023 £	2022 £
Independent examiner's fee - for the current year	<u>3,234</u>	<u>3,108</u>

5 Transactions with Trustees

No trustee received any remuneration for services as a trustee (2022: £Nil), nor any reimbursement of expenditure (2022: £Nil).

6 Employees

The charity has no employees in the current or preceding year. The trustees of the charity are considered to be the key management personnel.

7 Fund Accounting

The unrestricted fund consists of those funds which the Foundation may use in furtherance of its charitable objectives at the discretion of the trustees.

8 Support costs

	2023 £	2022 £
Independent examiner fees	3,234	3,108
Accountancy and related costs	2,460	2,364
Website costs	3,097	661
Investment analytical services	22,695	7,007
Marketing charges	2,916	-
Bank charges	102	258
Subscriptions	2,926	-
Computer running costs	932	1,836
	<u>38,362</u>	<u>15,234</u>

9 Intangible fixed assets

	2023 £	2022 £
Fair value		
At 1 January 2023	7,505	21,192
Additions	-	-
Disposals	-	-
Revaluation gain/(loss)	(6,519)	(13,687)
	<u>986</u>	<u>7,505</u>
At 31 December 2023		

ATI Evolution Foundation

Notes to the Accounts

For the year ended 31st December 2023

10 Investments

	2023 £	2022 £
<i>Listed investments</i>		
Market value as at 1 January	570,290	606,314
Additions	3,349,816	1,341,018
Disposal proceeds	(3,370,689)	(1,313,769)
Net gains/(losses)	96,851	(63,273)
Market value at 31 December	646,268	570,290
Add cash held in investment portfolio	116,284	127,269
Total value of investments at 31 December	<u>762,552</u>	<u>697,560</u>
Historical cost of investments (excluding cash held within the portfolio)	<u>848,125</u>	<u>764,073</u>

All of the Foundation's investments are listed on the London Stock Exchange.

At 31st December 2023 the following investment holdings represent more than 5% of the portfolio:

	Historical cost	2023 Market Value
Tesla Inc	127,740	117,125
International Business Machines Corp Com Stk	89,963	89,957
ITM Power plc Ordinary 5p Shares	78,280	8,910
Nexans SA	70,846	68,495
Leverage Shares Plc 2x Netflix ETP 31/12/67 GBP	62,861	51,420
FiscalNote Holdings Inc	58,036	17,598
Lloyds Banking Group Plc	50,010	44,595

	Historical cost	2022 Market Value
Invesco Markets NASDAQ Biotech UCITS	104,982	92,262
Invesco Markets Plc Technology S&P US Sel Sector	243,140	214,932
ITM Power plc Ordinary 5p Shares	78,280	13,815
Leverage Shares Plc 2x Netflix ETP 31/12/67 GBP	62,861	24,031
Rio Tinto plc Ordinary 10p	146,151	145,025

11 Debtors

	2023 £	2022 £
Prepayments	<u>-</u>	<u>6,653</u>

ATI Evolution Foundation

Notes to the Accounts

For the year ended 31st December 2023

12 Creditors: Amounts falling due within one year	2023 £	2022 £
Accruals	5,694	5,472
	<u>5,694</u>	<u>5,472</u>

Included in creditors are financial instruments of £5,694 (2022: £5,472).

13 Related party transactions

A grant of 8,058 (2022: £8,333) was awarded to Asia Onlus during the year, an Italian registered charity with a common trustee of ATI Evolution.

14 Financial and capital commitments

The Foundation has no outstanding financial or capital commitments (2022: £Nil).