

Company Registration No. 10986594
Registered Charity No. 1176782

The ELMA Foundation (UK)

Annual Report and Financial Statements

for the year ended 31 December 2023

The ELMA Foundation (UK)

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The ELMA Foundation (UK)

For the year ended 31 December 2023

LEGAL AND ADMINISTRATIVE INFORMATION

GOVERNING DOCUMENT

Memorandum and articles of Association dated 17 October 2019

COMPANY NUMBER

10986594

CHARITY NUMBER

1176782

REGISTERED OFFICE

Third Floor, 20 Old Bailey,
London EC4M 7AN

TRUSTEES

C Calder
R Calder
R Douglas
E Graham
M Lancaster

BANKER

J.P. Morgan Private Bank
60 Victoria Embankment,
London EC4Y 0JP

SOLICITOR

Withers LLP
Third Floor, 20 Old Bailey,
London EC4M 7AN

AUDITOR

Deloitte LLP
1 New Street Square
London
EC4A 3HQ

The ELMA Foundation (UK)
For the year ended 31 December 2023

TRUSTEES' REPORT

(including the Strategic Report and incorporating the directors' report) (continued)

The ELMA Foundation (UK) (the "Charity") is a private company limited by guarantee, incorporated on 28 September 2017 and registered as a charity in England and Wales on 23 January 2018.

The Trustees present their annual report (including the Strategic Report) on the affairs of the charity, together with the audited financial statements and auditor's report for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 in the accounts and comply with the Charity's memorandum and articles of association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", updated 1 January 2019 ("SORP").

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trustees, who are also directors of the charitable company, who served during the year and up to the date of this report, were:

C Calder
R Calder
R Douglas
E Graham
M Lancaster

The Trustees were appointed by the initial member on the basis of their skills and expertise and any further trustees will be appointed on a similar basis. The Trustees serve as resources to the Charity, sharing relevant expertise in grant-making and business management, directly supporting key aspects of operations. On appointment, new Trustees sign a trustee declaration statement committing them to giving their time and expertise. The Trustees' induction process includes being provided with an information pack containing the Charity's key governance, policy and financial documents, relevant Charity Commission guidance and details of the organisational structure of the Charity. They are also directed to the Charity Commission essential trustee guide. The Trustees give their time voluntarily and receive no remuneration or other benefits and are required to disclose all relevant interests and withdraw from decisions where a conflict of interest arises.

OBJECTIVES AND ACTIVITIES

The Charity has been established as a grant-making charity. The Charity supports a range of charities, predominantly those that are registered and based in the UK, which undertake activities and initiatives in Africa and the UK, which fall within the Charity's objects.

The objects of the Charity (the "Objects") are:

- (a) the relief of poverty, suffering and distress of children;
- (b) the advancement of the education of disadvantaged children and youth;
- (c) the improvement in the quality of life and needs of disadvantaged children and the families and households that support them;
- (d) the relief of sickness of children; and
- (e) the improvement of health care, health care facilities and health care infrastructure provided that children derive the primary benefit from the improvements

for the benefit of the public in the Continent of Africa and in the United Kingdom.

The grant-making activity of investing in organisations that improve the lives of children in Africa and in the United Kingdom is guided by portfolio-based strategies that mainly encompass the following focus areas:

- **Health workforce:** To increase the quality and quantity of health workforces for maternal, newborn, and child health
- **Maternal and newborn health:** To make pregnancy and delivery safe for more women, and ensure newborns receive appropriate care.

The ELMA Foundation (UK)
For the year ended 31 December 2023

TRUSTEES' REPORT

(including the Strategic Report and incorporating the directors' report) (continued)

- **Early childhood development:** To improve access to quality early childhood care and education.
- **AIDS-free:** To reduce number of new paediatric HIV infections.
- **Neglected tropical diseases:** To control, and where possible, eliminate neglected tropical diseases.
- **Adolescent girls and young women:** To promote safety, health and education of more girls and young women.

A further category, Special Opportunities, denotes grants that are directly in furtherance of the Objects of the Charity but where the purpose of the grant spans across a number of focus areas and/or do not fall within any specific focus area. The respective approaches, targeted geographical locations, measures of success and what success looks like are articulated in the Charity's investment framework (the "Investment Framework") that guides its philanthropy in these focus areas.

The Trustees consider the Investment Framework annually to ensure that the strategies continue to be fit for purpose in furtherance of the Objects.

PUBLIC BENEFIT

The Trustees have given due regard to the public benefit guidance published by the Charity Commission when reviewing the Charity's aims and objectives, planning future activities and setting the grant-making policy for the year. Despite receiving donation income, the Charity is not engaged in fundraising with the public, either directly or through third parties. Further details of grants made by the Charity and organisations supported can be found in note 5 of the financial statements.

MANAGEMENT AND GOVERNANCE ARRANGEMENTS

The Trustees delegate the implementation of their decisions and day-to-day management of the affairs of the Charity to one of the Trustees, who together with her administrative staff voluntarily contribute their time and resources to administer the Charity's activities. No donated service cost and income is recognised for these services and facilities provided, as it cannot be reliably measured.

The Trustees annually review the risks that the Charity faces. The principal risk is around the use of our grant funds. This is the risk that the activities undertaken by grant recipients are not in furtherance of the Objects of the Charity, are not in line with the approved use of grant funds and the grants are not made to reputable and impactful charities with programmes in Africa and the UK. This risk has been mitigated by ensuring that grants are made in accordance with the Investment Framework and the established grant-making policy. Additionally, the Trustees have appointed a grants advisory services provider to, in accordance with the Investment Framework, source potential funding programmes, conduct due diligence on the potential grant recipient prior to making grant recommendations to the Trustees. The grants advisory services provider monitors performance of grant recipients to ensure compliance with grant terms and conditions, achievement against specified performance criteria and specific outcomes.

CONNECTIONS TO A NON-CHARITY

The Trustees have applied the Charity Commission Guidance regarding connections to a non-charity and confirm that they have addressed the risks of any connection. They regularly monitor the connections to non-charities to ensure that the Charity's resources are not applied to advance any non-charitable interest. Below we have summarised our connection to non-charities:

- The ELMA Philanthropies Services (US) Inc. : Connections exist in the form as described in "Note 9 Related parties". Any potential connection risks are mitigated as described in the aforementioned note.

PROCEDURES AND POLICY FOR GRANT-MAKING

The Trustees are committed to ensuring that the Charity's funds are used for purposes that are exclusively charitable under the law of England and Wales and are used effectively and for public benefit. To that end, they have formulated a grant-making policy, which may be amended from time to time, to set out clear guidelines to be followed by the Trustees when

The ELMA Foundation (UK)
For the year ended 31 December 2023

TRUSTEES' REPORT

(including the Strategic Report and incorporating the directors' report) (continued)

considering any proposed grant. Most of the Trustees have extensive experience in grant-making within the sectors covered by the Objects and will apply such experience in the identification and selection of appropriate grant recipients for the Charity. The Charity does not consider unsolicited proposals for grant funding.

Multi-year grants are funded in multiple disbursements. The Charity's multi-year grant agreement permits, for example, a three-year programme to be contracted for the full three-year term of the programme, but subject to annual reviews for compliance to specified conditions, performance criteria, outputs and outcome.

For each new grant, a grant proposal, which includes the full programme budget and grant activities, is developed by the grant recipient. The Trustees collectively consider the grant and if approved, communicate their intention to grant up to the full grant term however only commit to fund the initial programme period (usually twelve months). The Trustees expense such disbursement, with each subsequent disbursement being subject to annual review for compliance with specified performance criteria and conditions for release of disbursement. During the annual review, the progress of the grant is assessed and if applicable, the subsequent year's work plan, budget, specified performance indicators, milestones and deliverables are agreed with the grant recipient and amended accordingly.

Further, failure to satisfactorily meet the grant conditions or if there are significant changes to any of the budgetary and other assumptions on which the Charity has relied in making the grant may result in the termination, suspension, adjusting the timing and/or amount of the grant, or alternate conditions being imposed thereon.

STRATEGIC REPORT

Achievements and performance

During the year the Trustees approved grant disbursements totalling £4,086,574 (2022: £4,851,671), of which £1,535,859 were follow-on disbursements from prior year awards (2022: £4,393,337) and £2,550,715 were for awards approved during the year (2022: £458,334).

Of the total grant disbursements, £1,927,526 (2022: £3,743,337) was made to the Royal Commonwealth Society for the Blind (a.k.a. "Sightsavers"). The Charity's 2023 disbursement part-funded continuing support for Sightsavers' AccelerATE programme in assisting ten African countries overcome the hurdles of trachoma elimination, and mass drug administrations for onchocerciasis and lymphatic filariasis, to treat 51.2 million people in three African countries. Other grants made amounted to £2,159,048 (2022: £1,108,334). Of this, £1,000,000 was awarded to Camfed international ("Camfed") (2022: £Nil) as part funding towards Camfed's six-year endeavour to triple their impact and support five million girls on the path to graduation across five African countries. Further details of grants made by the Charity can be found in note 5 of the financial statements.

Financial review and reserves

The Charity neither seeks nor receives funding from the general public. The Charity received donations of £7,000,000 during the year (2022: £Nil). The interest income on cash reserves was £88,829 (2022: £11,664). Charitable expenditure amounted to £4,182,438 (2022: £4,944,946), where grant funding accounted for 97.7% (2022: 98.1%) and direct and support costs (including governance costs) accounted for 2.3% (2022: 1.9%) of total charitable expenditure.

The Charity's reserves policy is to maintain, at the end of each accounting period, cash and cash equivalent reserves to cover one year's grant disbursements on active grants plus one year's budgeted operating expenditure. As at 31 December 2023, the Charity had unrestricted reserves of £5,449,226 (2022: £2,542,835), which was in excess of requirements of its reserves policy. Of the unrestricted reserves, cash and cash equivalent was £5,461,612 (2022: £2,567,656). As at 31 December 2023, forecast conditional disbursements that are subject to annual reviews during the year ending 31 December 2024 are at most £5,073,358 (2022: £1,535,859) and direct and support costs are not expected to exceed £105,000.

The ELMA Foundation (UK)
For the year ended 31 December 2023

TRUSTEES' REPORT
(including the Strategic Report and incorporating the directors' report) (continued)

FUTURE PLANS AND GOING CONCERN

The Charity intends to continue to support reputable and impactful charities whose ultimate beneficiaries are the children and young people in need in the continent of Africa and the UK, all in pursuance of its Objects, which are entirely charitable. It endeavours to further its Objects by pursuing the strategies outlined in the Investment Framework in the short to medium term. Activities for the upcoming year include monitoring and reviewing the existing grants and continuing to actively pursue grant-making opportunities in furtherance of its Objects.

As highlighted above, the Trustees believe that the Charity has adequate resources to continue its operations as a going concern and meet its commitments for at least the next 12 months from date of signing the financial statements based on the amount of unrestricted funds held at year end – see further details under financial review on page 4. The Charity is not engaged in fundraising with the public, either directly or through third parties and expects to receive donations to cover future grant commitments as they fall due. The Trustees recognise the challenging effects of the global economic events including the cost-of-living crisis and geo-political uncertainties and should there be an increase in grant-making activities, these will be supported by additional donations, ensuring the reserves policy is met.

AUDITOR

Deloitte LLP have expressed their willingness to continue in office and will remain as auditors unless a resolution is passed by the Charity changing this status.

The Trustees' Report, including the Strategic Report, was approved by the Board and signed on its behalf by:



Martin Lancaster
Trustee
30 April 2024

The ELMA Foundation (UK)
For the year ended 31 December 2023

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of The ELMA Foundation (UK) for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; 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 auditor is aware of that information.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF The ELMA Foundation (UK)

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of The ELMA Foundation (UK) (the 'charitable company'):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of financial activities (including income and expenditure account);
- the balance sheet;
- the cash flow statement; and
- the related notes 1 to 10.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF The ELMA Foundation (UK)

Other information

The other information comprises the information included in the Trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purpose 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.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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 considered the nature of the charitable company's industry and its control environment, and reviewed the charitable company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF The ELMA Foundation (UK)

We also enquired of management and the trustees about their own identification and assessment of the risks of irregularities, including those that are specific to the charitable company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the charitable company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, the Charities Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty. These included the Charity Commission for England and Wales (Charity Commission) regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

- accuracy and application of grants for charitable purposes - for a sample of grants we tested the payments to the approved application and the bank statements, as well as confirming that appropriate due diligence had been carried out on the recipient organisations.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF The ELMA Foundation (UK)

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report included within the trustees' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

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



Jonathan Dodworth (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, UK

30 April 2024

The ELMA Foundation (UK)

STATEMENT OF FINANCIAL ACTIVITIES
(including income and expenditure account)
Year ended 31 December 2023

		Unrestricted funds	
		2023	2022
	Note	£	£
INCOME FROM:			
Donations	3	7,000,000	-
Interest income	3	88,829	11,664
TOTAL INCOME		<u>7,088,829</u>	<u>11,664</u>
EXPENDITURE ON:			
Charitable activities	4	4,182,438	4,944,946
TOTAL EXPENDITURE		<u>4,182,438</u>	<u>4,944,946</u>
NET MOVEMENT IN FUNDS		<u>2,906,391</u>	<u>(4,933,282)</u>
RECONCILIATION OF FUNDS:			
Total funds brought forward		2,542,835	7,476,117
Net movement in funds for the year		<u>2,906,391</u>	<u>(4,933,282)</u>
Total funds carried forward		<u><u>5,449,226</u></u>	<u><u>2,542,835</u></u>

There were no other recognised gains or losses other than those listed above and the net income for the year. All income and expenditure derive from continuing activities.

The notes on pages 14 to 18 form part of these financial statements.

The ELMA Foundation (UK)

BALANCE SHEET At 31 December 2023

	Note	2023 £	2022 £
CURRENT ASSETS			
Cash and cash equivalents		5,461,612	2,567,656
Prepayment and Accrued income		18,265	1,800
		<u>5,479,877</u>	<u>2,569,456</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	8,9	<u>30,651</u>	<u>26,621</u>
Total Assets less Current Liabilities being Net Current Assets and Net Assets		<u>5,449,226</u>	<u>2,542,835</u>
FUNDS			
Unrestricted funds		<u>5,449,226</u>	<u>2,542,835</u>
TOTAL FUNDS		<u>5,449,226</u>	<u>2,542,835</u>

The notes on pages 14 to 18 form part of these financial statements.

These financial statements of The ELMA Foundation (UK) registered number 10986594 were approved by the Board of Trustees and authorised for issue on 30 April 2024. They were signed on its behalf by:



Martin Lancaster
Trustee

The ELMA Foundation (UK)

CASH FLOW STATEMENT
Year ended 31 December 2023

	2023	2022
	£	£
Net cash provided by / (used in) operating activities	2,893,956	(4,940,604)
Cash flows from investing activities - interest received	<u>-</u>	<u>11,664</u>
Net increase / (decrease) in cash and cash equivalents in the period	2,893,956	(4,928,940)
Cash and cash equivalents at the beginning of the period	2,567,656	7,496,596
Cash and cash equivalents at the end of the period	<u><u>5,461,612</u></u>	<u><u>2,567,656</u></u>
Analysis of cash and cash equivalents		
Cash in hand	711,612	2,567,656
Cash equivalents	<u>4,750,000</u>	<u>-</u>
Total cash and cash equivalents	<u><u>5,461,612</u></u>	<u><u>2,567,656</u></u>
Reconciliation of net income / (expenditure) to net cash flow from operating activities	2023	2022
	£	£
Net income / (expenditure) for the year (as per the statement of financial activities)	2,906,391	(4,933,282)
Adjustments for:		
Increase in creditors	4,030	4,342
Increase in debtors	(16,465)	-
Investment income	<u>-</u>	<u>(11,664)</u>
Net cash provided by / (used in) operating activities	<u><u>2,893,956</u></u>	<u><u>(4,940,604)</u></u>

The ELMA Foundation (UK)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

1. COMPANY AND CHARITABLE STATUS

The ELMA Foundation (UK), (the “Charity”), Company Registration Number 10986594, was incorporated on 28 September 2017 in England and Wales as a company limited by guarantee not having a share capital. It is a Public Benefit Charity and is registered in England and Wales, Registered Charity Number 1176782.

2. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (updated 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The functional and presentational currency is British Pounds Sterling (GBP).

Going concern

In accordance with its reserves policy, the Charity has cash and cash equivalent reserves to cover one year’s grants disbursements on existing commitments and budgeted operating expenditure. It is considered to have sufficient resources to meet its obligations as they fall due for at least 12 months from the date of signing and despite the impact of global economic events including the cost-of-living crisis and geo-political uncertainties, there is no indication that the Charity would not be able to operate as a going concern. The Trustees, therefore, consider that the going concern assumption is an appropriate basis on which to prepare these financial statements.

Income

Income is recognised when there is an entitlement to the funds, it is probable that the income will be received and the amount can be measured accurately.

Expenditure

All expenditure is accounted for on an accrual basis. Expenditure includes attributable VAT, which cannot be recovered. Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on charitable activities includes grant funding, direct and support costs.

Grant funding is expensed following execution of the grant award letter and notification to the grant recipient creating a valid expectation of receipt or when the specified performance criteria and conditions for release of payment have been met by the grant recipient.

Direct costs are costs of grant-making and monitoring.

Support costs include governance costs consisting of audit, legal and company secretarial fees.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. Financial assets which qualify as basic financial instruments as laid out in FRS 102 paragraph 11.8, including trade and other receivables and cash and bank balances. These are valued at amortised cost and assessed for impairment at the end of each reporting period.

The Foundation has basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Cash at bank and in hand relates entirely to cash held in the bank.

The ELMA Foundation (UK)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

Tax

The ELMA Foundation (UK), as a registered charity, is exempt from Corporation Tax under the Corporation Tax Act 2010 (chapters 2 and 3 of part ii, section 466 onwards) or section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes. The Charity is exempt from corporation tax as all its income is applied for charitable purposes.

Critical accounting judgements and key sources of estimation and uncertainty

In the application of the Charity's accounting policies, which are described in this note, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There are no critical accounting judgements or key sources of estimation uncertainty at the reporting date.

3. ANALYSIS OF TOTAL INCOME

	2023 £	2022 £
Donations	7,000,000	-
Interest income	88,829	11,664
Total	7,088,829	11,664

4. ANALYSIS OF CHARITABLE EXPENDITURE

	Grant funding £	Direct costs £	Support costs £	2023 £
Grants to organisations (see note 5)	4,086,574	-	-	4,086,574
Grants advisory service (see note 6, 9)	-	64,183	-	64,183
Legal and company secretarial services	-	-	2,221	2,221
Audit	-	-	29,040	29,040
Miscellaneous cost	-	-	420	420
Total	4,086,574	64,183	31,681	4,182,438

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4. ANALYSIS OF CHARITABLE EXPENDITURE (continued)

	Grant funding	Direct costs	Support costs	2022
	£	£	£	£
Grants to organisations (see note 5)	4,851,671	-	-	4,851,671
Grants advisory service (see note 6, 9)	-	68,064	-	68,064
Legal and company secretarial services	-	-	4,956	4,956
Audit	-	-	19,800	19,800
Miscellaneous cost	-	-	455	455
Total	4,851,671	68,064	25,211	4,944,946

None of the Trustees (or any persons connected with them) received any remuneration, benefits or reimbursement of expenses from the Charity during the year (2022: £Nil). There were no employees in the year (2022: None). The support costs in the year include the governance costs incurred, being audit, legal and company secretarial services. All support costs above support grant-making activities.

5. EXPENDITURE ON GRANTS

No grants were made to individuals. Grants have been made during the financial years to organisations within the following sectors:

Grants to organisations	Focus Areas	2023	2022
		£	£
Royal Commonwealth Society for the Blind ("Sightsavers")	Neglected Tropical Diseases	1,927,526	3,743,337
CAMFED	Adolescent Girls and Young Women	1,000,000	-
Kids OR	Health Workforce	550,715	-
Lively Minds	Early Childhood Development	433,333	133,334
Sabre Education Ltd.	Early Childhood Development	175,000	175,000
Clean Air Fund	Special Opportunities	-	650,000
Promoting Equality in African Schools	Special Opportunities	-	150,000
Total		4,086,574	4,851,671

Multi-year grants are funded in multiple disbursements. The Charity only commits to, and expenses, one disbursement at a time, with each subsequent disbursement being subject to review for compliance with specified performance

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criteria and conditions for release of disbursement. If the specified performance criteria and conditions for release of disbursement are met, further funding of the subsequent disbursement is made.

The total grant disbursements relating to future years, not yet committed, amount to £18,595,030 (2022: £1,969,192) and are anticipated to be paid as follows, provided that the conditions for release of payments are fully met.

The Charity expects to receive donations to cover future commitments as they fall due, ensuring that the reserves policy is met.

	£
2024	5,073,358
2025	2,901,586
2026	2,790,474
2027	2,772,147
2028	2,557,465
2029	2,500,000
Total	18,595,030

6. GRANTS ADVISORY SERVICE

The ELMA Philanthropies Services (US) Inc. ("Philanthropies") provides grants advisory service to the Charity to support its grant-making. Effective 1 January 2021, the Charity entered into a service agreement with Philanthropies for provision of grant advisory services for a fee of US\$80,000 per annum, payable in arrears, at USD20,000 per calendar quarter.

During the year, the Charity has received services for four consecutive calendar quarters commencing from Q1 2023, at US\$20,000 per quarter. The total charge for Philanthropies' service during the year was £64,183 (2022: £68,064) (US\$80,000)).

7. NET INCOME / (EXPENSE) FOR THE YEAR

	2023	2022
	£	£
Net income / (expense) is stated after:		
Auditor's remuneration:		
Fees payable to the Charity's auditor inclusive of VAT for the audit of the Charity's annual financial statements	29,040	19,800

8. CREDITORS

	2023	2022
	£	£
Amounts falling due within one year:		
Accrued expenses	30,651	26,621

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9. RELATED PARTIES

Two of the five Trustees (2022: Two Trustees) of the Charity are on the Board of Directors of The ELMA Philanthropies Services (US) Inc. ("Philanthropies") and accordingly are considered to be related parties. Without exception, the conflicted Trustees recuse themselves from decisions pertaining to the appointment and retention of Philanthropies for the provision of grants advisory service, and the setting of the fee for such grants advisory services. The Trustees are satisfied that appropriate procedures are in place to ensure that any potential conflicts of interest are appropriately managed and avoided. During the year, the Charity incurred expenditure of £64,183 (2022: £68,064) for services rendered from Philanthropies. Of this, the amount payable, included in accrued expenses as at 31 December 2023, was £15,710 (2022: £16,552)

10. POST BALANCE SHEET EVENT

The Charity did not receive any donations during the post balance sheet period (2022: £3,000,000).