

JOHN ELLERMAN FOUNDATION

England & Wales · Charity number 263207

Details

Other names THE JOHN ELLERMAN FOUNDATION

Status Registered

Legal form Other

Registered 1971-11-29

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

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Activities

Objects: 1) THE OBJECT OF THE CHARITY IS FOR SUCH CHARITABLE PURPOSES WITHIN THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND OR THE REPUBLIC OF SOUTH AFRICA OR ELSEWHERE AS THE TRUSTEES SHALL FROM TIME TO TIME THINK FIT. THIS SHALL NOT EXTEND TO THOSE PARTS OF THE CONTINENTS OF AMERICA WHICH LIE TO THE SOUTH OF THE UNITED STATES OF AMERICA. 2) WITHOUT DETRACTING FROM THE GENERALITY OF CLAUSE 4(1), THE TRUSTEES MAY AT THEIR DISCRETION GIVE PARTICULAR CONSIDERATION FOR THE RELIEF OF THOSE IN NEED, HARDSHIP OR DISTRESS, IN PARTICULAR BY PROVIDING OR HELPING TO PROVIDE OR OBTAIN IMPROVED HOUSING FOR SUCH PERSONS, PARTICULARLY IN INNER CITY AREAS, OR BY PROVIDING WHATEVER OTHER FACILITIES MAY HELP TO IMPROVE THE STANDARD OF LIVING OF SUCH PERSONS, IN WHATEVER WAYS THE TRUSTEES SHALL FROM TIME TO TIME THINK FIT.

Activities: John Ellerman Foundation is a general grantmaking trust distributing over ?4 million each year. The Foundation aims to support national charities working in the following three categories: Arts, Environment and Welfare.

Classification

- **How:** Makes Grants To Organisations
- **What:** General Charitable Purposes
- **Who:** Other Charities Or Voluntary Bodies

Geography

- **Area of benefit:** NATIONAL
- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£3,431,000	£6,239,000	£142,521,000	7
2024-03-31	£3,218,000	£6,471,000	£151,408,000	6
2023-03-31	£2,514,000	£7,596,000	£144,610,000	7
2022-03-31	£3,171,000	£7,358,000	£155,636,000	6
2021-03-31	£3,156,000	£6,905,000	£149,713,000	6

Trustees

Name	Role	Appointed
Geraldine Blake	Chair	2016-07-01
ANNIKA SMALL		2018-06-01
Jonathan Hughes		2021-03-25
Keith Anthony Shepherd		2018-01-01
Lily Tomson		2023-01-26
Rebecca Amy Bunce		2018-09-01
TUFYAL CHOUDHURY		2018-05-01

JOHN ELLERMAN FOUNDATION

England & Wales - Charity number 263207

Accounts



John Ellerman Foundation

ANNUAL REPORT AND FINANCIAL ACCOUNTS

1 April 2024 – 31 March 2025

John Ellerman Foundation

ANNUAL REPORT AND FINANCIAL ACCOUNTS

1 April 2024 – 31 March 2025

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CHAIR'S REPORT

The last year has been an exceptionally productive one for John Ellerman Foundation as we delivered the final year of our strategy for 2022 to 2025 and planned for our next strategic period. During this year, we continued to run a full grantmaking programme as usual. We've further developed our Investment Policy to include social investment, and have taken an important decision on our time horizon. We also prepared for the transition between Chairs, and for a new Vice Chair role.

I want to begin with thanks to Peter Kyle, our former Chair, who stepped down from the Board at the end of March 2025. Peter's term as Chair saw significant changes to the organisation, in terms of its capabilities, capacity and confidence. Peter provided excellent leadership and managed the changes with considerable grace and sensitivity. His expertise and knowledge were and are highly regarded, both within and outside of the Foundation, and we are grateful to him for his commitment and contribution.

I also want to recognise the contribution made by our Shadow Trustees - Nell Hardy, Hirra Khan Adeogun and Charlotte Leask – who joined us for six months of 2024/25. They opened up a new window on the world for our Board, bringing fresh perspectives, helping us to think differently and prompting richer discussions.

The charities that apply to us for support are operating in an increasingly difficult funding environment. We know that the kinds of grants that we offer – core costs, unrestricted and multi-year – are ever more valuable to organisations who are seeking to address environmental issues, create new art or curate collections that engage peoples' curiosity and imagination about the world, or take action together to tackle division and injustice. We are proud of the grants that we have made this year and delighted to be able to support such thoughtful and impactful organisations.

As a long-term responsible and active investor, we are committed to supporting the transition away from mainstream finance models and orthodoxies

that prioritise financial return to sustainable finance models that provide return but also commit to supporting long-term environmental and societal sustainability and include other investing models like social investing. It is an investment approach that recognises the economy cannot exist without people, society and the natural world, and that for us to succeed as an asset owner we cannot work alone and must partner and work with others to realise our ambitions.

Like many endowed charitable grantmakers, the Foundation is seeking to respond as effectively as we can in an age of significant disruption and interconnected global threats. So, our strategic review this year has focused on how we can, with our grantmaking, investments and wider operations, protect and advance the wellbeing of people, society and the natural world for current and future generations. We look forward to sharing and implementing our new strategy in the coming months.

It is a privilege and a responsibility for Tufyal Choudhury (Vice Chair) and I to be leading Trustee colleagues to support the Foundation. In seeking to achieve our aim to advance the wellbeing of people, society and the natural world, the Foundation benefits from the leadership of our exceptional Director, Sufina Ahmad, and the expertise, experience and passion of our strong team without whom our ambitions for change would not be realised.

Geraldine Blake

Chair, John Ellerman Foundation

Sediment Spirit: The Activation of Art in the Anthropocene © Sainsbury Centre



AIM AND OBJECTIVES

Our aim

John Ellerman Foundation’s aim is to advance the wellbeing of people, society and the natural world. The main ways in which we achieve this are by:

- 1 Funding charities for work** that has national significance in the fields of the Arts, Environment and Social Action (our funding categories). We believe these can make an important contribution to wellbeing
- 2 Investing and managing our funds responsibly,** using our influence as an asset owner to promote corporate activity which furthers our aim and challenge corporate behaviour that is poorly aligned to our aim and values, whilst also generating financial returns to sustain our grantmaking activities; and
- 3 Making social investments that generate financial returns** as well as social and/or environmental impact in line with our organisational aim.

Our strategy and policies are approved by the Board, following collaborative development by staff and Trustees. This work is also incorporated into staff probation or appraisal documents, with objectives split across the five areas of governance, management, our work programme, finance and personal development. Board and Committee meetings, alongside Away Days, are opportunities for focussed consideration of our future strategy and purpose, and the decisions we need to take to support with this. In 2024/25, each of our six Board meetings included agenda items relating to our current and future strategy and our November Board meeting was changed to an extended Board session focussing on our next strategy.

Public benefit

Trustees confirm they have referred to the Charity Commission’s guidance on public benefit when reviewing our organisational aim, strategy and policies. Our public benefit flows from making grants to charitable organisations engaged in activities in pursuit of their agreed vision and mission. Our preference is to offer funding towards the core costs of delivering an organisation’s work, as we believe this supports organisations to deliver their work as flexibly and as effectively as they can.

OUR HISTORY



John Reeves Ellerman I • Annie Winifred (Bryer) • John Reeves Ellerman II © Yale, Bryher Papers

We are governed by a Scheme, approved by the Charity Commissioners for England and Wales in March 2002. The Scheme provides wide powers for the Trustees to carry out their duties.

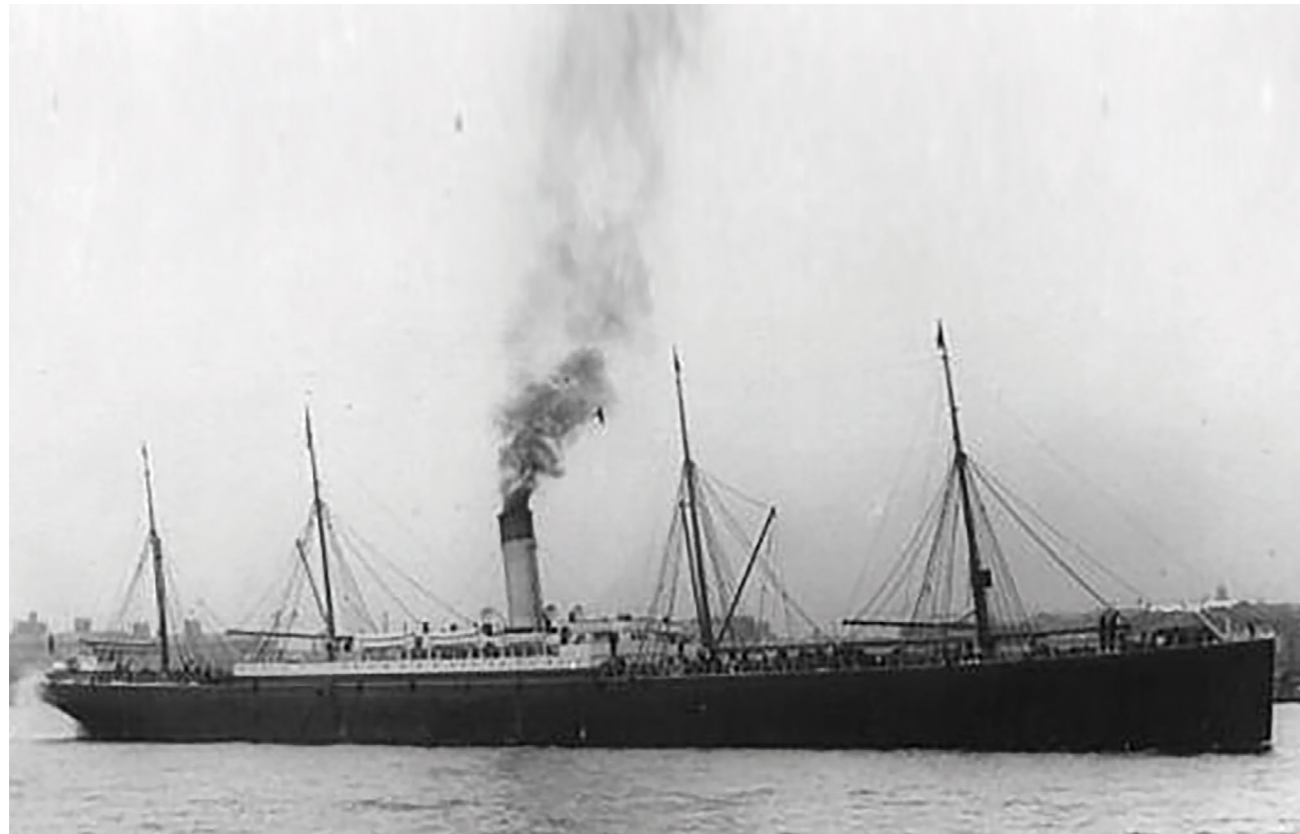
In May 2023 we published ‘*John Ellerman Foundation: A Historical Review*’ on our website. The Review, researched and written by Drs Michael Taylor, Timothy Twining and Felix Waldmann, offers a robust overview of the Foundation’s history and its antecedent charitable trusts. It includes research into the philanthropic, business and personal inclinations of John Reeves Ellerman, 1st Baronet (Bt.), Order of the Companion of Honour (C. H.) (1862–1933), and that of his children Annie Winifred (Bryher) Ellerman (1894–1983), and John Reeves Ellerman, 2nd Bt. (1909–1973). The latter set up the antecedents to the present-day John Ellerman Foundation, using the wealth he inherited from his father, John Reeves Ellerman, 1st Bt., C. H.. There is much to comment on their philanthropic endeavours, even if it is caveated by the motivations and methodologies they adopted.

John Reeves Ellerman, 2nd Bt. motivations for setting up the antecedents to what is now

John Ellerman Foundation were complex. A primary concern was to guard against the effects of estate duty for his heir and widow Lady Esther Ellerman (1910–1985), and to ensure Ellerman Lines Ltd. (from which a considerable proportion of his wealth was derived) could continue as a going concern, without estate duty risking the company being broken up. The Trusts that were originally set up, the Moorgate Trust and New Moorgate Trust, were under no obligation from our founder to prioritise grantmaking over ensuring the continued existence of Ellerman Lines Ltd. The latter reportedly did not generate a dividend for charitable disbursement over some years.

The Review also evidences that the businesses from which our wealth derived, which in brief comprised shipping, brewery, coal and oil, property and newspaper and publication interests ‘...were undoubtedly involved in activities which their modern equivalents would reject’. Be that a clear indifference to the apartheid system in South Africa and Namibia, with South Africa being a country he spent a great deal of time visiting, or the environmental harms caused by





Leyland Line, SS Armenian © Public domain

the family's investments, or that the source of the family's wealth was linked to the British Empire in the later nineteenth and early twentieth centuries, and that John Reeves Ellerman, 1st Bt., C. H. 'presented himself as a modern Francis Drake: a cynosure for the extension of British rule across the globe'. The research also uncovered a clear example of antisemitism committed by John Reeves Ellerman's, 1st Bt., C. H. mother, Anne Elizabeth, with the publication in 1897 of a book she wrote titled *The Prime Minister of Württemberg*. This fact contrasts with her grandchildren's support and respect for Jewish people and Judaism.

We fully acknowledge that the origins of our endowment have links to such practices that resulted in harms and struggles both then and now. It is our intent and belief that our present-day practices help to redress these wrongs. Our grantmaking activities are designed to support work that challenges the symptoms and root causes of systemic and structural issues, and improves politics, society, the economy and the

environment in ways that enhance the wellbeing of individuals and communities across the UK and beyond. The endowment, from which our wealth continues to be derived, is invested in ways that promote responsible corporate behaviour, but we are fully aware that future generations may reject this practice, and we are proactively looking for new and better ways to invest. We are committed to delivering our work in ways that are transparent, accountable and effective, with environmental sustainability, and diversity, equity and inclusion, applied across everything that we do. We know there is more for us to do in redressing past and present harms.

In 2024/25, we transferred our organisational archival material to the UK Philanthropy Archives, based at Kent University. This resource is being reviewed by an archivist and will be publicly available in 2025/26. This work represents our continued commitment to operating with transparency and an openness to investigation and scrutiny in relation to our history.

ACHIEVEMENTS AND PERFORMANCE

Implementing our strategy

In March 2022 the Foundation approved [our strategy for 2022-25 which can be accessed by clicking here](#). The strategy seeks to determine how we can advance wellbeing with 100% of our assets. We continue to be values-led in all that we do; working in ways that are **responsive, discerning, connected, flexible** and offer a **personal touch**. Our strategy splits our work into the following four strategic pillars:

Our funding offer, ensuring that we embrace and deliver best and promising practice;

Our investment policy, ensuring that we invest in ways that are better aligned to our aim, values and funding categories;

Our work with others, ensuring that we understand our stakeholders and can work with them to deliver our work together more effectively; and

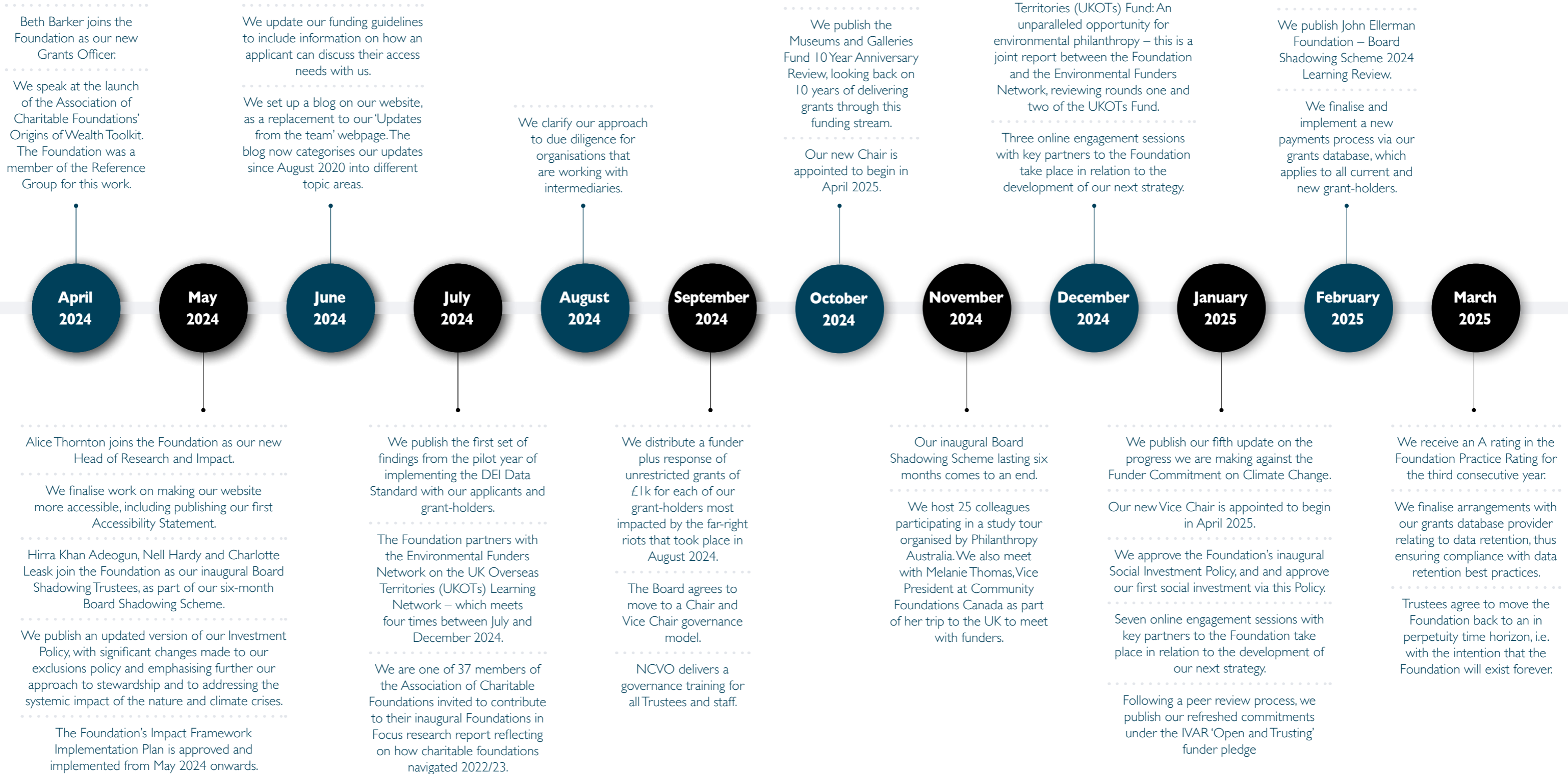
Our commitment to accountability, ensuring that we make further progress on diversity, equity and inclusion, transparency and impact and learning.

This Annual Report and Accounts sets out the progress we have made in our third and final year of delivering to the strategy.



SNAPSHOT OF THE YEAR

This snapshot highlights activities in the last 12 months that are new or occur less often, rather than activities that we carry out regularly each year.



ACHIEVEMENTS AND PERFORMANCE

Staff and governance updates

As a small team of seven full-time staff, ably supported by a Trustee Board of eight, we hope that this report will demonstrate the level of good work that has been happening in 2024/25.

All our vacancies have been recruited to in line with our publicly available Recruitment Policy, which outlines our approach to recruiting for

staff, Trustees, and the Chair of the Trustee Board. We are very pleased to welcome Beth Barker as our new Grants Officer and Alice Thornton as our new Head of Research and Impact. Lauren Williamson returned as our Executive Assistant, post maternity leave, in December 2024. The staff team's diversity audit results, as at 31 March 2025 and based on all seven staff, are shared below:

Ethnicity	* – Asian/Asian British – Pakistani * – Black or Black British * – Mixed	* – Other ethnic group * – Prefer not to say 58% – British
Gender	86% – Female * – Male	* – Prefer not to say
Age	Range from 30 to 35 years and 55 to 60 years	
Religion or belief	28% – Christian	72% – No religion
Sexual Orientation	72% – Heterosexual/Straight * – Gay man * – Gay woman/lesbian	* – Bisexual * – Prefer to self describe
Disability and/or long-term health condition	72% – Not disabled 28% – Disability and/or long-term health condition	
Gender reassignment	86% – Not gender reassigned * – Gender reassigned	* – Prefer not to say
Marriage/Civil Partnership	43% – Married 43% – Co-habiting * – Civil Partnership	* – Single * – Prefer not to say * – Other

*For counts under one person within a given category, a * is used to indicate this*

Our gender pay gap for 2024/25 shows that women are paid 1% more than men on mean average within the team – in 2023/24 our gender pay gap showed men were paid 4.7% more than women on mean average. Our gender pay gap has been calculated as at 5 April 2025, when we were a team of seven full time equivalents with no vacancies, and uses the methodology set out in guidance from the Government Equalities Office applying mean (average) compensation on an hourly equivalent basis. It is worth noting that we are not legally required to share these figures,

and these figures are statistically insignificant due to the size of the dataset. However, as part of our work on diversity, equity and inclusion we feel that it there is a relevance to us sharing this data.

Our Trustees are committed to operating in a transparent, accountable and effective way, and are keen to champion diversity, equity and inclusion across all areas of our work. Trustees undertake a skills and diversity audit, and the diversity audit results of our current Trustee Board (made up of eight Trustees) are shared below:

Ethnicity	* – Asian/Asian British – Bangladeshi * – Black or Black British * – Mixed	* – Other ethnic group 50% – White 37.5% – Prefer not to say
Gender	37.5% – Male 25.0% – Female	37.5% – Prefer not to say
Age	Range from 30 to 35 years and 75 to 80 years	
Religion or belief	25% – No religion * – Bahai * – Buddhist * – Christian * – Hindu	* – Jain * – Jewish * – Muslim * – Sikh 37.5% – Prefer not to say
Sexual Orientation	50% – Heterosexual/Straight * – Gay man * – Gay woman/lesbian	* – Bisexual 37.5% – Prefer not to say
Disability and/or long-term health condition	62.5% – Not disabled 37.5% – Prefer not to say	
Gender reassignment	62.5% – Not gender reassigned	37.5% – Prefer not to say
Marriage/Civil Partnership	25.0% – Married * – Co-habiting * – Civil Partnership	25.0% – Single 25.0% – Prefer not to say

*For counts under one person within a given category, a * is used to indicate this*

Our skills audit demonstrated that the Trustee Board has strong experience and expertise in the grantmaking and charitable sectors, our funding categories, governance, charity and company law and compliance, finance and finance-related activities (including investing, responsible investing, accounting and auditing), strategic planning and business development, communications and marketing, public policy and influencing, research and development (including outcomes-based monitoring frameworks, impact and learning), IT and digital knowledge and HR and people management. There was also a strong commitment to and understanding of diversity, equity and inclusion. These skills are derived from their experiences as practitioners across different sectors and industries, as well as their personal life experiences. We have less

proficiency on the Trustee Board in relation to health and safety, procurement of goods or services and building management. However, these activities do not form a significant part of our day-to-day operations and we have access to external support and some expertise in the staff team in these areas.

Our Chair, Peter Kyle, stepped down from the Board on 31 March 2025, having joined us in 2014 as a Trustee, before becoming the Chair in January 2022. Peter used his experience as an executive and Chair who has worked in a wide range of roles within the arts sector to support and shape the Foundation's approach to our work in the Arts, as well as our wider grantmaking and investing activities. We are grateful to him for his leadership and service.

As of 1 April 2025, Geraldine Blake became our new Chair of the Board of Trustees and we have also introduced a new Vice Chair role, which is held by Tufyal Choudhury. Geraldine joined the Trustee Board in July 2016, and Tufyal joined in May 2018. Geraldine and Tufyal fulfil a number of Trustee and non-executive roles alongside their roles at the Foundation and are highly experienced at holding leadership roles within Trustee Boards. During their time with the Foundation, they have been instrumental in supporting the design of our current and upcoming strategy. Through their contribution to the Board, including in roles across various Committees and time-limited working groups, they have shown their commitment to our aim to advance wellbeing for people, society and the natural world across our investing, grantmaking and wider operations.

We set up and delivered our inaugural Board Shadowing Scheme, which was a six-month programme that began in May 2024 and offered three individuals from diverse backgrounds with lived experience of poverty to join our Board as active observers and contributors (i.e. without the ability to vote on decisions). We had the following three core aims for the Board Shadowing Scheme:

1. Provide new perspectives and a positive learning experience for our Board, especially since we have limited levels of change at a Trustee level, with Trustees committing to two terms of five years, and our next known Board retirement happening in 2025.
2. Support the diversification of Trustee Boards within charities, especially the trust and foundations sector – with statistical data from the Association of Charitable Foundations, Reach Volunteering, Getting On Board, Young Trustees Movement and Action for Trustee Racial Diversity showing a lack of diversity on charity Boards.
3. Offer Board experience to individuals who may not ordinarily consider Trustee roles.

We were surprised and thrilled by the level of interest in our Board Shadowing Scheme – with our LinkedIn posts attracting thousands of views

and hundreds of comments and the work being picked up in articles for Philea (a European membership network for philanthropic organisations), Third Sector and Civil Society Media. From a pool of 19 candidates, we appointed three: Hirra Khan Adeogun, Nell Hardy and Charlotte Leask. Between them they have experience of working in and running small and medium-sized charities, delivering work relating to the arts, environment and health and wellbeing. Each of them had their own reasons for considering our Board Shadowing Scheme, including to learn more about governance processes for the benefit of their professional lives and to determine in a lower stakes way if they could be part of charity governance systems and processes meaningfully.

We have produced a publicly available learning review of the Board Shadowing Scheme. There is much for us to reflect on positively, with overall consensus that the three aims of the Board Shadowing Scheme were met for all involved, and the overall structure of the Board Shadowing Scheme being commended. However, areas for improvement were identified, including:

- How to bring the Board Shadowing Scheme to a close more effectively for each cohort.
- Ensuring that Trustees are able to lead the work more.
- Building more equitable connections between the organisation and the Shadowing Trustees.
- Considering access and inclusion further in the design of the Board Shadowing Scheme.
- Reviewing the terminology of Shadowing Trustee and the number of Shadowing Trustees in each cohort.

Running our Board Shadowing Scheme presented an opportunity for us to imagine charity governance differently. It provides a model that supports all Trustees to bring their whole selves, in terms of their experiences and their expertise, to their roles, should they wish. It enables more critical reflection too on what is working and what could be enhanced within governance processes. This feels vital when we know all too well that there is a lack of diversity within charity governance. [You can read the report in full by clicking here.](#)

Case Study

FUNDER PLUS support made available through our ‘other’ funding category

In September 2024, the Foundation contributed £1,000 each to 18 organisations within our existing grants portfolio whose work was directly impacted by the far-right riots that happened in early August. This light-touch microgrants offer focused on supporting staff wellbeing.

We committed to this Funder Plus support due to the needs we identified, having reached out to affected grant-holders in the aftermath of the riots. These organisations had an average income of around £500k per year, often with small teams, including staff with direct personal experience of racism, migration and seeking asylum. Many shared with us their experience of the toll that the riots had taken on team members and the people they support. The microgrants were a way for us to respond rapidly to this challenge, without putting additional burden on frontline staff. Examples of how the grants were used include trauma

training, collective care workshops, coaching for senior staff, peer support groups, and 121 support for affected staff members.

One example of an organisation that was awarded a microgrant is Rainbow Migration. They provide practical and emotional support for LGBTQI+ people seeking asylum to help improve their confidence and self-esteem and reduce isolation. They also offer specialist legal information and advice, and campaign to improve the treatment of people seeking asylum. On their experience of receiving the grant, Lauren McCabe, Fundraising Manager at Rainbow Migration, said: *“John Ellerman Foundation’s response to the far-right riots enabled us to access training to become a trauma informed organisation and better support staff and service users. We were heartened by their words of solidarity and their caring approach to grantmaking during a worrying time.”*



Rainbow Migration community © Rainbow Migration

Case Study

Grant to TURNER CONTEMPORARY made through our ‘Museums and Galleries’ funding category

In May, the Foundation contributed £90,000 over three years towards a dedicated Art and Environment programme, bringing together artists, scientists and the community to create and showcase artwork that addresses the climate emergency. Turner Contemporary is a locally-embedded, nationally-significant gallery located on Kent’s North coast in Margate. Since opening in 2011, it has had over 4 million visitors, making it one of Kent’s leading attractions.

We committed to this grant because of its interesting interdisciplinary curatorial approach. Situated right on the seafront, Turner Contemporary is the UK’s closest public art gallery to the sea, which is an inspiration for much of its work. The team aim to capitalise on the gallery’s unique location to increase public awareness of the marine environment; when

combined with their large visitor footfall, and plans to widen access to the gallery through free entry. We could see significant potential held by this grant, both in terms of access to the arts, and environmental impact.

On their experience of applying to us, Sanjivan Kohli, Head of Development at Turner Contemporary said: *“John Ellerman Foundation’s support is enabling vital curatorial research for Turner Contemporary’s Art+Environment programming strand. The two stages of application and clear guidelines helped us demonstrate how our plans align with the Foundation’s funding goals. Meeting the team at interview to explain our proposal in our own words was invaluable.”*



Anya Gallaccio: Preserve Installation View, Turner Contemporary, 2024
© Anya Gallaccio. Courtesy of the artist and Turner Contemporary. Photo: Steven Jackson

PILLAR ONE

OUR FUNDING OFFER

This strategic pillar focuses on ensuring that our funding offer is the best it can be. Over the last 12 months, we have received a total ask of £52,551,837.56 in first stage applications to our main grants programme comprising Arts, Social Action and Environment, against a budget of £4,425,403.68. Despite such high levels of demand, we have remained as committed as ever to offering pre-application advice and support, which has included 239 scheduled pre-application meetings, alongside responding to ad hoc email and telephone pre-application enquiries. We also offered support to 123 applicants through 10 weekly online question and answer sessions relating to our Museums and Galleries Fund.

We have continued to ensure that all grant-holders have a named point of contact to discuss their grant with at any point. We also made some improvements to our grantmaking processes and database this year. These include instigating new payments processes and data retention policies on our database, and providing new guidance for applicants in relation to the use of intermediary organisations. We have also updated our guidance to applicants for the second stage of the application process, including more information on how we accommodate access needs, and a more detailed list of what to prepare for as part of the Visit that forms part of our second stage application process. Another significant change that we have made in response to grant-holder feedback is updating our processes to allow current grant-holders to reapply to us up to three months before their grant end date (previously their current grant had to come to an end before a new application could be submitted). This means that there is less of a gap between grants and also gives more clarity about whether the funding relationship will continue, before the end of the existing grant.

Our applicants and grant-holders have shown us that they continue to face a range of interconnected challenges in their work that they

are seeking to respond to effectively. None more so than our grant-holders who were directly impacted by the far-right riots in August 2024.

In October 2024, we published the Museums and Galleries Fund 10 Year Anniversary Review, looking back on 10 years of delivering grants through this funding stream. The Fund aims to help strengthen museums and galleries in the UK, celebrating the unique assets that our regions possess and their benefit to us nationally. The Review considered how the Fund has evolved, whether it is meeting its intended purpose, the impact of the work funded, and the successes and challenges it has supported. The majority of the research for the 10 Year Review was carried out in 2023/24, but we finalised the research in 2024/25.

Between 2014 and 2023, the Fund has awarded 62 grants worth £5,393,403 to 50 organisations. The main benefits of the Fund include breathing new life into collections; being able to test and embed new ways of curating and collections management (including through more participatory, community-focused and inclusive approaches); and providing invaluable early career experience and training for the individuals in these posts. These have been achieved against a backdrop of chronic under-investment in museums and galleries. The Review shows that in the decade we have been supporting museums and galleries, we offer a very small funding source in a complex funding ecosystem and that the overall success rate of the Fund is merely 11%. Whilst feedback on the Fund is largely positive, especially due to our offer of multi-year core costs funding and not being overly prescriptive, each year nearly 90% of applicants receive disappointing news and even those that receive funding are doing so in a context where our funding plays a very minor role in the organisation’s overall funding patchwork.

We opened the latest round of the Museums and Galleries Fund to first stage applications in October 2024, and received 78 applications. The applications received were of a high quality overall, but competition remains high due to the budget of £523,000. The majority of proposals

ACHIEVEMENTS AND PERFORMANCE

were for funding curatorial salaries and for support with professional development and training. Other requests included contributions towards collections management, project management and archiving. We are now in the process of reviewing five second stage applications, with decisions due to be taken in May 2025. As in previous years, we signposted those applications which demonstrated a strong fit with the criteria but exceeded our available budget to a group of other funders. We have had feedback from our partners that this has resulted in grants being made to some of our unsuccessful applicants.

Our Main Grants Programme, which consists of the three categories of Arts, Social Action and Environment continues to inspire us. Our **Arts**

programme demonstrates the many ways in which creators and curators enrich and transform lives.

Our **Social Action** programme champions change and helps create an inclusive society where all can thrive. We do this by supporting organisations that work to create positive changes at a systems-wide level and by ensuring the active involvement of those with personal experience of the issue tackled within an organisation's policy, advocacy and campaigning efforts.

Our **Environment** programme teaches us much on how to remain committed to people and planet and support work that achieves greater harmony between people and nature, through the protection, restoration and sustainable use of the natural world.



Falklands Conservation Native Plants Garden:
Keith Shepherd and Esther Bertram, Chief Executive Officer of Falklands Conservation © Keith Shepherd

Case Study

Grant to COMMON/WEALTH made through our 'Arts' funding category

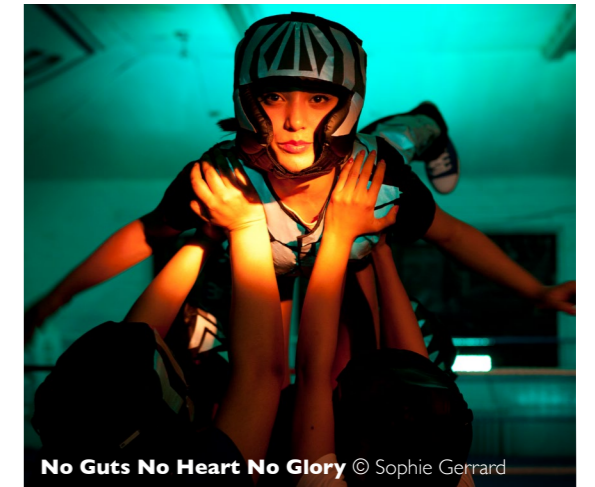
In November, the Foundation contributed £90,000 over three years towards core costs for Common/Wealth's artistic programming and salaries. Common/Wealth are based in Bradford and Cardiff, and make site-specific theatre events in the UK and beyond. Their work is explicitly political and socially engaged, and aims to address contemporary issues through sharing contemporary stories.

We committed to this grant because of the quality of their work and their dynamic approach. The Stage has described Common/Wealth as 'a model for grass roots theatre' and they are recipients of a Northern Enterprises Award for the Most Innovative Theatre Company. In producing their work, they focus on engaging people who are experts on the subjects they are exploring. They see theatre as a vital part of the public realm, and their artistic work as a way of bringing people together and making change feel possible.

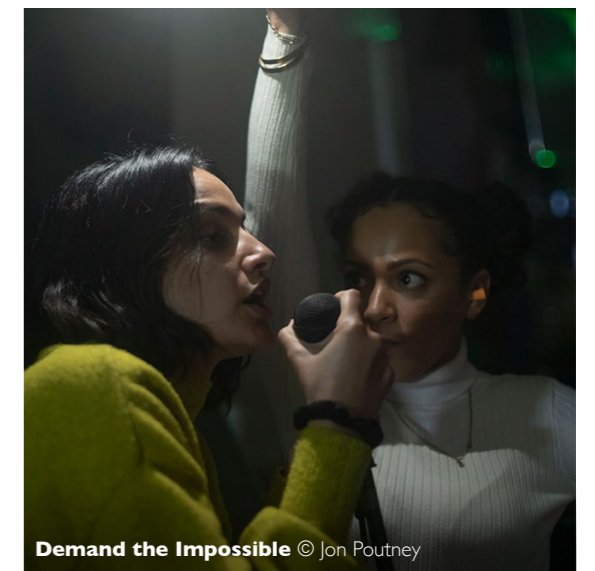
On their experience of applying to us, Ali Dunican, Executive Director at Common/Wealth said: "It was a positive experience from start to finish. Being able to talk with a member of the foundation's team in advance was massively refreshing and so helpful, and being able to apply for what we needed the most (core costs) is rare and incredibly welcome. During the application process, we had an in person meeting with the Foundation's Chair, Peter, who was clearly dedicated to the Foundation and the organisations it supports. He asked some difficult questions, but was interested, and very knowledgeable of our sector and wanted the money to go where it was most needed. The process overall felt open, attentive and fair, but most of all, supportive. The whole experience makes us feel like part of something bigger, and a partner in the foundation's ambitions, and them in ours, rather than simply a grant recipient."



We No Longer Talk © Gavin Porter



No Guts No Heart No Glory © Sophie Gerrard



Demand the Impossible © Jon Poutney

Case Study

Grant to FRIENDS FAMILY AND TRAVELLERS made through our ‘Social Action’ funding category

In January, the Foundation contributed £150,000 over three years towards core operating costs, particularly around policy and public affairs. Friends, Families and Travellers work to end racism and discrimination against Gypsy, Roma and Traveller people, and to protect the right to pursue a nomadic way of life.

We committed to this grant because Friends, Families and Travellers’ work is rooted in direct experience. Gypsy and Traveller engagement and leadership is integral to their governance and management, including co-producing services, campaigning, and policy and advocacy work. They also have a track record of influencing change, from their role as Secretariat for the All-Party Parliamentary Group for Gypsies Roma and Travellers, and successful campaigns on topics

such as GP access for nomadic people without proof of address, engaging parliamentarians with community voices, and the recognition of Roma people in the UK census.

On their experience of applying to us, Sarah Mann, Chief Executive Officer at Friends, Families and Travellers said: *“Securing support for Gypsies, Roma and Travellers faces many barriers; there is at times a sort of simmering reluctance to engage with what can be seen as an ‘unpopular’ cause. But the process with John Ellerman Foundation was smooth and supportive, from welcoming our application at the start to clear guidance at every stage, and a straightforward application itself.”*



PILLAR TWO

OUR INVESTMENT POLICY

This strategic pillar supports us in our aim to use 100% of our assets in pursuit of our organisational aim. Our Investment Policy is reviewed annually, in recognition of the way in which our thinking on our investing evolves and progresses each year. Our latest Investment Policy was published in May 2024, and includes the following important changes:

- Emphasising our belief in stewardship to produce sustainable financial, environmental and societal benefits. This means using our influence to ensure that our investments generate not just a positive financial return, but social and environmental benefits as well.
- Extending our exclusions policy to include any investment in the following: Indirect investments into tobacco; thermal coal; tar sands; and new primary market capital for fossil fuel production and infrastructure (this means, for example, we will not buy new shares issued by oil and gas companies).

We have been in active conversations with each of our fund managers to ensure compliance with our updated Investment Policy, and have dedicated more staff resource to this work than has been possible in previous years. This includes ongoing work with Fulcrum, one of our fund managers, to engage with underlying fund managers in the fund of funds we are invested in, to ensure compliance. So far this work has resulted in one underlying fund manager agreeing to no longer provide primary market investment in fossil fuel expansion, which is a clear example of the real-world impact of this change to our Investment Policy.

We remain active members of the Charities Responsible Investment Network (CRIN) – a network of 25 organisations that helps endowed charities connect their investing decisions with their charitable aims. This year, we have

worked jointly with other CRIN members to engage with fund managers that we have in common, and we continue to respond to requests for feedback and support on the various workstreams CRIN is prioritising, including for example their new brief on Universal Ownership. We are also active members of the Finance Investment and Resources Management group and the Social Impact Investors Group convened by the Association of Charitable Foundations, and the Environmental Impact Investing Group convened by the Environmental Funders Network. We participated in focus groups relating to the development of the Charity Investment Governance Principles, which are a first for the sector and are intended to be used by organisations like ours to complement the Charity Commission’s CC14 guidance on investing and the Charity Governance Code.

We are very pleased to share that in January 2025, we approved our inaugural Social Investment Policy, which is also available to view on our website. It was developed through extensive engagement with our sector peers, including other trusts and foundations, specialist advisory organisations and infrastructure bodies. We made a commitment to start social investing in 2022 – prior to that we had made two social investments but we had not stated any ambition to become a social investor in the longer term. Our Social Investment Policy is a clear tool through which we can achieve further positive impact through our endowment. It has taken us several years to get to this point, and it will take us some more time still to implement the Policy in full – but we expect to make some investments through the Policy in the coming financial year. We will share the progress (or not) that we are making openly and hope that our progress will encourage others to consider social investing too.

Our time horizon

In March 2022, we committed to using the three year strategy period to take a decision on our time horizon so that we could determine our annual spent rate more flexibly and accurately and take better informed decisions on how to invest our endowment, as well as ensuring our investment objective was in line with the Foundation’s expected lifespan. In the last three financial years we have considered our time horizon in detail at different points, including through externally facilitated meetings in 2022 and 2023 and significant data

and research presented on the topic. It has also been a key consideration when considering and developing our next strategy for 2025 onwards.

In March 2025, the decision was taken to move the Foundation back to an in perpetuity (i.e. forever) time horizon, with the recognition that the Foundation has the right to review this again as part of all future strategy review processes. Moving back to an in perpetuity model relates to the Board’s view that this is the option that allows us to make the most meaningful impact on the issues we care about both through our current strategy and our next strategy for 2025 to 2030.



“In March 2025, the decision was taken to move the Foundation back to an in perpetuity (i.e. forever) time horizon, with the recognition that the Foundation has the right to review this again as part of all future strategy review processes.”

Case Study

Grant to FRIENDS OF THE EARTH NORTHERN IRELAND made through our ‘Environment’ funding category



March for Clean Water © Friends of the Earth



SOS Protest © Friends of the Earth

In May, the Foundation contributed £110,000 over three years towards core costs including staffing, advocacy and community work, to support systems change campaigning in Northern Ireland. Friends of the Earth is a grassroots environmental campaigning community that aims to protect people and the planet. Our grant is contributing towards the delivery of their seven-point recovery plan for Northern Ireland, which aims to reverse the damage from what they describe as decades of environmental neglect, degradation and exploitation.

We committed to this grant because of the clear need for environmental action in Northern Ireland, and the potential for learning from this work to be applied across the other Friends of the Earth branches in England, Scotland and Wales. We were also impressed by Friends of the Earth Northern Ireland’s commitment to working in partnership and at a grassroots level. They connect and mobilise around 45 groups across the country, forming

communities of place, practice, and interest that are campaigning for positive change.

On their experience of applying to us, James Orr, Director at Friends of the Earth Northern Ireland said: “We felt there was a really strong alignment between our work priorities and those of John Ellerman Foundation’s ‘Environment’ programme and were thrilled to secure multi-year funding, giving us the security to deliver long term plans. It is refreshing to find a funder that recognises the need for systemic change and supports work to deliver this through policy, advocacy and campaigning. The application process was clear and the staff and Trustees have genuinely engaged with us and our work at every stage. We are delighted to be working with the Foundation to deliver lasting environmental change in Northern Ireland.”



Friends of the Earth Northern Ireland

PILLAR THREE

OUR WORK WITH OTHERS

Our strategy encourages us to be outward-facing and engaged in work that supports our commitment to advancing wellbeing, our funding categories and the effective management of our endowment. This means working closely with a range of stakeholder groups like our grant-holders, our applicants, sector membership bodies, peer funders and grantmakers, investors, policy makers, media outlets and our own staff, Trustees and contractors. We believe in this way of working because we know that our work is part of a wider movement, and that if we are to achieve the impact we are seeking then we cannot do this alone as a team of seven staff and eight Trustees.

In 2024/25, we remained actively involved in a range of funder and investor collaborations, including supporting the publication of Funding Justice Volume 3, which is led on by Civic Power Fund and provides analysis on what is happening in UK social justice funding.

In December 2024, in partnership with the Environmental Funders Network (EFN), we concluded a series of four events promoting the importance of philanthropic funding in the UK Overseas Territories (UKOTs). The first event was designed to introduce the environmental significance of the UKOTs and to show clearly the need for philanthropic funding. The second session focussed on the wider context within which funding operates to share more on the systems of support that do and do not exist in

support of environmental work in the UKOTs. The third event showcased innovative approaches to financing vital conservation and restoration work. The fourth event was an in person dinner hosted by the Foundation, and it comprised an ask for funders to contribute to future rounds of the UKOTs Fund. The other main outputs from this partnership are as follows:

- EFN has set up a dedicated page relating to the UKOTs on their website, [which can be accessed here](#).
- Four blogs have been written to accompany each event, and these are all published to the EFN website and have been promoted on LinkedIn by the Foundation and EFN.
- We shared a blog in December by Dr Sophia Cooke from EFN and our Director on the Funders Collaborative Hub, hosted by the Association of Charitable Foundations, inviting funders to join the UKOTs Fund.
- [A learning report that can be accessed by clicking here](#), titled *The UK Overseas Territories Fund: An unparalleled opportunity for environmental philanthropy* looked at the learning and impact of rounds one and two of the UKOTs Fund. The report was published in December 2024 and was led on by Dr Sophia Cooke from EFN, with support from Sarah Tulej and James Goodman (independent consultants) and our Director. The report demonstrates both the need for funding environmental work in the UKOTs but also the efficacy of our approach to this via the UKOTs Fund.



“ In December 2024, in partnership with the Environmental Funders Network (EFN), we concluded a series of four events promoting the importance of philanthropic funding in the UK Overseas Territories (UKOTs). ”

PILLAR FOUR

OUR COMMITMENT TO ACCOUNTABILITY

This pillar is designed to ensure that we prioritise diversity, equity and inclusion (DEI), transparency, accountability and impact in the work that we do. Having published our Impact Framework in February 2024, we approved an implementation plan in May 2024. This has resulted in improvements to how we assess applications, through developing a clearer analysis of what we mean by terms like ‘collaborative’ and ‘effectiveness and impact’ in relation to each of our funding categories and a deeper understanding of our live grants portfolio in terms of the areas we are working in and the effectiveness of the approaches being applied by grant-holders.

We are sharing updates outlining what we are working on and the thinking we are doing around different areas of our work via our website, including through regular monthly updates on our blog page, and via our LinkedIn page. We continue to report in relation to external initiatives that we are part of, like the Funder Commitment on Climate Change and IVAR’s Open and Trusting Grantmaking Pledge, and we have produced reporting on the first two rounds of our UKOTs Fund and the last 10 years of our Museums and Galleries Fund.

We were pleased to be awarded an A rating for the third year in a row by the Foundation Practice Rating in March 2025. The Rating assesses foundations on their diversity, accountability and transparency. We were pleased to continue to see improvements in all these areas, especially as we spent time in 2024/25 to increase the accessibility of our website and grant application processes.

“ We were pleased to be awarded an A rating for the third year in a row by the Foundation Practice Rating in March 2025. ”

Developing our next strategy

2024/25 represented the final year of our current three-year strategy, which we approved in March 2022. The Board set up a Strategy Task and Finish Group made up of four Trustees and the Director to guide the process of developing our next strategy. Over the last year, we have sought to learn from our 2022-2025 Strategy – which is focussed on achieving our aim to advance wellbeing for people, society and the natural world with 100% of our assets. This has meant focussing on building our capabilities as a grantmaker, investor and charitable funding organisation across our four strategic pillars of our funding offer, our investment policy, our work with others, and our commitment to accountability.

Between December 2024 and January 2025, we held strategy engagement sessions attended by 107 individuals representing grant-holders, fellow funders and investors, and associated organisations. We have combined the feedback from these sessions with the analysis, insights and feedback from our last strategy period, to help form the basis of our next strategy. We have also considered carefully the context that we, and those we work with, are operating in. The team and Board have sought to use all of this information to determine how, with our limited funds, we can have the most impact and take our next right steps as an organisation.

As we move from one strategy to the next in 2025/26, we know that much will be retained, but there is much more for us to do still. We aim to publish our next strategy in the first half of 2025/26.

THE YEAR IN NUMBERS

This year was the sixth full year of operation under our current grants strategy which was launched in June 2018.

We consider our grantmaking in two ways, looking at:

- Applications received within the year, whether they were successful, and the types of grant they resulted in.
- Our active portfolio of grant-holders, which includes grants made in previous years that are still running.

It is important that we consider both of these as it allows us to understand trends over time.

An applicant’s journey

We have three different grant pathways:

1. The ‘Main Grants’ programme is open year-round. Organisations can apply at any time to deliver work under the three categories of Arts, Environment, or Social Action.
2. The ‘Museums and Galleries’ programme is open once a year, from October to January.
3. Our ‘Other’ funding pot is a small fund that responds to ideas we hear about or are approached about and then invite to apply. Reflecting one of our core values, flexibility, it allows us to support time limited, experimental work, or funder collaborations which do not strictly fit with our funding criteria, but whose work is very closely aligned with our organisational aim, values and funding priorities. We also use this programme to support our Funder Plus work with grant-holders.

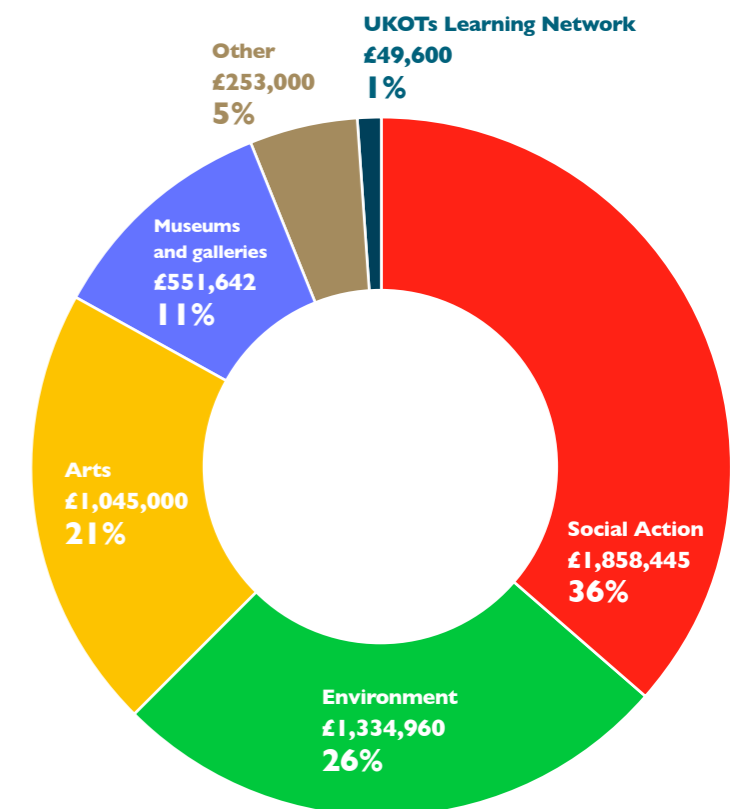
UK Overseas Territories

In previous years we led a funder collaboration dedicated to funding for the UK Overseas Territories, and we are fundraising to run further

rounds in the future. In the meantime, for this financial year, we have incorporated grants for direct work happening in the UK Overseas Territories into our Environment category. The only exception to this was our funding for the UK Overseas Territories (UKOTs) Learning Network – a series of four events promoting the importance of philanthropic funding in the UKOTs. We set aside up to £50,000 for this work in 2023/24 which was carried forward (and spent) in 2024/25, and which has been accounted for separately in the budget table below.

Overall, across all our funding programmes...

We awarded £5,092,647 in grants in 2024/25



This compares to £5,214,573 awarded in grants in 2023/24. The details of our grants are published on our website and on 360Giving. A full list of the grants made in 2024/25 is also included later in this report.

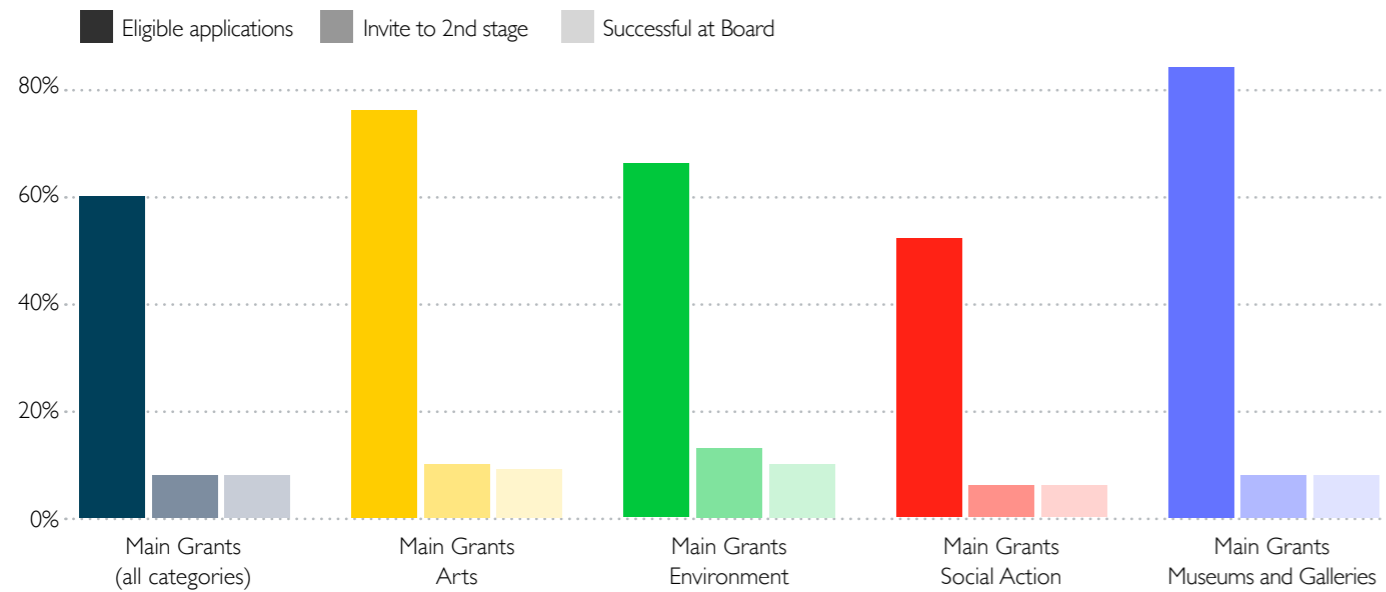
Success rates

This year, we received 500 applications to our Main Grants programme (compared to 462 last year), 73 applications to our Museums and galleries programme (70 last year) and nine solicited applications (nine last year) to our invitation only 'Other' funding programme. We awarded 38 Main Grants (43 last year), six Museums and Galleries grants (six last year), and eight 'Other' grants (nine last year). We also awarded 18 Funder Plus microgrants to existing grant-holders directly impacted by the far-right riots (see our case study on page 15 for more information).

On all of our programmes, there are three key assessment stages:

1. Organisations submit a short written proposal which is assessed to see if it meets the eligibility criteria for the programme they are applying to.
2. Eligible applications are considered in more depth by staff and Trustees, and those which are considered the best fit with our funding criteria are progressed to the second stage (a more detailed application and a visit).
3. Applications are presented at a Board meeting for a final decision.

SUCCESS RATES AT EACH STAGE - AS A % OF TOTAL APPLICATIONS



SUCCESS RATES IN NUMBERS

Funding programme	Applications received	Eligible applications	Invited to 2nd stage	Successful at Board
Main Grants (all categories)	500	302	42	38
Main Grants - Arts	119	91	12	11
Main Grants - Environment	96	63	12	10
Main Grants - Social Action	285	148	18	17
Museums and Galleries	73	61	6	6
'Other' fund*	9	9	9	8
Total	582	372	57	52

The charts on the previous page provide a breakdown of the success rates of our different funding programmes and sub-categories across the various stages of the process. On our Main Grants programme, we have an overall success rate of 8% (compared to 14% last year), and on our Museums and Galleries programme we have a success rate of 8% (9% last year).

Types of grants made

We recognise the value of providing core costs, multi-year funding. We also seek to balance this with remaining flexible and being able to offer short-term grants for urgent, collaborative or responsive pieces of work, which is usually what our 'Other' funding pot is used for.

LENGTH OF GRANT



TYPES OF GRANTS MADE

Funding programme	Average (mean) grant size	Restricted core grants	Unrestricted core grants	Project grants
Main Grants (all categories)	£111,537	19 (50%)	16 (42%)	3 (8%)
Main Grants - Arts	£95,000	2 (18%)	9 (82%)	0
Main Grants - Environment	£133,496	6 (60%)	1 (10%)	3 (30%)
Main Grants - Social Action	£109,320	11 (65%)	6 (35%)	0
Museums and Galleries	£91,940	3 (50%)	0	3 (50%)
'Other' fund*	£29,375	2 (25%)	0	6 (75%)

*NB in our 'Other' fund, we also made 18 Funder Plus microgrants to existing grant-holders directly impacted by the far-right riots (see our case study on page 15 for more information). These grants have been excluded from this data due to their exceptional nature

and size. The majority (77%) of our grants are for core costs (83% last year), and most (71%) last for three years (66% last year). However, the length and type of grant are flexible and are based on what applicants ask for.

Information about our applicants

We are aware of the importance of creating long-term relationships with organisations. However, as an open and responsive grantmaker, we also need to keep space in our portfolio for organisations that are new to us.

As the charts opposite show, we have a broadly even split in the new grants that are made, between organisations that we have funded before, and those that are new to us. Last year, 50% of grants were awarded to previous grant-holders, 19% went to first-time applicants, and 31% were made to organisations who had applied to us unsuccessfully on previous occasions.

We have an income threshold of between £100,000 and £10 million annual income for applicants. We feel that this range is where we, as a medium sized funder, can make the most impact. We will on occasion make grants to organisations below this threshold, where they can provide us with confidence that they would meet our minimum threshold in the near future, and are otherwise an excellent fit with our funding criteria. We also may fund organisations with an income over our

maximum limit of £10m where we deem them to be uniquely placed to carry out the proposed work, and made a convincing case regarding funding need. We find this is usually the case for environmental organisations that are willing to act as conduits and supporters for much smaller applicants based in the UK Overseas Territories.

We use NCVO’s classifications in categorising organisation size, as follows:

SMALL: annual income between £10k and £100k

MEDIUM: annual income between £100k and £1m

LARGE: annual income between £1m and £10m

MAJOR: annual income between £10m and £100m

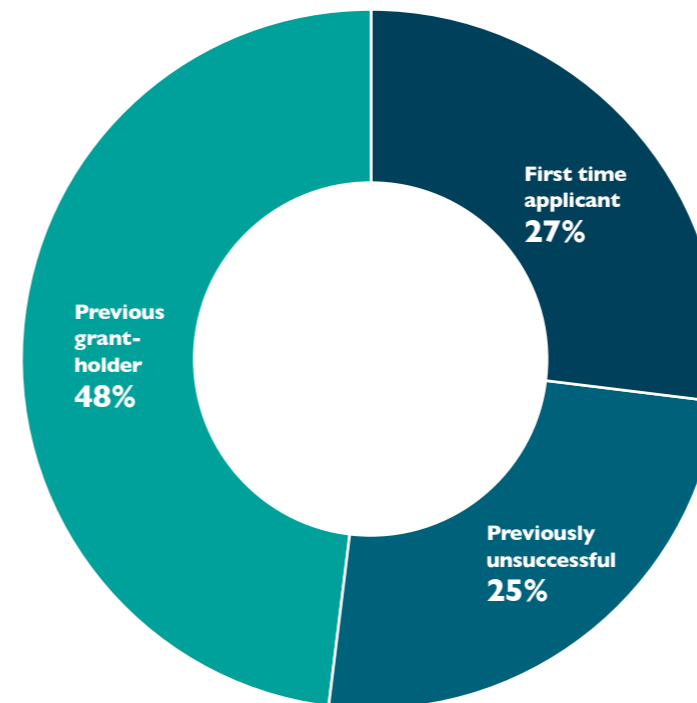
SUPER MAJOR: annual income above £100m.

As the data above shows, the majority (80%) of organisations that we funded this year fit into the medium or large category, i.e. with an income of between £100k and £10m. This is similar to last year, where 2% of our grants were awarded to small organisations, 50% went to medium organisations, 43% went to large organisations, and 5% of our grants went major or super major organisations.

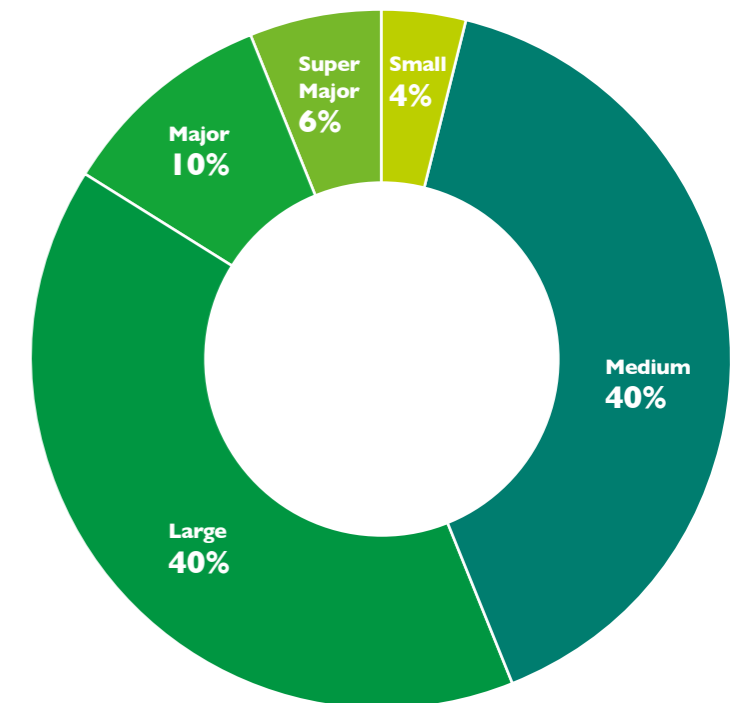
SIZE OF SUCCESSFUL APPLICANTS

Funding programme	Small	Medium	Large	Major	Super major
Main Grants (all categories)	2	15	16	3	2
Main Grants - Arts	1	6	4	0	0
Main Grants - Environment	0	1	4	3	2
Main Grants - Social Action	1	8	8	0	0
Museums and Galleries	0	1	3	2	0
'Other' fund*	0	5	2	0	1
Total across all funds	2	21	21	5	3

PRIOR RELATIONSHIP WITH APPLICANTS ACROSS ALL FUNDING PROGRAMMES



SIZE OF FUNDED ORGANISATION ACROSS ALL FUNDING PROGRAMMES



PRIOR RELATIONSHIP WITH SUCCESSFUL APPLICANTS

Funding programme	First time applicant	Previously unsuccessful	Previous grant-holder
Main Grants (all categories)	9	10	19
Main Grants - Arts	4	2	5
Main Grants - Environment	2	1	7
Main Grants - Social Action	3	7	7
Museums and Galleries	1	3	2
'Other' fund*	4	0	4
Total across all funds	14	13	25

*NB in our 'Other' fund, we also made 18 Funder Plus microgrants to existing grant-holders that had been directly impacted by the far-right riots (see our case study on page 15 for more information). These grants have been excluded from this data due to their exceptional nature and size.

“ In 2022, we adopted the DEI Data Standard in order to try to understand more about the organisations applying to us, and the decisions that we are making, so that we can discern more clearly if our funding approach is equitable and accessible. ”

Diversity, Equity, and Inclusion

In 2022, we adopted the DEI Data Standard, which is a shared framework for funders to capture data on funding for groups who experience structural inequity. The aim of this work is to understand more about the organisations applying to us, and the decisions that we are making, so that we can discern more clearly if our funding approach is equitable and accessible.

We have now completed our second full year of data collection via our online application form. Over the past year, we have made several improvements to the way we collect this data in response to feedback from applicants. As these improvements were made during the course of 2024/25, we expect to see the full impact next year and hope to be able to provide richer detail and analysis then.

The reflections shared below focus on the data collected for applicants under our Main grants programme, based on the 491 applicants for whom data is available:

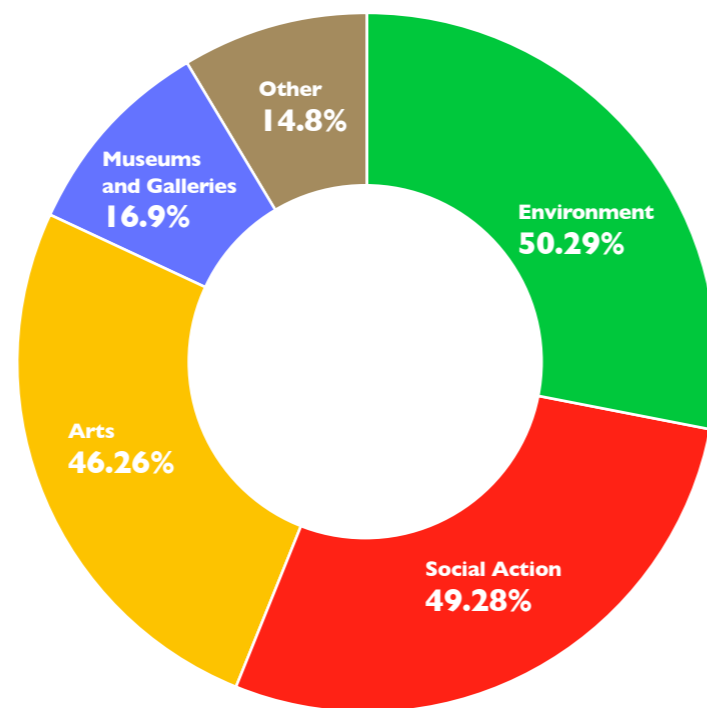
- 45% (221) out of 491 first stage applicants supported specific groups or communities as the primary focus of their work, compared to 39% last year. Of these, the most common groups supported were communities experiencing racial inequity, Disabled people, children and younger people, and people who are educationally or economically disadvantaged.
- 43% (16) out of 37 successful applicants were supporting specific groups or communities as the primary focus of their work, compared to 17% last year. Of these, the most common groups supported were communities experiencing racial inequity, children and younger people, women and girls, and people who are educationally or economically disadvantaged.

- 28.7% (141) out of 491 first stage applicants were led by people from a specific group or community, compared to 27% last year. Of these, the most common leadership group by far was women and girls, followed by communities experiencing racial inequity, then Disabled people.
- 32% (12) out of 37 successful applicants were led by people from a specific group or community, compared to 18% last year. Of these, the most common leadership groups were communities experiencing racial inequity, and women and girls.

Our active grants portfolio as of 31st March 2025

At the end of this financial year our live grant portfolio was made up of 175 grants (185 last year) managed by four members of the team, with staff members managing between 25 and 65 grants each.

LIVE GRANTS PER CATEGORY



Breakdown by sub category

Within each funding theme, we have different subcategories. The following tables show the range of different areas of work covered by our live portfolio of grants.

Arts	
Theatre	27
Music	8
Dance	7
Multi Arts	1
Opera	2
Other	1

Environment	
Land-based	12
Climate	10
Marine	8
UKOTs	8
Freshwater	4
Agriculture & Food	3
Sustainability	2
Other	2
Air Quality	1

Social Action	
Other	9
Refugees & Migrants	7
Communities experiencing racial inequity	5
Children & Young People	4
Disabled people	4
Multiple Complex Needs	4
Criminal Justice & Prisons	3
Housing & homelessness	2
Women & Girls	2
Poverty & Inequality	2
Domestic Abuse	2
Modern Slavery or Trafficking	1
Sexual Abuse or Exploitation	1
Carers	1
Mental Health	1
Employment support	1

Museums and Galleries	
Natural History	3
Social History & Anthropology	3
Visual Arts	3
Other	2
Antiquities & Archaeology	1
Craft	1
Decorative Arts	1
Industrial	1
World Cultures & Ethnography	1

Diversity, Equity, and Inclusion

As of 31st March 2025, based on a snapshot of our live grants portfolio at the time:

- 34% (46) out of 134 active grant-holders who were counted in the survey were supporting specific groups or communities as the primary focus of their work. Of these, the most common groups supported were communities experiencing racial inequity, people who are educationally or economically disadvantaged, and women and girls. However, all of the demographics tracked by the Standard were represented in our portfolio at least once.
- 35% (47) out of 134 active grant-holders who were counted in the survey were led by people from a specific group or community. Of these, the two most common leadership groups were women and girls, followed by communities experiencing racial inequity. Similar to last year's results, the only category not represented was children and younger people.

Changes within our grants portfolio

During the year, there were three significant changes for organisations within our grant portfolio:

1. Amgueddfa Ceredigion Museum withdrew from their grant with us, due to internal and external difficulties. No payments were released and so the full £91,572 was returned to the endowment.
2. Our grant to Jurassic Coast Trust ended early due to the organisation closing down. All funds had already been spent, so this did not impact our grant beyond changing the end date.
3. Our grant to Redthread was transferred to Catch22 following the merger of the two organisations.

FINANCIAL REVIEW

Investments

Our investment aim is to manage our funds in such a way that enables a high level of grantmaking consistent with operating in the long term. This aim provides the underlying basis for our investment objective, which is to achieve a real return of 4% annually over the long term, calculated as 4% plus inflation (CPIH), with the commensurate risk (volatility). Trustees have adopted a Total Return approach, which means that both income from the portfolio and the underlying capital can be used to support our activities.

Our approach to investing is set out in our publicly available Investment Policy, which is reviewed annually. For 2024/25 we have had six fund managers, including some specialists in particular asset classes and some multi-asset managers who are responsible for their own asset allocation decisions within an overarching strategy set by the Finance and Investment Committee. In line with values underlying our Investment Policy as well as our commitments as a signatory of the Funder Commitment on Climate Change, we seek to enhance the environment, social and governance policies and practices of the managers and funds who invest our endowment on our behalf.

Investment performance

The Finance and Investment Committee monitors the performance of each fund manager, who each have their own benchmark. The portfolio's primary objective is to achieve a real return target of CPIH + 4% annually, net of costs. A comparison with a simple benchmark of 80% UK equities and 20% UK government bonds is used to provide evidence of the benefit of running the diversified, actively managed investment structure.

Stanhope Consulting continues to provide us with performance measurement analysis, commentary

on the fund managers' performance and modelling options to assist with the review and planning of the Investment Policy.

At 31 March 2025, our investment portfolio was valued at £142m, a 7.4% decrease over the previous year's level of £153m. The portfolio Total Return for the financial year ending 31 March 2025 was minus 2.4% (2023/24: 8.7%), underperforming the long-term inflation + 4% objective by 9.9% (2023/24: 7.9%) and beating the total return for the simple benchmark by 0.7% (2023/24: 18.9%).

Due to the surge in inflation and setback in the markets in 2022 combined with the disappointing absolute returns for several fund managers, the portfolio is lagging the long-term objective over three to five years.

Income and expenditure

The Foundation's income derives largely from its investment portfolio. Total investment income of £3.331m (2023/24: £3.218m) was 3.5% above that of the previous year.

In line with our Total Return approach, we realised £4.2m during the year through sales from our portfolio to meet our projected working capital requirements for the near future. This amount was required simply to cover the year's anticipated difference between income and expenditure.

We have three significant items of expenditure: the grants that we make, the costs of managing the investment portfolio and our running expenses (of which staff costs are the major component). Total expenditure this year was £6.2m, compared to £6.5m last year. Grants were £5.0m (2023/24: £5.2m); Investment Management costs at £0.4m were in line with the previous year; and our running costs of £0.8m were also in line with the previous year

(2023/24: £0.8m). Trustees are mindful of the need to control running costs to maximise the amount available to spend on grants. We continue to monitor these closely.

Spending policy

In April 2015, Trustees held a special meeting to determine an appropriate spending policy, concluding that annual expenditure would be set at 4.5% of the value of our net assets, averaged over the quarter end values of the last three calendar years. Our spending policy is reviewed each year in setting the annual expenditure budget. In 2024/25, Trustees took the decision to set the expenditure at 4.25% of the value of our net assets, averaged over the quarter end value of the last three calendar years, in order to move to a more sustainable spending level. The Finance and Investment Committee continues to review spending policy in February of each year, and the Committee advises the Trustee Board in March.

This year the review took place against a background of volatile inflation, heightened global tension, low projected real rates of return on investment, and our decision in March 2025 to return to an in perpetuity (i.e. forever) time horizon. The discussion recognised that expenditure at our historic rate was likely to continue to erode the real value of our future spending capacity over time. This resulted in Trustees taking the decision to set the expenditure for 2025/26 at 4.0% (compared to 4.25% in 2024/25) of the value of our net assets, averaged over the quarter end value of the last

three calendar years. The Finance and Investment Committee continues to review spending policy in February of each year, and the Committee advises the Trustee Board in March.

Reserves policy

Our reserves policy is inextricably linked with the spending policy. The Total Return approach means that actual income received each year will be supplemented, if necessary, from distributable capital. Given that all our endowment funds are expendable, the Trustees have sufficient flexibility to respond to unforeseen circumstances if necessary, and therefore it is not considered appropriate to identify a level of free reserves that needs to be maintained.

At reporting date, the foundation had total reserves of £142,521k of which £740k are designated funds and £141,781k are free distributable reserves.

Remuneration policy

Pay is reviewed annually by the Remuneration Committee, which considers external market conditions, such as inflation, cost of living awards in other sectors and peer organisations, and the cost as a proportion of overall expenditure, as part of its decision making. Trustee remuneration is primarily linked to the annual change in the lowest of two external benchmarks, currently CPI and CPIH, in a specified month, and as such is not determined directly by Trustees themselves.

GRANTS MADE in the Year Ended 31 March 2025

Grants are included in the Statement of Financial Activities once they have been approved by the Trustees and the grant-holders have been informed. This is a list of the new grants awarded in 2024/25.

Arts

Actors Touring Company	£120,000
Towards core costs, including commissioning and developing new works by Global Majority artists, touring, and supporting regional theatres and festivals to reach new audiences	over 3 years
Ballet Black	£120,000
Towards the costs of commissioning at least one new ballet each year in 2025, 2026 and 2027	over 3 years
Clean Break	£90,000
Core cost funding towards four productions working with women with lived experience or those at risk of the criminal justice system	over 3 years
Common/Wealth	£90,000
Core funding towards artistic programming and salaries	over 3 years
Gary Clarke Company	£75,000
Towards core costs and the production and touring of DETENTION – the final instalment of a trilogy of work	over 34 months
Hackney Showroom	£90,000
Towards core costs and creation, development and touring of at least one production a year	over 3 years
London Sinfonietta	£100,000
Funding towards core costs and the commissioning and performance of new music	over 3 years
Scottish Ballet Limited	£90,000
Towards staffing, choreographer costs and the production of new work	over 3 years

Arts

Tara Theatre	£105,000
Funding towards core costs enabling national tours	over 3 years
The Belfast Ensemble	£90,000
Funding towards core costs including core team salaries	over 3 years
The Marian Consort	£75,000
Towards commissioning new work and core costs including salaries	over 3 years
Total Arts Grants	£1,045,000



Environment

Blue Marine Foundation	£150,000
Towards core costs of the policy team in lobbying for regulations that support a healthy ocean in the UK	over 3 years
ClientEarth	£100,000
Towards core costs associated with UK clean air work	over 2 years
Friends of the Earth Charitable Trust	£110,000
Towards core costs including staffing, advocacy and community work specifically around systems change campaigning in Northern Ireland	over 3 years
Green Alliance	£120,000
Towards core funding of their sustainable resources theme	over 3 years
Marine Conservation Society	£149,960
Funding towards UK Overseas Territories project staff, in territory capacity building and training	over 34 months
MySociety	£150,000
Core cost funding including salaries to deliver project encouraging councils to create sustainable communities	over 3 years
Royal Botanic Gardens Kew	£150,000
Towards project costs and a UK Conservation Projects Officer salary	over 3 years
Royal Society for the Protection of Birds	£150,000
Core cost funding including their UK Overseas Territories project salaries	over 3 years
Trade Justice Movement	£105,000
Funding towards core costs to support additional campaign resources	over 3 years
Whale & Dolphin Conservation Society	£150,000
Funding to part-fund an Offshore Industry Coordinator	over 3 years
Total Environment Grants	£1,334,960

Social Action

Become	£90,000
Towards core costs to improve the care system through national policy and campaigning activities	over 3 years
Civic Power Fund	£75,000
Funding towards infrastructure support to enable growth within the organisation	over 3 years
Friends Families and Travellers	£150,000
Funding towards core operating costs	over 3 years
INQUEST Charitable Trust	£1120,000
Funding towards core costs to support their policy and advocacy work	over 2 years
Just Treatment	£80,000
Core costs including core team salaries	over 2 years
MYTIME Young Carers	£105,000
Funding for core costs in support of policy and advocacy work	over 3 years
New Economics Foundation	£100,000
Core cost funding to enable people with lived experience to drive systemic policy change	over 3 years
Not I More	£80,000
Funding to support staffing and other core costs	over 3 years
Open Rights Group	£120,000
Towards core funding supporting campaigning, advocacy, research and litigation work	over 3 years
Pause Creating Space for Change	£150,000
Towards core costs to support influencing work	over 3 years
Redthread	£90,000
Towards core costs including staffing to advance Redthread's research and policy initiatives	over 2 years
Reframing Race (hosted by The Social Change Nest)	£73,445
Towards core costs of their project 'Walking the Talk'	over 2 years

Social Action

Revolving Doors Agency	£120,000
Funding towards core research, policy, advocacy and campaigning to drive systems-level change and break the cycle of crisis and crime	over 3 years
The Finance Innovation Lab	£100,000
Towards core costs to convene and coordinate the Fair Banking for All Coalition	over 2 years
Transport For All	£105,000
Core cost funding to support policy and advocacy work enabling a national voice of disabled people demanding transport justice	over 3 years
Women In Prison	£150,000
Funding for core costs including staffing and work of External Affairs and Campaigning team	over 3 years
Work Rights Centre	£150,000
Towards core costs to support the policy influencing and strategic litigation	over 3 years
Total Social Action Grants	£1,334,960

Museum and Galleries Fund

Birmingham Museums Trust	£97,040
Towards core costs including the salary and support costs of a Senior Curator of Global Majority collections	over 2 years
Migration Museum Project	£89,511
Towards core and delivery costs to support the development of the Migration Network, providing curatorial support to other institutions	over 3 years
National Museums Scotland	£95,956
Towards a review of natural science collections from the Caribbean in Scottish museums and project costs	over 16 months
Pitt Rivers Museum	£90,135
Towards bringing indigenous communities into the planning and delivery of redisplay initiatives	over 30 months
The Vindolanda Trust	£89,000
Towards core costs including salaries, training and development for new curatorial programme 'The Land We Walk On'	over 3 years
Turner Contemporary	£90,000
Towards a dedicated Art and Environment programme, bringing together artists, scientists and the community to create and showcase artwork that addresses the climate emergency	over 3 years
Total Museums And Galleries Fund Grants	£551,642



March for Clean Water © Friends of the Earth Northern Ireland



Sediment Spirit: The Activation of Art in the Anthropocene © Sainsbury Centre

Other Grants

ACE Coalition (hosted by Climate Outreach)	£50,000
A contribution to influence the development of a public engagement strategy on climate change	over 6 months
Civic Power Fund	£10,000
Funding Justice Volume 3	over 3 years
Environmental Funders Network	£60,000
Funding to support the next phase of the Philanthropy Lab, exploring opportunities and needs across the areas of tax, investment practices, and rights of nature work	over 18 months
Farming the Future	£60,000
Contribution to a pooled fund, to strengthen and resource the just transition to an agroecological system of food and farming across the UK	over 3 years
Funder Plus programme	£18,000
Support for grant-holders directly impacted by the far-right riots	
More in Common	£15,000
Funding for the 'Britain Talks Human Rights' project	over 3 months
People's Economy	£15,000
Funding to support an 'Action Inquiry', which looks at how the new economy movement can effectively and equitably build power for economic system change with grassroots groups	over 1 year
UCL Policy Lab	£25,000
A partnership project between UCL, Civic Power Fund, and John Ellerman Foundation, exploring the rationale for supporting campaigning and movements in the UK	over 1 year
Total Other Grants	£253,000

UK Overseas Territories Learning Network

Environmental Funders Network	£49,600
UK Overseas Territories (UKOTs) Learning Network – a series of four events promoting the importance of philanthropic funding in the UKOTs	over 1 year
Total Other Grants	£49,600

Total grants made in the year ending 31 March 2024 **£5,092,647**

Additional grant-related expenditure not included in the above £62,897



STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees, including Trustee induction

Our Trustees are listed at the end of this report. The governing document provides for a maximum of nine and a minimum of three. Trustees are appointed for five years, followed by the possibility of a further five years. A Trustee who is selected to be Chair of the Trustee Board or Chair of the Finance and Investment Committee may serve beyond the 10-year term, if this is in the best interests of the Foundation. Since the introduction of the Equalities Act 2010, there is no retirement age.

The first Trustees were personally selected by John Reeves Ellerman, 2nd Bt. and his wife, Lady Esther Ellerman, and had strong links with the Ellerman companies. In 2011, the last Trustee with a personal connection to Ellerman Lines retired.

Today, Trustees are recruited according to our publicly available Recruitment Policy and we look to bring in Trustees with the skills, knowledge and experience required while seeking to achieve greater diversity. We have the option of recruiting to the Chair and Vice Chair roles externally or from the existing cohort of Trustees. Each new Trustee receives a full induction, which includes meeting with staff and Trustees, and receiving a detailed information pack covering our governance, history, funding guidelines, investments and objectives. Ongoing training and skills development takes a variety of forms, depending on the role and interests of the individual Trustees, and includes attendance at seminars, conferences, speakers at Board meetings and other events. There is an annual appraisal by the Chair, who, in turn, is appraised by two Trustees.

Trustees are closely involved in the evaluation of applications and grants made. They review initial applications, visit those organisations invited to submit a second-stage application and provide written reports to the Board. Trustees that are appointed for their experience in one of our funding categories play a lead role in developing and monitoring the grantmaking strategy in that area, and those with investment expertise sit on the Finance and Investment Committee. All participate in occasional sub-groups to review our policies, practice and strategy.

Organisational structure

The Trustee Board meets at least six times each year. The Trustee Board approves new grants and sets strategy and policy for grantmaking and financial matters.

Several Committees support our work throughout the year, and report to the Trustee Board:

- The **Finance and Investment Committee** is responsible for financial and investment matters. The Committee's role includes developing an appropriate investment strategy and policy, overseeing its implementation and monitoring investment performance. It also reviews and advises the Board on the annual budget and spending policy, and monitors expenditure. It meets at least four times a year.
- The **Remuneration Committee** is responsible for reviewing all remuneration and benefits for staff and Trustees. It meets at least once a year.
- The **Risk and Audit Committee** is responsible for reviewing the systems in place to manage risks within the organisation and ensure that adequate internal financial controls and

procedures are in place. It also supports the compilation of our Annual Report and Accounts. It meets at least once a year.

- The **Nominations Committee** is responsible for the recruitment of Trustees as delegated by the Board. It is not a permanent Committee but is convened when a new Board appointment is being made.

The day-to-day management of our organisational affairs is delegated by the Trustees to the Director and staff team. They are responsible for ensuring that the Trustees' decisions are implemented in accordance with existing strategy and policies, and within budget, and for briefing Trustees on current trends in the charitable sector and advising on how these may affect the Foundation.

Risk statement

The Trustees are responsible for the management of the risks we face organisationally. These fall into five areas: governance, management, operational, grantmaking and finance.

The Director and Finance and Operations Manager work with the team to identify and assess major risks, their likelihood of occurrence, the significance of the risk, mitigating controls that are in place, and recommends any additional actions and resources required to reduce and manage those risks. These are compiled as a Risk Register that the Risk and Audit Committee reviews and approves, which is also considered by the Trustee Board.

Our investment activities represent our main financial risk. This risk is managed with support from our investment consultant, regular review of our Investment Policy and objectives, and employing external fund managers to achieve a well-diversified portfolio that we monitor closely in terms of fund manager performance relative to the investment objective and Investment Policy. Our investment activities also risk diverging from our charitable purpose and aim, and this is why environmental, social and governance factors are a key focus for our work in this area.

Applications for grants are assessed carefully to ensure that the Board understands any risks associated with a particular organisation or programme of work, and appropriate conditions are agreed as needed. Once a grant is approved, monitoring and reporting processes are in place to ensure grants are well managed and evaluated.

All relevant policies and procedures are included in the Foundation Handbook. The Handbook is updated regularly and reviewed annually, with the Risk and Audit Committee maintaining oversight of its contents and delegated responsibilities. A Business Continuity Plan and Health and Safety Review form part of the annual risk assessment and are detailed in the Handbook. Trustees are satisfied with the current systems and internal controls.

Conflicts of interest

Trustees and staff are expected to conduct the business of the Foundation with integrity at all times. A Conflict of Interests Policy is in place to ensure that there is no personal gain from our

work, and to prevent any conflict, actual or perceived, between an individual's duty to the Charity and a duty or loyalty to another organisation or person. The Policy is reviewed and updated annually.

All staff and Trustees complete an annual register of interests form. At Trustee Board meetings, each Trustee completes a declaration of interest form that lists all applications to be discussed. Staff and Trustees are expected to alert those present to any interests and may be asked to withdraw from the meeting during the relevant decision-making process. Any relevant gift or hospitality received by Trustees and staff is also recorded on the Register of Interests. A note to the financial accounts lists grants made to any organisation during the year with which a Trustee has a close relationship.

Good governance

The Trustee Board applies great care, attention and skill in order to ensure that our resources are used responsibly and for the public benefit. Trustees recognise the importance of good governance in ensuring the ongoing success of the Foundation. To support with this, Trustees adhere to the guidance set out in our Scheme, which is our governing document, Charity Commission guidance, and the Charity Governance Code. Trustees also receive presentation and discussions on these matters periodically through external training, as well as written updates from the Director to the Trustee Board on new guidance they should be aware of.

STATEMENT OF RESPONSIBILITIES OF THE BOARD OF TRUSTEES

Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS102 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 Charity will continue in business; and
- state whether a SORP applies and has been followed, subject to any material departures which are explained in the financial statements.

Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deeds. They are also responsible for safeguarding the assets of the Charity, including taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



Geraldine Blake
Chair



Keith Shepherd
Chair, Finance and Investment Committee

31 July 2025

INDEPENDENT AUDITORS' REPORT

to the Trustees of John Ellerman Foundation Charity

Opinion

We have audited the financial statements of John Ellerman Foundation for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, and the Cash Flow Statement 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, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2025, and of its incoming resources and application of resources, 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual 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 there is 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 Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity 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 required for our audit.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 47, the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent 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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

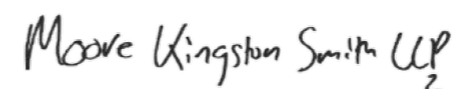
Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees 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 any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.



Moore Kingston Smith LLP, Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

Date: 15 August 2025

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES

for the Year Ended 31 March 2025

	Notes	Total Unrestricted Funds 2025 £'000	Total Unrestricted Funds 2024 £'000
Income			
Income from investments	3	3,415	3,295
Other income		16	-
Total income		3,431	3,295
Expenditure			
Expenditure on raising funds		480	525
Expenditure on Charitable Activities			
Grants to charities		5,156	5,294
Grants cancelled in the year		(92)	(84)
Costs in support of grantmaking	5	695	736
Total charitable activities	5	5,759	5,946
Net gains/(losses) on investments/property			
Gains/(Losses) on investment assets	9	(6,819)	9,973
Gains/(Losses) on Property	8	740	-
Net (Expenditure)/Income		(8,887)	6,798
Net movement in funds		(8,887)	6,798
Reconciliation of funds			
Total funds brought forward		151,408	144,610
Total funds at 31 March	13	142,521	151,408

All the above figures relate to continuing operations. There are no recognised gains or losses other than those disclosed.

BALANCE SHEET

at 31 March 2025

	Notes	2025 £'000	2024 £'000
FIXED ASSETS			
Tangible Fixed Assets	8	2,075	1,362
Investments	9	141,961	153,309
Social Investment	9	-	-
Total Fixed Assets		144,036	154,671
CURRENT ASSETS			
Debtors	10	906	767
Cash at bank and in hand		3,145	2,186
Total Current Assets		4,051	2,953
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	11	(3,557)	(4,161)
NET CURRENT ASSETS/(LIABILITIES)		494	(1,208)
TOTAL ASSETS LESS CURRENT LIABILITIES			
Creditors: amounts falling due after more than one year	12	(2,009)	(2,055)
NET ASSETS		142,521	151,409
FUNDS			
Expendable Endowment Capital		141,781	151,409
Designated Funds		740	-
TOTAL FUNDS	13	142,521	151,409

The financial statements were approved by the Trustees on 31 July 2025 and were signed on their behalf by:



Geraldine Blake
Chair



Keith Shepherd
Chair, Finance and Investment Committee

STATEMENT OF CASH FLOWS

for the Year Ended 31 March 2025

	Notes	2025 £'000	2024 £'000
Net cash used in operating activities	15	(6,997)	(7,804)
Cash flows from investing activities			
Interest received		84	77
Investment income received		3,331	3,218
Other Income		16	
Purchase of fixed assets		(5)	(2)
Movements in investments cash balance		(399)	406
(Loss)/gain on foreign exchange		185	797
Sale of investments		29,599	58,058
Purchase of investments		(24,856)	(55,855)
Purchase of social investment		0	0
Redemption of social investment		0	0
		7,955	7,564
Increase/(decrease) in cash		958	(240)
Cash and cash equivalents at the beginning of the reporting period		2,186	2,426
Cash and cash equivalents at the end of the reporting period		3,144	2,186

NOTES TO THE FINANCIAL ACCOUNTS

for the Year Ended 31 March 2025

I Charitable status

John Ellerman Foundation is a charity registered under the Charities Act 1960, No. 263207; all the income has been agreed as being charitable and therefore no UK taxation is payable..

2 Accounting policies

I. BASIS OF PREPARATION

These financial statements are prepared on a going concern basis, under the historical cost convention, with the exception that investments are valued 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 Charity is a public benefit entity for the purposes of FRS 102 and therefore the Charity 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 Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Trustees have considered the Charity's forecasts and projections and have taken account of pressures on investment income. After making enquiries, 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. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

The financial statements have been prepared in sterling which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest thousand.

NOTES TO THE FINANCIAL ACCOUNTS

II. STANDARD ACCOUNTING POLICIES

A summary of the more important accounting policies, which have been applied consistently, is set out below:

(a) Bank deposit interest has been included on the accruals basis.

Investment income is recognised as follows: for the segregated accounts, income has been accrued as applicable; where shares are issued in lieu of income, the market value of these shares has been included in income.

(b) Grants are fully accounted for in the year the grant is approved. Payments falling due in later years are provided for as a liability on the balance sheet.

(c) Expenditure has been accounted for on the accruals basis. Costs of raising funds include investment management, custody, consultancy and a proportion of staff and trustee costs. Employee costs and trustee remuneration have been apportioned between costs of raising funds, charitable activities and governance costs, on the basis of the proportion of time spent by each employee or trustee in contributing to each category. Governance costs include audit fees, legal fees and a proportion of staff and trustee costs associated with trustee meetings, strategy, Away Days and compliance with statutory requirements. The remaining expenses of the Foundation have been apportioned on the same basis as staff costs and trustee remuneration. All expenditure is recorded inclusive of irrecoverable VAT.

(d) Pension contributions are made for all employees and recorded as they fall due. These are defined contributions paid to approved private pension schemes for each employee. Details are provided in note 7.

(e) Furniture, fittings and equipment have been depreciated to write off the cost less the estimated residual value, on a straight line basis over the expected useful economic life. The annual rate used for this purpose is 33% for computer and office equipment and 10% for other assets. A capitalisation limit has been set such that purchases of £250 and over are capitalised and items below this level are treated as an expense in the year of purchase.

(f) Profit or loss on realisations of investments has been taken to the Expendable Endowment.

(g) Monetary assets and liabilities denominated in foreign currencies are translated at the year end exchange rate. Transactions denominated in foreign currencies are translated at rates prevailing at the transaction date. Exchange differences are taken into account in arriving at the movement of funds for the year.

(h) *Basic financial assets*

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

(i) *Other financial assets*

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the SOFA, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

(j) *Basic financial liabilities*

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

III. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

In the view of the Trustees in applying the accounting policies adopted, no 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.

(a) At 31 March 2025, a chartered surveyor's valuation of the Foundation's offices at Aria House, held on a 999 year lease from 1990, was £1,990,000. This is an increase from the 2014 valuation and this gain has been reflected in the 2024/25 annual accounts. This value was recorded in the year of transition and will be held as the carrying value in future years, following the transitional provisions of FRS 102 (paragraph 35.10c) which allow the property to be valued at fair value on transition and to use that value as deemed cost going forward, with no ongoing requirement to carry out further revaluations. The residual value of the leasehold property is considered to be at least equal to the carrying value and therefore no depreciation has been provided as this would be immaterial. Annual impairment reviews are carried out.

(b) Portrait considered as heritage asset and therefore carried at cost value, no depreciation.

(c) The Foundation has adopted a Spending Policy which the Trustees believe to be currently sustainable. The Total Return approach means that actual income received each year will be supplemented, if necessary, from distributable capital. It follows that the reserves policy is to retain the appropriate capital value in the investment portfolio to be able to continue to support charities over the long-term. There were no significant Individual Investment's.

3 Investment income

	2025	2024
	£'000	£'000
Investment income from assets in the UK	1,778	1,775
Investment income from assets outside the UK	1,553	1,443
Interest on cash deposits	84	77
Other Income	16	0
Total investment income	3,431	3,295

Investment income received during the year relates to investments, which are listed on recognised stock exchanges. Dividend income and interest is treated in accordance with the accounting policy 2(a) above.

4 Grants to charities

	2025	2024
	£'000	£'000
Grants awarded in the year	5,156	5,294
Grants cancelled in the year	(92)	(84)
Total Grants to Charities (note 5)	5,064	5,210

A list of grants awarded during the year ended 31 March 2025 is shown in the Annual Report.

Grants awarded in the year:

	2025	2024
	£'000	£'000
Grants paid in the year	1,698	1,816
Grants payable within one year	1,768	1,809
Grants payable after more than one year	1,690	1,669
Grants cancelled in the year	(92)	(84)
Total Grants to Charities	5,064	5,210

Trustees include in the notes to the Financial Accounts, for transparency reasons, any grant made to an organisation with which a Trustee of the Foundation has a conflict of interest. In accordance with the Foundation's policy, Trustees withdraw from the (virtual) room for these decisions. In the financial year 2024/25 there was one such occurrence relating to ACE Coalition (hosted by Climate Outreach), which includes IPPR as one of the coalition members and Rebecca Bunce is a Trustee of IPPR.

The following grant-related changes occurred in 2024/25:

1. Amgueddfa Ceredigion Museum withdrew from their grant with us, due to internal and external difficulties. No payments were released and so the full £91,572 was returned to the endowment.
2. Our grant to Jurassic Coast Trust ended early due to the organisation closing down. All funds had already been spent, so this did not impact our grant beyond changing the end date.
3. Our grant to Redthread was transferred to Catch22 following the merger of the two organisations.

5 Analysis of total expenditure

	Costs of Raising Funds	Charitable Activities	2025 Total	Costs of Raising Funds	Charitable Activities	2024 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Investment fees	397	-	397	437	-	437
Grants to Charities (note 4)	-	5,064	5,064	-	5,210	5,210
<i>Support costs:</i>						
Staff costs (note 7)	60	420	480	64	402	466
Trustee costs (note 6)	13	114	127	12	110	122
Audit fees	-	21	21	-	19	19
Legal fees	-	3	3	-	64	64
Depreciation	3	29	32	3	31	34
Monitoring & Evaluation	-	40	40	-	32	32
General expenses	7	68	75	9	78	87
	83	695	778	88	736	824
Total expenditure	480	5,759	6,239	525	5,946	6,471

Support costs are allocated on the basis of an estimate of time apportioned to Charitable Activities and to managing the endowment investments.

6 Trustees' remuneration

Trustees receive remuneration in accordance with the authority in the Scheme (clause 12). In carrying out their duties, including visits to applicant charities, eight Trustees incurred travelling and related expenses totalling £4,547 (2024 £3,751).

	2025 £'000	2024 £'000
Remuneration paid to Trustees during the year:		
Peter Kyle, Chair	18.7	18
Geraldine Blake	14.5	14
Keith Shepherd, Chair of the Finance and Investment Committee	14.5	14
Annika Small	14.5	14
Tufyal Choudhury, Chair of the Risk and Audit Committee	14.5	14
Rebecca Bunce	14.5	14
Jonny Hughes	14.5	14
Lily Tomson	14.5	14
Total remuneration	120.2	115
Social Security costs	5.3	6
Pension provision	1.2	1
Total remuneration and Social Security costs	126.7	122

7 Employees

	2025 £'000	2024 £'000
Wages and salaries	379	375
Employer's National Insurance costs	39	40
Pension costs	49	51
Temporary staff	13	-
Total staff costs	480	466

The average number of employees during the year ended 31 March 2025 was 7 (2024: 6). The average full-time equivalent number of employees analysed by function was:

	2025	2024
Generating funds	0.2	0.2
Charitable activities	7.0	6.3
Total full-time equivalent staff	7.2	6.5

For each employee, the Foundation contributes to an approved private pension scheme. The total pension cost for the Foundation was £49,486 (2024: £51,188).

The numbers of employees who received emoluments (including taxable benefits in kind) in the following ranges were:

	2025 Number	2024 Number
£60,001 - £70,000	-	-
£70,001 - £80,000	1	-
£80,001 - £90,000	-	-
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-

For these employees, the Foundation made contributions to their approved private pension schemes totalling £21,191 (2024: £21,017) during the year.

The Charity considers its key management personnel to comprise the Trustees, the Director and the Head of Research and Impact. The total remuneration (salaries and employee benefits) including employer pension contributions of the key management personnel was £338,877 (2024: £334,596). Key management personnel are defined as persons having authority and responsibility for planning, directing and controlling the activities of the entity, including directors and senior management personnel to whom the Trustees have delegated significant authority or responsibility in the day-to-day running of the entity's affairs.

8 Tangible fixed assets

	Leasehold property £'000	Furniture, Fittings and Equipment £'000	Total £'000
Cost or valuation			
At 1 April 2024	1,250	422	1,672
Revaluation of Property	740	-	740
Furniture, Fittings, Equipment written off	-	(44)	(44)
Purchases during year	-	5	5
At 31 March 2025	1,990	383	2,373
Depreciation			
At 1 April 2024	-	310	310
Furniture, Fittings, Equipment written off	-	(44)	(44)
Charge for the year	-	32	32
At 31 March 2025	-	298	298
Net book value at 31 March 2024	1,250	112	1,362
Net book value at 31 March 2025	1,990	85	2,075

NOTES TO THE FINANCIAL ACCOUNTS

As at 1 April 2014, the Trustees valued the property of the Foundation's offices at Aria House, held on a 999 year lease from 1990, at £1,250,000, based on a valuation report by Aston Rose chartered surveyors. This external valuation was made on an existing value basis and prepared in accordance with RICS Valuation Standards, published by the RICS. As stated in note 2(f), this valuation is being treated as deemed cost in accordance with the transitional provisions of FRS 102. A revaluation of the building as office space was undertaken by Howe Chartered Surveyors in March 2025, revising the value to £1,990,000. This gain of £740,000 has been reflected in the 2024/25 financial statements.

9 Investments

	31 March 2025 £'000	31 March 2024 £'000
Investment assets in the UK	81,726	102,148
Investment assets outside the UK	58,527	49,851
Total investments, excluding cash	140,253	151,999
Investment cash accounts in the UK	1,708	1,309
Total investments at 31st March	141,961	153,308

The historical cost of the investments (including cash) held at 31 March 2025 was £133,276,851 (31 March 2024: £135,562,918). The movement during the year of the total investments, excluding cash, was:

	2025 £'000	2024 £'000
At 1 April 2024	151,999	145,031
Purchases at cost	24,856	55,854
Disposal proceeds	(29,598)	(58,922)
Net investment gains	(7,004)	10,040
At 31st March 2025	140,253	152,003

Investments are listed on recognised stock exchanges and valued at the middle market prices ruling at the period end. During the year, £4.2m (2024: £3.2m) was withdrawn from the investment portfolios to provide working capital.

Gains on revaluations and disposals of investments:

	2025 £'000	2024 £'000
Equities	92,715	106,881
Securities	31,452	29,078
Cash within Investment Portfolio	1,710	1,322
Cash Alternatives	3,021	2,900
Investment Properties	13,062	13,129
Total	141,961	153,309

There were no significant individual investment holdings within the Foundation's portfolio (at current or preceding reporting date).

The movement during the year of social investments was:

	2025 £'000	2024 £'000
At 1 April 2024	-	-
Purchases at cost	-	-
Redemption proceeds	-	-
Impairment charge	-	-
At 31 March	-	-

Gains on revaluations and disposals of investments:

	2025 £'000	2024 £'000
Net investment (losses)/gains	(7,004)	9,176
Realised gains on foreign currency	185	798
Total (losses)/gains on revaluations and disposals of investments	(6,819)	9,974

10 Debtors

	31 March 2025 £'000	31 March 2024 £'000
Accrued income and prepayments	906	767
Other debtors	-	-
Total Debtors	906	767

11 Creditors: amounts falling due within one year

	31 March 2025 £'000	31 March 2024 £'000
Accrued expenditure	35	110
Other creditors	22	10
Grants payable	3,494	4,034
Other taxation and social security	6	7
Total Creditors due within one year	3,557	4,161

Included within the creditors is an amount of £5,950 (2024: £7,193) due to pension schemes.

12 Creditors: amounts falling due after more than one year

	31 March 2025 £'000	31 March 2024 £'000
Grants payable between 1 to 2 years	2,009	2,065
Total Creditors falling due after more than one year	2,009	2,065

13 Reconciliation of Movement of Funds

	As at 1 April 2024	Income	Expenditure	Gains/losses	As at 31 March 2025
Endowment funds					
Expendable Endowment Capital	151,408	3,431	(6,239)	(6,819)	141,781
Revaluation Reserve	-	-	-	740	740
Total Funds	151,408	3,431	(6,239)	(6,079)	142,521

Expendable Endowment fund

On 17 October 2014, the Charity Commission approved the Trustees' resolution to transfer the Permanent Endowment inherited from the 2002 merger with the Ellerman Will Trust into an Expendable Endowment Capital Fund.

The Trustees of the foundation (decided/agreed) to set a maximum level of expenditure to be met by the Expendable Endowment Capital each year in order to have a more sustainable spending level. The approved level being 4.5% reducing to 4.25% in 2024/25 of the value of net assets, averaged over the quarter end value of the last three calendar years as per our spending policy which is reviewed each year.

Revaluation Reserve Fund

Revaluation reserve established during year ended 31 March 2025 upon revaluation of Leashold property as outlined within note 8 and reflects gains and losses (realised and unrealised) upon revaluation recognised.

14 Lease commitments

At 31 March the Foundation had total future commitments under operating leases as follows:

	31 March 2025 £'000	31 March 2024 £'000
Within one year	1.05	0.19
Between one and five years	3.41	-
Total lease commitments	4.46	0.19

15 Reconciliation of net (expenditure)/income to net cash outflows from operating activities

	31 March 2025 £'000	31 March 2024 £'000
Net (expenditure)/income for the reporting period	(8,887)	6,799
Depreciation charges	32	34
Bank interest received	(84)	(77)
Investment income	(3,331)	(3,218)
Other Income	(16)	-
Loss/(profit) on foreign exchange	(185)	(797)
(Profit)/Loss on revaluation of investments	(7,004)	(10,039)
(Profit)/Loss on revaluation of property	(740)	-
(Decrease)/increase in debtors	(140)	(57)
(Decrease)/increase in creditors	(650)	(448)
Net cash (used in) operating activities	(6,997)	(7,803)

16 Analysis of changes in net debt/cash

The movement during the year of net debt/cash balances was:

	2025 £'000	2024 £'000
Cash balance as at 1 April	2,186	2,426
Cash Flows during the year	959	(240)
Cash balance as at 31 March	3,145	2,186

TRUSTEES, STAFF AND REGISTERED OFFICE OF THE FOUNDATION

Board of Trustees

Peter Kyle CBE, CCMI (Chair until 31 March 2025)
Geraldine Blake
Rebecca Bunce
Tufyal Choudhury
Jonathan Hughes
Keith Shepherd
Annika Small OBE
Lily Tomson

The following Trustees are members of or served on Committees at 31 March 2025:

FINANCE AND INVESTMENT COMMITTEE:

Keith Shepherd (Chair), Geraldine Blake and Lily Tomson

REMUNERATION COMMITTEE:

Peter Kyle CBE (Chair), Geraldine Blake and Keith Shepherd

RISK AND AUDIT COMMITTEE:

Tufyal Choudhury (Chair), Rebecca Bunce and Annika Small

Members of Staff

Sufina Ahmad MBE *Director*
Alice Thornton *Head of Research and Impact (from 13 May 2024)*
Mark Hart *Finance and Operations Manager*
Kate Hitchcock *Senior Grants Manager*
Stephanie Santiano *Grants Manager*
Bethany Barker *Grants Officer (from 8 April 2024)*
Lauren Williamson *Executive Assistant (on maternity leave until 10 December 2024)*
Bernie McShane *Executive Assistant (left 31 May 2024)*
Nadia Wozny *Executive Assistant (from 28 May to 30 November 2024)*

Registered address of the Foundation

Aria House
23 Craven Street
London WC2N 5NS
Telephone: 020 7930 8566
Email address: enquiries@ellerman.org.uk
Website: www.ellerman.org.uk

Registered Charity Number

263207

ADVISERS TO THE FOUNDATION AT 31 MARCH 2025

Auditors

Moore Kingston Smith LLP, 9 Appold Street, London EC2A 2AP

Solicitors

Bates Wells, 10 Queen Street Place, London EC4R 1BE

Investment Advisers

Stanhope Consulting, 35 Portman Square, London W1H 6LR

Investment Managers at 31 March 2025

CCLA, 1 Angel Lane, London EC4R 3AB
Charities Property Fund, Cordea Savills, 33 Margaret Street, London W1G 0JD
Fulcrum Asset Management, Marble Arch House, 66 Seymour Street, London W1H 5BT
GMO UK Limited, No. 1 London Bridge, London SE1 9BG
Newton Investment Management Limited, BNY Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA
Ruffer LLP, 80 Victoria Street, London SW1E 5JL

Bankers

COIF Charities Deposit Fund, Senator House, 85 Queen Victoria Street, London EC4V 4ET
Coutts & Co., 440 Strand, London WC2R 0QS

Museums and Galleries Fund Adviser

Dr Virginia Tandy OBE

John Ellerman Foundation

Registered Charity Number 263207

www.ellerman.org.uk

JOHN ELLERMAN FOUNDATION

England & Wales - Charity number 263207

Accounts



John Ellerman Foundation

ANNUAL REPORT AND FINANCIAL ACCOUNTS
1 April 2023 – 31 March 2024

John Ellerman Foundation

ANNUAL REPORT AND FINANCIAL ACCOUNTS

1 April 2023 – 31 March 2024

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FRONT COVER:

Paraorchestra, Trip the Light Fantastic © Paul Blakemore

CHAIR'S REPORT

This year's annual report is brimming with information reflecting on our history as a Foundation in order to inform our future, and on our engagement with an increasingly wide range of stakeholders and partner organisations in order to sustain contemporary relevance in pursuit of an unwavering commitment to delivering our objectives transparently, accountably and effectively.

Over the course of the year, we have published *John Ellerman Foundation: A Historical Review* and our *Impact Framework* and presented an interim statement of our time horizon considerations. We have also inaugurated a *Board Shadowing Scheme* as just one part of our organisational commitment to diversity, equity and inclusion. It is particularly pleasing to note that the Foundation has, again, achieved the highest-level grade in the *Foundation Practice Rating* scheme and, in a Perception Audit conducted by nfpResearch, John Ellerman Foundation is described as being a 'positive, supportive and progressive force in the wider sector.'

As a values-led grantmaker, our root cause is focused on advancing the wellbeing of people, society and the natural world and we recognise the difficulties of delivering such ideals amongst the imbroglia of complex and disruptive current world affairs and the continuing negative impacts nationally of cuts in central and local government funding, the cost of living crisis and the Covid-19 pandemic. In such circumstances, the Foundation's commitment to providing multi-year core funding grants provides a degree of stability that is valued highly by our grant-holders and can provide an opportunity to be adventurous in their activities. We are constantly humbled by their resilience and persistence in the face of adversity. Evidence of increasing pressures on those we fund can be found in the number of applications we receive, which has increased by 29% year on year.

Our limited funds and modest recent investment returns, mean that we are able to meet only circa 10% of the total funds requested, no matter how worthy or deserving the application. At any point in time, the Foundation is managing some 175 active grants, and I want to pay tribute to our Director and small staff team for their professionalism and dedication in ensuring all these grants are delivered smoothly and are effectively managed.

Looking ahead, the position globally and economically remains fragile and uncertain, whilst for far too many it is also deeply precarious. In the UK, national elections present their own opportunities and challenges. In such conditions, what can a medium-sized funder with very limited resources in relation to the scale of the issues to be addressed hope to achieve in order to meet our 'wellbeing' objective? Trustees and staff, together with a skilled external facilitator, spent an intensive two days in the autumn reflecting on these issues and have now embarked on a series of meetings which will culminate in the creation of a new strategy for 2025 onwards. We are at the early stages of these considerations and will be engaging with a broad range of internal and external stakeholders in the coming months.

I am very grateful to all Trustee and staff colleagues for the sheer hard work, support and challenge they bring to all aspects of the Foundation's work.

Peter Kyle CBE

Chair, John Ellerman Foundation



AIM AND OBJECTIVES

Our aim

John Ellerman Foundation's aim is to advance the wellbeing of people, society and the natural world. The main ways in which we achieve this are by:

1 Funding charities for work that has national significance in the fields of the Arts, Environment and Social Action (our funding categories). We believe these can make an important contribution to wellbeing; and

2 Investing and managing our funds in such a way that balances the desire to maintain grantmaking capacity, operating in the long-term, and addressing the risk that our investments are poorly aligned to our aim and values.

Our strategy and policies are reviewed at our Board meetings throughout the year, with support from Committees as needed, and through the objectives that are set for staff as part of their probation periods or annual appraisals on governance, management, our work programme, finance and personal development. Away Days provide an opportunity for a more focussed consideration of our future strategy and purpose, and the decisions we need to take to support with this. In November 2023 we held our first overnight Away Day in some time, with the two-day meeting attended by Trustees, staff, a guest speaker and an external facilitator.

Public benefit

Trustees confirm they have referred to the Charity Commission's guidance on public benefit when reviewing our organisational aim, strategy and policies. Our public benefit flows from making grants to charitable organisations engaged in activities in pursuit of their agreed vision and mission. Our preference is to offer funding towards the core costs of delivering an organisation's work, as we believe this supports organisations to deliver their work as flexibly and as effectively as they can.

OUR HISTORY

We are governed by a Scheme, approved by the Charity Commissioners for England and Wales in March 2002. The Scheme provides wide powers for the Trustees to carry out their duties.

In May 2023 we published *John Ellerman Foundation: A Historical Review* on our website. The Review, researched and written by Drs Michael Taylor, Timothy Twining and Felix Waldmann, offers a robust historical overview

of the Foundation's history and its antecedent charitable trusts. It includes research into the philanthropic, business and personal inclinations of John Reeves Ellerman, 1st Baronet (Bt.), Order of the Companion of Honour (C. H.) (1862–1933), and that of his children Annie Winifred (Bryher) Ellerman (1894–1983), and John Reeves Ellerman, 2nd Bt. (1909–1973). It was the latter who set up the antecedents to the present-day

John Reeves Ellerman I
© Yale, Bryher Papers



OUR HISTORY

John Ellerman Foundation, using the wealth he inherited from his father, John Reeves Ellerman, 1st Bt., C. H.. On their philanthropic endeavours, there is much to commend, even if it is caveated by the motivations and methodologies they adopted.

John Reeves Ellerman, 2nd Bt., motivations for setting up the antecedents to what is now John Ellerman's Foundation by our founder were complex. A primary concern was to guard against the effects of estate duty for his heir and widow Lady Esther Ellerman (1910–1985), and to ensure Ellerman Lines Ltd. (from which a considerable proportion of his wealth was derived) could continue as a going concern, without estate duty risking the company being broken up. The Trusts that were originally set up, the Moorgate Trust and New Moorgate Trust, were under no obligation from our founder to prioritise grantmaking over ensuring the continued existence of Ellerman Lines Ltd. The latter reportedly did not generate a dividend for charitable disbursement over some years.

The Review also evidences that the businesses from which our wealth derived, which in brief comprised shipping, brewery, coal and oil, property and newspaper and publication interests ‘... were undoubtedly involved in activities which their modern equivalents would reject’. Be that a clear indifference to the apartheid system in South Africa and Namibia, or the environmental harms caused by the family's investments, or that the source of the family's wealth was linked to the British Empire in the later nineteenth and early twentieth centuries, and that John Reeves Ellerman, 1st Bt., C. H. ‘presented himself as a modern Francis Drake: a cynosure for the extension of British rule across the globe’. The research also uncovered a clear example of antisemitism committed by John Reeves Ellerman's, 1st Bt., C. H. mother, Anne Elizabeth, with the publication in 1897 of a book she wrote titled *The Prime Minister of Württemberg*. This fact was particularly surprising in light of the considerable evidence of her grandchildren's support and respect for Jewish people and Judaism.

We fully acknowledge that the origins of our endowment have links to such practices that resulted in harms and struggles both then and now. It is our intent and belief that our present-day practices help to redress these wrongs. Our grantmaking activities are designed to support work that challenges the symptoms and root causes of systemic and structural issues, and improves politics, society, the economy and the environment in ways that enhance the wellbeing of individuals and communities across the UK and beyond. The endowment, from which our wealth continues to be derived, is invested in ways that consider Environmental, Social and Governance (ESG) issues, but we are fully aware that this practice may be rejected by future generations, and we are proactively looking for new and better ways to invest. We are committed to delivering our work in ways that are transparent, accountable and effective, with environmental sustainability and diversity, equity and inclusion applied across everything that we do. We know that there is more for us to do in redressing past and present harms.

Since publishing *John Ellerman Foundation: A Historical Review*, Trustees and staff have considered the findings in various ways. In the last 12 months we have met with Dr Felix Waldmann, one of the co-authors of the Review and Dr Kojo Koram author of *Uncommon Wealth: Britain and the Aftermath of Empire* respectively. Both speakers provided us with important opportunities to consider the continuing legacy of the British Empire within modern economic, environmental and societal practices. We were a member of the reference group for the Association of Charitable Foundation's Origins of Wealth Group, which in April 2024 released guidance to its members on how and why its members can research their own histories. Finally, in March 2024, we agreed to release funding that will result in the transfer of our organisational archival material to the UK Philanthropy Archives, based at Kent University – further demonstrating our commitment to operating with transparency and an openness to investigation and scrutiny in relation to our history.

ACHIEVEMENTS AND PERFORMANCE

Implementing our strategy

In March 2022 the Foundation approved our strategy for 2022-25, which seeks to determine how we can advance wellbeing with 100% of our assets. We continue to be values-led in all that we do; working in ways that are **responsive, discerning, connected, flexible** and offer a personal touch. Our strategy splits our work into the following four strategic pillars:

Our funding offer, ensuring that we embrace and deliver best and promising practice;

Our investment policy, ensuring that we invest in ways that are better aligned to our aim, values and funding categories;

Our work with others, ensuring that we understand our stakeholders and can work with them to deliver our work together more effectively; and

Our commitment to accountability, ensuring that we make further progress on diversity, equity and inclusion, transparency and impact and learning.

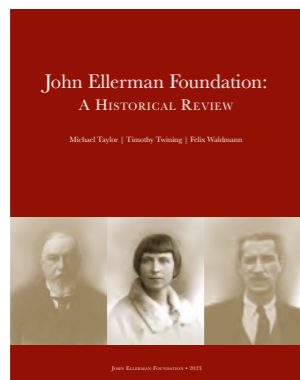
This Annual Report and Accounts sets out the progress we have made in our second year of delivering to the strategy.



SNAPSHOT OF THE YEAR

This snapshot highlights activities in the last 12 months that are new or occur less often, rather than activities that we carry out regularly each year.

Implementation of the DEI Data Standard begins with applicants



Publication of 'John Ellerman Foundation: A Historical Review'

We publish our interim statement on our organisational time horizon

We are invited to present on leadership and governance alongside the University of Basel's Center for Philanthropic Studies at the European Research Network of Philanthropy (ERNOP) Annual Conference in Zagreb titled 'Philanthropy and Crises'



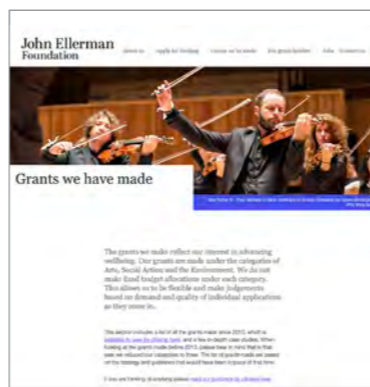
Sainsbury Centre for Visual Arts, Norwich © Andy Crouch

Work begins on the review of our Museums and Galleries Fund at 10 years, which will be published in 2024/25

We are nominated for a Living Wage Funder Award

We publish our first ever Complaints and Recruitment Policies

Implementation of the DEI Data Standard begins with grant-holders



Our Website

We commission an accessibility audit of our website



implementation of the findings from our accessibility audit, and this is completed by May 2024



We publish our fourth update on the progress we are making against the Funder Commitment on Climate Change

Staff and Trustees attend a two-day Away Day, considering the organisation's strategy from 2025 onwards, and our time horizon.



We publish the findings from our second grant-holder and applicant perception audit

The Journal of Philanthropy and Marketing publishes 'Searching for the North Star or how to navigate a boat with a fixed rudder through turbulent times', an article co-authored by our Director with Professor Georg von Schnurbein, founder of the Center for Philanthropic Studies.



We publish our 'one year on' report relating to Protea, our international curatorial exchange and discussions we had with the curators on this programme in summer 2023



Alliance magazine



We publish our Impact Framework

We launch our inaugural Board Shadowing Scheme



We launch of our request for proposals for a partner to develop a Funder Learning Network for our environmental work in the UK Overseas

The March issue of the Alliance Magazine titled 'What Leadership Can Philanthropy Provide?' is published, which has been co-edited by our Director, Sufina Ahmad, and Tendisai Chigwedere of Hewlett Foundation.

We receive an A under the Foundation Practice Rating.



John Ellerman Foundation team at Away Day

ACHIEVEMENTS AND PERFORMANCE

STAFF AND GOVERNANCE UPDATES

As a small team of seven full-time staff, ably supported by a Trustee Board of eight, we hope that this report will demonstrate the level of good work that has been happening in 2023/24. Some staff have left us in the last year, with one staff member leaving three months after they joined, and two after one year. Lauren Williamson, our Executive Assistant has been on maternity leave since November 2023.

All our vacancies have been recruited to in line with our publicly available Recruitment Policy,

which outlines our approach to recruiting for staff, Trustees, and the Chair of the Trustee Board. We are very pleased to welcome Mark Hart to the team as our new Finance and Operations Manager, and Bernie McShane as our Executive Assistant providing maternity leave cover. We are thrilled that Stephanie Santiano has been promoted to the role of Grants Manager in February 2024, having joined us as our Grants Officer in November 2022. The staff team's diversity audit results, as at 31 March 2024 and based on six staff (as we have one vacancy), are shared below:

Ethnicity	17% – Asian/Asian British – Pakistani 17% – Any other Asian background 17% – White and Asian 17% – White-Irish 32% – British
Gender	83% – Female 17% – Male
Age	Range from 32 years and two months to 63 years and one month
Religion or belief	34% – Christian 34% – No religion 17% – Atheist 17% – Prefer not to say
Sexual Orientation	83% – Heterosexual/Straight 17% – Bisexual
Disability and/or long-term health condition	50% – Not disabled 50% – Disability and/or long-term health condition
Gender reassignment	100% – Not gender reassigned
Marriage/Civil Partnership	34% – Married 33% – Single 33% – Co-habiting

Our gender pay gap for 2023/24 is 4.7%. This has been calculated as at 5 April 2024, when we were a team of six full time equivalents, but were carrying two vacancies, and uses the methodology set out in guidance from the Government Equalities Office applying mean (average) compensation on an hourly equivalent

basis. This means that there is a gap of 4.7% (14.0% in 2022/23) between male and female pay on mean average within the team. It is worth noting that we are not legally required to share these figures, and these figures are statistically insignificant due to the size of the dataset. However, as part of our work on diversity, equity

and inclusion we feel that it there is a relevance to us sharing this data.

There have been no changes to our Trustee Board in the last 12 months. In February 2024 we launched our inaugural Board Shadowing Scheme, which is aimed at individuals from diverse backgrounds with lived experience of poverty to participate in our governance processes for a six-month period. This Scheme has been set up in response to our own limited levels of change at a Trustee level, with Trustees committing to two terms of five years, and our next known Board retirement scheduled for January 2025. It is also in recognition of the statistical data that shows a lack of diversity

on charity Boards, including in the trusts and foundation sector specifically. We also recognise it as an opportunity to provide Board experience to individuals who may not ordinarily consider such roles. In May 2024, we will be joined by three shadowing Trustees who will participate in our governance processes, and the learning from this experience will be shared externally.

Our Trustees are deeply committed to operating in a way that is transparent, accountable and effective, and are keen to champion diversity, equity and inclusion across all areas of our work. Trustees undertake a skills and diversity audit, and the diversity audit results of our current Trustee Board (made up of eight Trustees) are shared below:

Ethnicity	12.5% – Asian/Asian British – Bangladeshi 62.5% – British 12.5% – British – Welsh 12.5% – Prefer not to say
Gender	37.5% – Male 50.0% – Female 12.5% – Prefer not to say
Age	Range from 30 years and four months to 74 years and five months
Religion or belief	12.5% – Muslim 12.5% – Christian 37.5% – No religion 37.5% – Prefer not to say
Sexual Orientation	62.5% – Heterosexual/Straight 12.5% – Bisexual 25.0% – Prefer not to say
Disability and/or long-term health condition	75.0% – Not disabled 12.5% – Disability and/or long-term health condition 12.5% – Prefer not to say
Gender reassignment	87.5% – Not gender reassigned 12.5% – Prefer not to say
Marriage/Civil Partnership	25.0% – Married 12.5% – Civil Partnership 25.0% – Single 12.5% – Co-habiting 25.0% – Prefer not to say

ACHIEVEMENTS AND PERFORMANCE

Our skills audit demonstrated that the Trustee Board has strong experience and expertise in the grantmaking and charitable sectors, our funding categories, governance, charity and company law and compliance, finance and finance-related activities (including investing, responsible investing, accounting and auditing), strategic planning and business development, communications and marketing, public policy and influencing, research and development (including outcomes-based monitoring frameworks, impact and learning), IT and digital knowledge and HR and people management. There was also a strong commitment shown to diversity, equity and inclusion, as well as a good understanding of this. We have less proficiency on the Trustee Board in relation to health and safety, procurement of goods or services and building management. However, these activities do not form a significant part of our day-to-day operations and we have access to external support and some expertise in the staff team in these areas.

PILLAR ONE

OUR FUNDING OFFER

This strategic pillar focusses on ensuring that our funding offer is the best it can be. Over the last 12 months we have received a total ask of £48,313,002.80 in first stage applications to our main grants programme comprising Arts, Social Action and Environment, against a budget of £4,570,137.98. Despite such high levels of demand, we have remained as committed as ever to offering pre-application advice and support, which has included 255 scheduled pre-application meetings, alongside responding to ad hoc email and telephone pre-application enquiries.

We also introduced a new element to our grantmaking processes in the form of the DEI (Diversity, Equity and Inclusion) Data Standard, which is a collaborative funder initiative that supports us to monitor DEI data within our applications pipeline and grants portfolio. We use this to develop baseline and benchmarking data from which we can determine any gaps or areas

where our processes could be enhanced in order to be more welcoming and inclusive. The DEI Data Standard is not used as part of our grantmaking assessment criteria.

In line with our commitment to building in more time for learning and reflection and developing a wider offer of support to those we fund, we commissioned nfpResearch to complete a perception audit with our grant-holders and applicants on their experiences of working with us. This included a section seeking feedback on the kinds of non-monetary support they would like from us, which is being used to inform our current and future practice. nfpResearch received a total of 233 responses, representing a response rate of 33% – 87 respondents were grant-holders and 146 were unsuccessful applicants.

Our response rates were above the nfpResearch benchmark. 61% of respondents said our application process was excellent or very good in 2023, up from 54% in 2020. The findings showed that we are considered a positive, supportive and progressive force in the wider sector, that has a good reputation, is approachable, has strong leadership and a strong feedback culture. 85% of grant-holders felt that we were living up to our values. Our area of greatest improvement was in the proportion of unsuccessful applicants who are now clear on why their application was declined, with feedback received considered clear, constructive and personalised, this was 60% in 2024 compared to 36% in 2020. We also saw that the time spent on an application had reduced from the 2020 figures, as well as the time taken for us to reach a decision.

However, the results showed two areas for improvement. 46% of grant-holders described us as very helpful after receiving a grant from us, down from 69% in 2020 – something that the comments showed was primarily due to the staffing changes carried out in 2022, with the outlook much improved again from 2023 onwards. There were also comments that our criteria on national significance was not clear

Case Study

Grant to BOWES MUSEUM, made through our Museum and Galleries Fund



In May 2023, the Foundation contributed £89,646 over two years towards a Co-production Curator's salary. The role was designed to support The Bowes Museum to embed a new community centred approach to collections and curation, putting local people at the heart of future work. Built in the 1870s just outside the Northern town of Barnard Castle, The Bowes Museum hosts an impressive collection of European fine and decorative arts items and has traditionally been seen as an elite institution in the local area. The new strategy aims to foster a sense of local community ownership and to refocus the narrative onto the stories of the makers and creators of the art in its collection.

We committed to this grant because it comes at a critical and exciting moment for The Bowes Museum as it moves forward in delivering this new vision. The Museums and Galleries Fund is focused on curation, and developing this approach to co-curation resonated strongly with our criteria.

On their experience of applying to us, Hannah Fox, Executive Director at The Bowes Museum, said: "This support from the Foundation is pivotal in helping us to explore our co-production practice through working with our audiences and volunteers on the development of new displays, exhibitions, and galleries. By introducing a new curator with a specific focus on co-production, we can build the confidence of our whole team and explore new ideas and narratives together."


THE BOWES
MUSEUM

enough, and so we reviewed and updated these criteria as part of our usual annual review of our funding guidelines carried out over the summer and published in October 2023.

As we move toward the final year of our current strategy cycle and the fact that our Museums and Galleries Fund has been in operation for 10 years, our Head of Research and Impact and Director completed a review of our Museums and Galleries Fund, which will be published later in 2024. The Review included expert insights and inputs from our Museums and Galleries Fund Advisor Dr Virginia Tandy OBE, three meetings with current and former grant-holders from the Museums and Galleries Fund, and a meeting with fellow funders and key institutions working in the museums and

galleries sector. As conditions in the arts, culture and heritage sectors continue to become more complex in the midst of the cost of living crisis, the ongoing impacts of the Covid-19 pandemic and continued reductions in public funding, we are thinking deeply about our role in supporting museums and galleries and the vital role they play for people, society and the natural world across the UK as community anchor organisations.

In January 2024, we published a report that considered the impacts on eight curators one year on from their involvement in Protea – the international curatorial exchange we conducted as part of our 50th anniversary celebrations in 2021/22 between South Africa and the UK. We conducted interviews with each curator to learn



“ Our Arts programme demonstrates the many ways in which creators and curators enrich and transform lives. ”

Case Study

Grant to PARAORCHESTRA through our Arts funding category

In November 2023, the Foundation contributed £100,000 over two years towards Paraorchestra’s artistic commissioning and production costs for three new works and an expanded touring programme. Paraorchestra is an ensemble of disabled and non-disabled professional musicians, who – under the artistic direction of award-winning conductor Charles Hazlewood – create new and reimagined large-scale music projects which blend art forms, genres, and technology to challenge ideas of what an orchestra can and should be, in order to reach a diverse range of new audiences. Their approach is rooted in inclusivity and collaboration. Paraorchestra is also proactively increasing its representation of disabled musicians and composers each year.

We committed to this grant because it demonstrated a strong fit with our Arts criteria around creating high quality, nationally significant new or reimagined work. We also value Paraorchestra’s collaborative approach

to the development of this work, with partners such as venues, choreographers, festivals and broadcasters being engaged throughout the process.

On their experience of applying to us, Jonathan Harper, CEO at Paraorchestra said: “At a time when competition for Trust and Foundation grants is at an all time high, I am very grateful to John Ellerman Foundation for supporting Paraorchestra’s artistic ambition over the next two years. The team made the experience of applying straightforward. In the first stage of application there was clarity about the process, application requirements and the feedback that was available. Meeting a selection of the Trustees as part of the second stage helped me to understand the passion and commitment that exists throughout the Foundation to ensuring that grantmaking is invested in charities that truly meet the objectives set out.”



Paraorchestra, Anatomy of the Orchestra: Drone Refractions © Shotaway



Smoosh © Paul Blakemore

Case Study

Grant to PARTICIPATION AND THE PRACTICE OF RIGHTS (PPR) through our Social Action funding category

In November 2023, the Foundation contributed £130,000 over three years towards PPR's core costs, including a new part-time Data Research Officer who supports the development of systemic datasets to underpin PPR's campaigning. PPR aims to turn international human rights standards into grassroots tools for economic, social and environmental change for people experiencing marginalisation, with a particular focus on housing, the asylum system and mental health. PPR's direct delivery is in Northern Ireland, but it has impact across the UK and Ireland through its policy work and learning exchanges.

We committed to this grant because of PPR's approach to centring those directly impacted by these issues, including organisers and community members, in every aspect of how they work. This is a key criteria within our Social Action category. We are committed to supporting work from across all four UK nations, and are excited to see how the learning from a rights and community driven approach in Northern Ireland can be applied UK-wide.

On their experience of applying to us, *Chloë Trew, Director at PPR, said: "We so appreciated the feedback provided to us on our initial application by John Ellerman Foundation's helpful and knowledgeable team. It was a pleasure to discuss our work with Trustees and staff at the later stages and we are delighted to have the Foundation's support for our campaigns."*



Take Back the City Design Competition winners © PPR



New Script Campaigners present findings to MLAs at Stormont © PPR



Celebrating Iftar at a Kind Economy Meal © Mal McCann

more about their motivations for participating in Protea, what they had gained and learned from the experience, what progress they had made since the exchange, as well as asking for their broader reflections on international curatorial exchanges and curatorial practice. All eight curators were emphatic in their support for initiatives like Protea. Whilst we cannot run a programme like Protea again, we are actively seeking out opportunities to encourage others to consider this approach.

Our Main Grants Programme, which consists of the three categories of Arts, Social Action and Environment continues to inspire us. Our **Arts** programme demonstrates the many ways in which creators and curators enrich and transform lives.

Our **Social Action** champions change and helps create an inclusive society where all can thrive. We do this by supporting organisations that work to create positive changes at a systems-wide level and by ensuring the active involvement of those with personal experience of the issue tackled within an organisation's policy, advocacy and campaigning efforts. .

Our **Environment** teaches us much on how to remain committed to people and planet and support work that achieves greater harmony between people and nature, through the protection, restoration and sustainable use of the natural world. Examples of work we are doing relating to this category are shared under our reporting on pillars two and three of our strategy.



“ Our Social Action programme champions change and helps create an inclusive society where all can thrive ”

Case Study

Grant to SHAREACTION through our Environment funding category

In May 2023, the Foundation contributed £150,000 over three years towards ShareAction’s core costs. ShareAction believes that better stewardship of capital can be a powerful driver for change in the world, making it fairer, more prosperous and sustainable. It works with investors and policymakers to promote change in the investment industry so that it better serves people and planet, with a clear focus on defining and campaigning for promising practice in responsible investing and building coalitions of like-minded investors.

We committed to this grant because it is helping to shift the dial on responsible investment. Our

organisational aim in our strategy is advancing wellbeing with 100% of our assets, and a key part of this is investing in ways that will meet global targets relating to the climate and nature crises. We are keen to support ShareAction to spread their learning more widely.

On their experience of applying to us, Sally Poppenbeck, Fundraising Manager at ShareAction said: *“Smooth, supported, and transparent, the grant application process at John Ellerman Foundation was a positive experience from start to finish, not only providing vital financial assistance but really feeling as if we were building a partnership based on our shared values.”*



PILLAR TWO

OUR INVESTMENT POLICY

This strategic pillar supports us in our aim to use 100% of our assets in pursuit of our organisational aim. Over the last 12 months we have had more resource available to us to consider our investment approach more deeply. Between February and May 2023 we completed major updates to our publicly available Investment Policy, which provided more detail and ambition around our shareholder engagement work, our expectations of fund managers in relation to responsible and/or ESG investing (i.e. investing that takes into account environment, social and governance factors) and our approach to impact and social investing.

We continue to meet with each of our fund managers regularly, but we have set up a new structure and agenda to these meetings so that we can spend more time on their responsible investing practices. We also met with each of our fund managers in June and July 2023 for an in-depth meeting on their shareholder engagement and responsible investing approaches, including their compliance with the framework provided by the COP26 Declaration for Asset Owners. We compiled an internal report on the findings, which included RAG (red, amber, green) ratings and clear next steps on what we will continue to engage with these fund managers on.

We have been working with our investment advisors, Stanhope Consulting, to update their quarterly reports to now include more detailed information on responsible investing matters relating to our entire investment portfolio. This includes outlining our largest 20 holdings, exposure, if any, to sin stocks, energy holdings, carbon emissions, intensity and risk, ESG scores and SDG (sustainable development goals) alignment. This information is further informing our discussions with fund managers.

We have been participating more actively in discussions happening in the sector on responsible investing too. We contributed to Cazenove’s research titled ‘Climate Confident: Charity

investments and net zero’. We were also part of the focus group discussions and surveys related to the Charity Investment Governance Principles project being led on by the Charity Finance Group.

As members of the Charities Responsible Investment Network, which is part of the charity ShareAction, we have responded to requests for feedback and support on its various workstreams, including: influencing work relating to the proxy voting advisors; shareholder action work; helping to shape questionnaires for investment advisors; and providing feedback on consultations like the Charity Commission’s CC14 guidance. We also provided a core costs multi-year grant to ShareAction in support of their wider work.

We remain active members of the Finance Investment and Resources Management group and the Social Impact Investors Group, convened by the Association of Charitable Foundations. We have joined the recently set up Environment Impact Investors Group too, convened by the Environmental Funders Network.

Finally, we have begun further research into how we can invest across the spectrum of capital, comprising: traditional investing; responsible investing; sustainable investing; impact investing; and philanthropic investing. In line with Charity Commission CC14 guidance we are referring to impact investing as social investing, and plan to have determined a clear plan of action for how to become a social investor in the coming year.

Our time horizon

In our strategy we also consider further the number of years the Foundation will exist for, put another way, our time horizon. Discussions on our time horizon started in January 2012, at which point we moved from existing in perpetuity (i.e. forever) to existing in the long-term, which was defined as ‘in excess of 30 years’. These discussions were motivated mainly by the fact that we do not retain any significant

living links to our founder. In 2020 we re-started discussions on our time horizon, and in June 2023 we published an interim statement on our website outlining our latest thinking on our time horizon. This matter was also discussed in November 2023 as part of our overnight Away Day meeting. It is our intention to have a clear decision on our time horizon by March 2025, which is when our current strategy is due to come to an end. We remain committed to sharing our thinking (and our doing) on our time horizon as openly as possible with those we work with externally.

PILLAR THREE

OUR WORK WITH OTHERS

Our strategy encourages us to be more outward-facing and engaged in work that supports our commitment to advancing wellbeing, our funding categories and the effective management of our endowment. This means working closely with a range of stakeholder groups like our grant-holders, our applicants, sector membership

bodies, peer funders and grantmakers, investors, policy makers, media outlets and our own staff, Trustees and contractors. We are deeply committed to this way of working, because we know that our work is part of a wider movement, and that if we are to achieve the impact we are seeking then we cannot do this alone as a team of seven staff and eight Trustees.

With 2024 dubbed the ‘year of democracy’ and half the world’s population set to go to the polls globally, it is perhaps unsurprising that we have explored the topics of leadership and democracy at some length over the last 12 months. We have been able to share some of our thinking on this through the monthly updates from the team that we post on our website, our X (formerly Twitter) and LinkedIn accounts, and through speaking and writing engagements with external partners. On the latter, a particular highlight this year included our Director co-editing the March issue of the Alliance Magazine titled ‘What Leadership Can Philanthropy Provide?’ alongside Tendisai Chigwedere of Hewlett Foundation. The issue



Case Study

Grant to JOSEPH ROWNTREE REFORM TRUST’S (JRRT) UK DEMOCRACY FUND made through our ‘Other’ funding category



In September 2023, the Foundation contributed £50,000 over one year towards the UK Democracy Fund, a pooled fund led by JRRT that is open to applications from organisations, campaigners, and community groups. The Democracy Fund aims to tackle underrepresentation and disenfranchisement in the UK’s democratic processes. This challenge is too big for one funder to solve on its own, and so JRRT has mobilised a coalition of funders around this issue.

Ahead of the upcoming UK General Election, the Fund has set the ambitious goal of supporting a million voters from low voting groups being registered and turning out to vote. Other key priorities include enabling everyone to vote by addressing issues around Automatic Voter Registration and the introduction of Voter ID, extending the vote to 16 and 17 year olds and settled migrants.

The Fund’s focus is on demographics that have historically been underrepresented at the polls, including young people, racialised and minoritised communities, renters, and those on low incomes. The Fund has also developed a simple approach that grant-holders can use

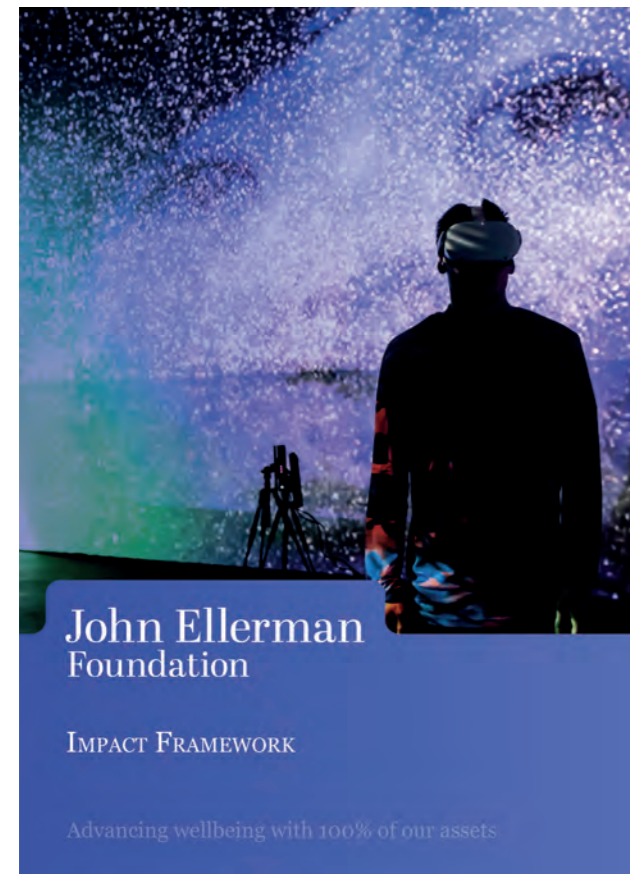
to track their impact on voter registration, and commissioned research around voter demographics and participation rates, aiming to improve the data environment for organisations operating in this sector. Grant-holders are supported to share their learning through convening activities.

We committed to this grant because we recognise that democratic participation underpins many of the issues that we seek to address through our funding programmes, and our aim of advancing the wellbeing of people, society and the natural world. The UK Democracy Fund’s emphasis on collaboration is also aligned with our values and the commitment in our strategy to working with others.

On their experience of applying to us, Ellen Berry, the Head of the Democracy Fund at JRRT, said: “We were delighted that John Ellerman Foundation joined our pool of funders committed to addressing unequal participation in our elections, and subsequent unequal influence on the issues that matter to people. It was a pleasure to work with the Foundation on our application and we appreciated the smooth and simple process, and clear feedback we received.”

included contributions from colleagues across the globe working at the Wallace Global Fund, the Center (sic) for Philanthropy Studies, Be The Earth Foundation, Mama Cash, Rainmatter Foundation, the Kataly Foundation and a UK disability rights campaigner. Our Director was also invited to present on leadership and governance alongside the Center for Philanthropic Studies based at the University of Basel at the European Research Network of Philanthropy (ERNOP) Annual Conference in Zagreb titled ‘Philanthropy and Crises’, and this also led to her co-authoring a paper with Professor Georg von Schnurbein founder of the Center for Philanthropic Studies titled ‘Searching for the North Star or how to navigate a boat with a fixed rudder through turbulent times’, on the topics of leadership and governance in institutional grantmakers, which was published in the Journal of Philanthropy and Marketing in December 2023.

We have also joined a number of other funder collaborations this year, including the Living



Wage Funder Group, which is chaired by our Director, and the Museums COP Funder Sub Group – the latter being set up by the National Museums Director’s Council. We continue to support the work of The Philanthropy Lab, which is a joint initiative set up by the Bio-Leadership Project and the Environmental Funders Network. The Lab explores three workstreams relating to evolving the tax system to serve life, going beyond ESG investing, and supporting the rights of nature movement. These workstreams have been identified by the funder group as those which we think are most in keeping with the Lab’s guiding star of supporting economies in service to life.

PILLAR FOUR
OUR COMMITMENT TO ACCOUNTABILITY

This pillar is designed to ensure that we prioritise diversity, equity and inclusion, transparency, accountability and impact in the work that we do. This is an area of our work where significant progress has been made in the last year and we were able to share aspects of this as one of the featured case studies on transparency and engagement as part of the Association of Charitable Foundation’s Stronger Foundations initiative.

A major highlight of our year has been sharing our Impact Framework publicly in February 2024. The Impact Framework underpins and complements our strategy and our Investment Policy. It brings together in one place research into the concepts of impact, wellbeing and systems change, and considers how these can be applied in relation to our grantmaking, investing and wider operations. It is designed to make us more accountable to those we work with internally and externally, and to understand better our impact and contribution to wellbeing, as well as supporting us with our decision making. The Impact Framework has resulted in four interdependent themes that relate to how we interpret our role in advancing wellbeing. These themes are:

1. Community

This means nourishing the networks and relationships that support communities to pursue lasting and positive change.



2 Access

This means championing the vital role that access to enriching and pioneering arts and cultural activities; a healthy, restored and sustainably used natural world; and political, economic and social systems that are thriving and effective plays in ensuring our collective wellbeing.



3. Sustainability

This means building and nurturing healthier social, economic and environmental systems, caring for our natural world, including by stewarding and restoring what is already there, and safeguarding these systems for current and future generations.



4. Equity

This means pursuing human rights, social justice, equality of opportunity, and centring the expertise and insights of those with personal experience of and expertise on the issues being tackled.



Each of these four interdependent themes is accompanied by a set of impact measures relating to our funding and investing. The full Impact Framework can be read on our website.

We were very pleased to achieve for the second year running an A rating (B, A, A for diversity, accountability and transparency respectively) in the 2024 Foundation Practice Rating results. Our numerical scores in all three areas improved from the year before, and some of the changes we have made as a result of the Foundation Practice Rating over the last year

include introducing a Complaints Policy and a Recruitment Policy covering staff, Trustees and our Chair, which have been available on our website since August 2023, as well as undertaking an accessibility audit of our website in September 2023, with the findings being acted upon since October 2023. The full set of proposed changes to our website should be finalised by May 2024.

Our work on diversity, equity and inclusion continues to be set out through our Diversity, Equity and Inclusion Accountability Plan, which is reviewed annually in May. A significant insight we have been able to collate this year relates to our implementation of the DEI Data Standard. The Standard offers a taxonomy comprised of different demographic categories that enable funders to collect data in a systematic manner. It was developed by an independent working group of funders, including John Ellerman Foundation, who committed to adopting the same framework for capturing DEI data from applicants and grant-holders.

DEI Data Standard – Results from the pilot year of implementation

The aim of this work is to understand more about the organisations applying to us, and the decisions that we are making, so that we can discern more clearly if our funding approach is equitable and accessible. It is too early to draw conclusions based on a year’s worth of data, especially in terms of our successful application data, where only 9.7% of respondents were awarded a grant. However, we will repeat this analysis on an annual basis, and in future iterations (when we have a more robust dataset) we will compare it to data from elsewhere in the sector. Over time, as we collect more evidence and refine our approach, we expect that the data and learning that this generates will enable us to develop and improve upon our processes and the support we can offer to applicants and grant-holders. As the dataset grows, we should also be able to delve into the results more deeply

– for example, by looking at differences across or various funding streams, or the size of grants being awarded.

As of September 2023, based on a snapshot survey of our live grants portfolio at the time:

- 38.5% (52) out of the 135 active grant-holders who were counted in the survey were supporting specific groups or communities as the primary focus of their work. Of these, the three most common groups supported were communities experiencing racial inequity, people who are educationally or economically disadvantaged and children and young people. However, all of the demographics tracked by the Standard were represented in our portfolio.
- 43.7% (59) out of the 135 active grant-holders who were counted in the survey were led by people from a specific group or community. Of these, by far the most common leadership groups were women and girls, and communities experiencing racial inequity. The only category that was not represented was children and young people.

In 2023/24, based on data from applicants who completed the DEI Data Standard Form after it was added to the first stage application form in April 2023:

- 39% (138) out of the 352 first stage applicants that were counted in the dataset were supporting specific groups or communities as the primary focus of their work. Of these, the three most common groups supported were people who are educationally or economically disadvantaged, children and young people, and Disabled People. All of the demographics tracked by the Standard were represented.
- 17.1% (six) of the 38 successful applicants were supporting specific groups or communities as the primary focus of their work. Of these, the three most common groups supported were people who are educationally or economically disadvantaged, children and young people, and Disabled People. Again, all the groups tracked by the Standard were represented.

- 27% (98) out of the 361 first stage applicants that were counted in the dataset were led by people from a specific group or community. Of these, the three most common groups were women and girls, communities experiencing racial inequity and LGBT+ people. However, there were no applications from organisations that were counted as being led by older people, children and young people, migrants or Disabled People.
- 18.4% (seven) of the 38 successful applications that were counted in the dataset were led by people from a specific group or community. Of these, the most common group by a significant margin was women and girls. Communities experiencing racial inequality and people who are educationally or economically disadvantaged, were also represented. However, there were no successful applications from organisations that were led by LGBT+ people, older people, young people, Disabled People, migrants, or faith communities.

This is very much the start of our learning journey when it comes to the DEI Data Standard. The information we have here is a helpful baseline from which to begin, but there is more information that we could collect, and changes to how we collect this data that will enhance the effectiveness of the survey.

Our work in the UK Overseas Territories

As part of our commitment to accountability we are seeking to be more ‘strategically responsive’, which means offering more strategic leadership in areas where it makes sense for us to do so. One clear example of this is our work to encourage more environmental philanthropy in the UK Overseas Territories (UKOTs). We have been making grants for transformative and locally led environmental work in the UK Overseas Territories since 2012/13.

In October 2021, as part of our 50th anniversary celebrations, we took our commitment to these

nationally and globally significant environments one step further by launching the UK Overseas Territories Fund (also referred to as the UKOTs Fund). The UKOTs Fund represented a leadership opportunity for us, in terms of making a case for the need to support environmental work in the UKOTs. We delivered two rounds of the UKOTs Fund in 2021 and 2022, distributing £1.944m in total with a range of contributions from other funders including The Dulverton Trust, the Calouste Gulbenkian Foundation (UK Branch), The Planet Trust and an anonymous funder.

The UKOTs Fund has made 18 grants to organisations based across 11 of the UKOTs, supporting a range of marine and land-based work including: scientific research; community engagement; building organisational core capacity; policy influencing work directed at the relevant legislative structures and frameworks; support of existing teams and work so that great work can continue; innovative new work relating to new technologies and ideas being implemented in pursuit of ambitious climate and biodiversity mitigation goals.

In 2023, the potential for us to fund comparable amounts for a third round of the UKOTs Fund was low, based primarily on feedback from the funders we had been collaborating with and those

we have been in discussions with that are yet to join this collaboration. We were also cognisant of the fact that the grants from the first two rounds of the UKOTs Fund are still reporting on their progress, and so the evidence of our impact is still being gathered. The number of charities operating in the UKOTs is also finite, and so we understood that the application levels may not have been high had we run a third round in 2023.

However, we remain committed to our leadership role on the UKOTs within UK environmental philanthropy, and we also wanted to test out new and different ways of working in relation to the UKOTs. We considered a range of options over the year, including a UKOTs Award or Prize, a UKOTs Exhibition Trip, and a Funder Learning Network. Unfortunately, we were unable to progress the first two ideas, but in March 2024 we launched a request for submissions from external partners to set up and run a Funder Learning Network. We hope to have more to share on this work in our next Annual Report and Accounts.

Finally, we continue to report publicly on our progress against the Funder Commitment on Climate Change and remain signatories of the eight commitments under IVAR’s Flexible Funders initiative, aimed at making funders more open and trusting.

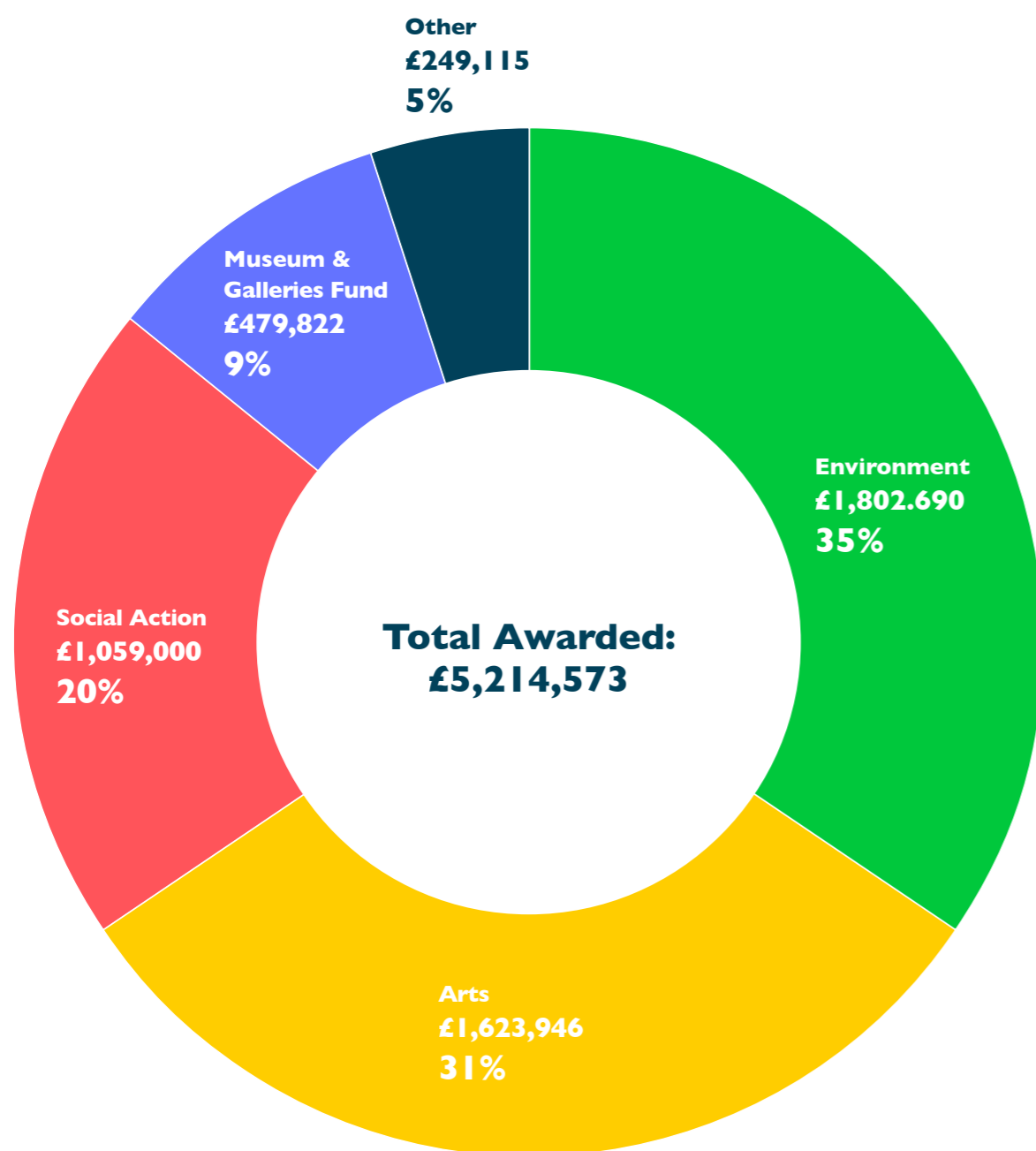
“ We remain committed to our leadership role in environmental philanthropy in the UK Overseas Territories (UKOTs). ”

THE YEAR IN NUMBERS

This year was the fifth full year of operation under our current grants strategy which was launched in June 2018.

The details of the grants we make are published on our website and on 360Giving. A full list of the grants made in 2023/24 is included later in this report.

Grants Awarded 2023-24



Grant numbers

58

We made 58 grants (74 last year) worth £5,214,573 (£6,267,269 last year) and incurred a further £78,918.60 of grant-related expenditure (£120,595 last year). We also set aside £50,000 to be spent on work relating to our work in the UK Overseas Territories next year.

Reflecting one of our core values, flexibility, Trustees supported the work of nine organisations or funder collaborations which did not strictly fit with our funding criteria, but whose work is very closely aligned with our organisational aim, values and funding priorities. These grants are shown as 'Other' in the pie chart above.

Size of organisation

50%

50% of our grants went to medium-sized (annual income between £100k and £1m) charities. 43% went to large (annual income between £1m and £10m) charities. This is more than last year, when 78% fell into the medium and large categories. This year 2% of grants were awarded to organisations with an income under £100k, but they provided us with confidence that they would meet our minimum threshold in the near future. 5% of our grants went to charities with an income over our maximum limit of £10m because they were deemed uniquely placed to carry out the proposed work and made a convincing case regarding funding need.

Grant size

£101,336

Not taking into account the nine exceptional grants mentioned above, the average overall size of grant increased this year to £101,335.88 (compared to £96,542 last year).

Core funding

83%

83% of our grants (or 48 out of our 58 grants) were for core funding, while the remainder supported project costs. All but one of the project grants were made under our 'Other' category, and enabled the delivery of one-off activities aligned with our strategic priorities. For example, we contributed to the inaugural Footnote-Counterpoints writing prize, which celebrates the contribution refugees and migrants make to arts, culture and society. The only project grant within our main grants portfolio was to The Open University, to support the Floodplains Meadow Partnership. This was restricted as a project due to the size and wide remit of the organisation, as well as the specific focus of the application. Of the 48 core grants, 32 were for restricted costs (typically a salary or a specific part of core activity) and 16 for unrestricted core costs. This represents a small increase in unrestricted core grants (from 20% to 28% of all grants made). This growth is part of an ongoing trend in our grantmaking whereby the proportion of unrestricted grants have been steadily increasing since we launched our funding categories in 2018. We are led by applicants on what they would find most useful in relation to our core funding offer.

Length of grant

3 years

We actively seek to make multi-year grants, as we know that longer-term funding is more beneficial to most applicants. This year 38 of our grants (66%) were for three years, 12 were for two years (21%) and five were for one year (9%). At the same time, we are keen to remain flexible and are open to applications for shorter or irregular periods. To that end, we made three grants for three, six and 26 months respectively. One example is our grant to the University of Kent to enable the transfer our historic materials to their UK Philanthropy Archives, a project that requires three months.

Share of grants between the different categories

The budget for the year was £5,393,137.98. This included an under-spend of £263,137.98 from the previous financial year. This year Trustees again chose to remain flexible and did not allocate a share to each of the Main Grant categories at the start of the financial year.

The grant spend across the categories was spread as follows: Arts received £1,623,946; Social Action received £1,059,000; and Environment received £1,802,690. We also spent £479,822 via our annual Museums and Galleries Fund programme, which is part of our Arts funding category. This year we did not run the UKOTs Fund, but as in previous years continued to support organisations working in the UKOTs to apply under our Environment category. We also set aside £50,000 for work relating to the UKOTs that resulted in the requests for proposals for a UKOTs Funder Learning Network referenced under Pillar Four earlier in this report. The spend relating to this work will take place in 2024/25.

We ended the year with an underspend of £128,564.98, which is being carried forward into the grantmaking budget for the 2024/25 financial year.

Category breakdown

Of the 17 Arts grants awarded this year, 11 (65%) were for theatre companies, five (30%) were for music companies (including choirs, orchestras and opera) and one (6%) was for a dance company.

In Environment, we made 17 grants. Eight (47%) went towards land-based conservation activity, one was for freshwater conservation (6%) and five (29%) were aimed at tackling climate change. We also supported work in the fields of sustainability, food and agriculture and funder convening.

In our Social Action category, we made nine grants supporting organisations working towards systemic change through policy, advocacy and campaigning activities. This work covered a broad spectrum of issues, including three grants supporting refugees and migrants (33%), two grants looking at housing and homelessness (22%) and one grant (11%) each

covering the themes of women and girls, modern slavery or trafficking, domestic abuse and sexual abuse or exploitation.

These sub categories are useful for helping us to understand the variety within our work, but we also view them as being interrelated and complementary. Our wider portfolio of live grants also includes sub-categories that are not reflected in the current year's data. For example, we currently have seven active grants that are focused on marine work.

Eligibility

We received 462 first-stage applications this year under our three main categories, up from 357 last year. This represents a 29% increase from last year. We have seen steady growth in the number of applications we received year on year since we launched our strategy for 2022-25 – up from 251 in 2020/21, the year before the strategy launched.

Just over half of applications (256) were for our Social Action category. 123 (27%) applications

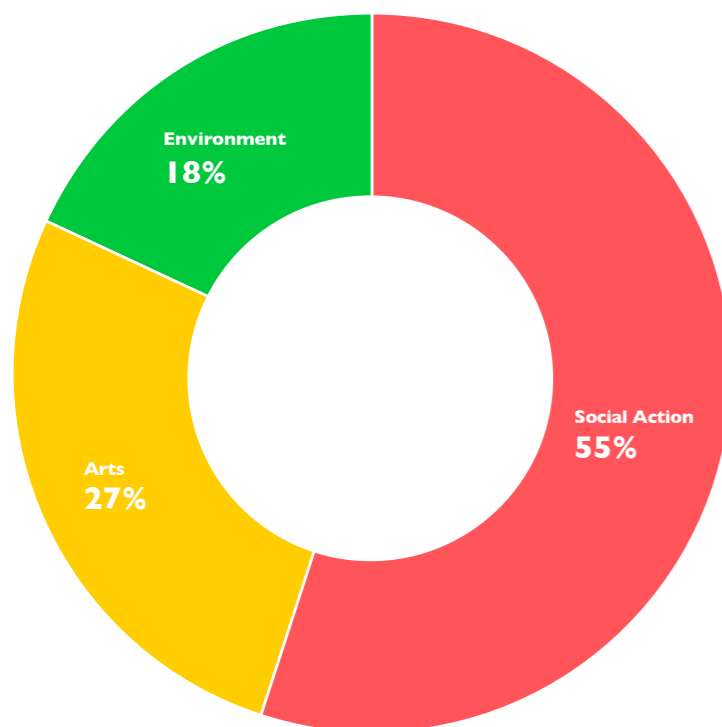
were for our Arts category and there were 83 (18%) in Environment. Of these applications, 153 (33%) did not meet our criteria, resulting in 309 (67%) applications being presented for review by our Trustees. Broken down by category, 45% of applications received under Social Action were deemed ineligible, compared to 20% for Arts, and 16% for Environment.

The main reason for not progressing applications related to the fact that they did not provide a sufficiently strong fit with the individual criteria of the relevant funding category. Under Social Action, a lack of fit with our criteria around systems change was one of the most common declination reasons. With Arts and Environment, a lack of national significance relative to competing applications was a common factor.

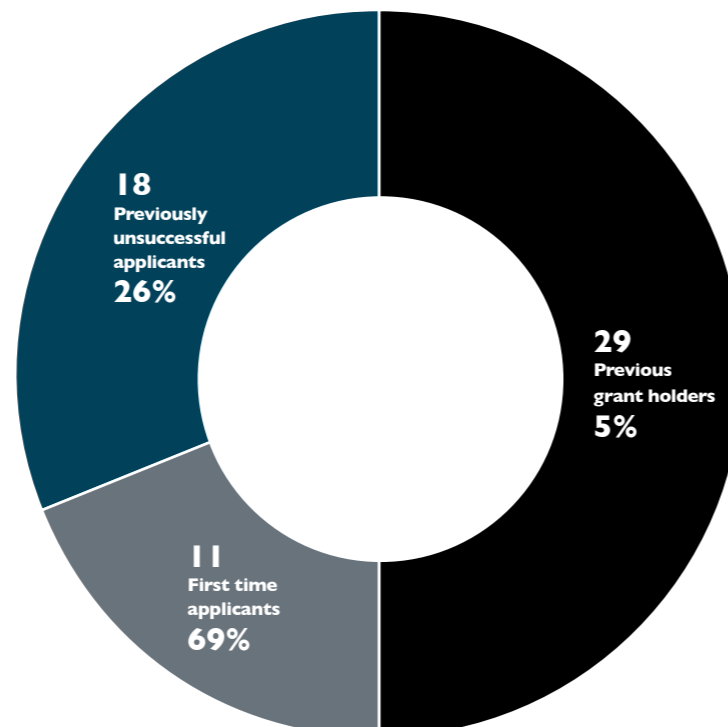
Applications and success rates

Of the 309 (compared to 263 last year) eligible first-stage applications assessed under our Main Grants programme (i.e. excluding Museums and Galleries Fund and our 'Other' category), 43

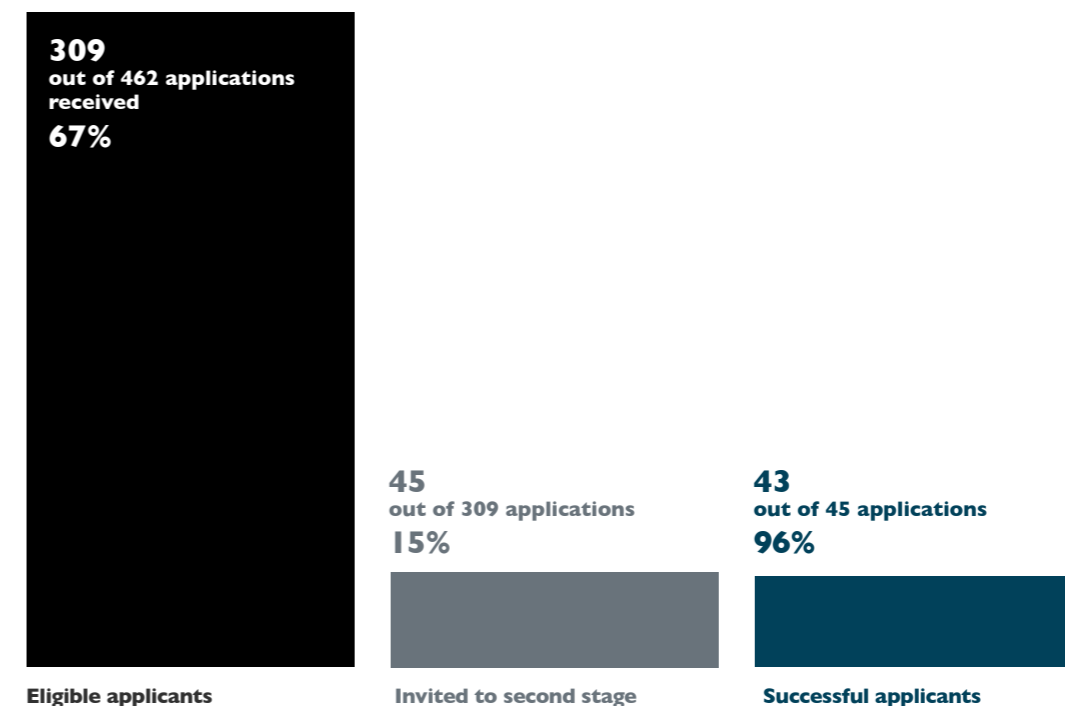
APPLICATIONS BY CATEGORY



% SUCCESSFUL APPLICATIONS BY TYPE OF APPLICANT



SUCCESS RATES



THE YEAR IN NUMBERS

resulted in a grant. This represents a success rate of 14%, significantly down from last year's rate of 28% and the range observed since we launched our current funding guidelines in 2018. The success rate also varies by category, in part due to the variation in application numbers across the three themes. Environment has a success rate of 20%, followed by Arts at 14% and Social Action at 4%.

Of the 45 applications presented for decision at a Trustee Board meeting under our Main Grants programme this year, only two were declined. This represents a success rate of 96% at second stage, and reflects our goal of bringing through second stage applications that stand the highest chance of success. At Board meeting, the success rates are closer to equal, with Arts seeing a 100% success rate, Environment 94% and Social Action 90%.

Of the 58 grants awarded in total this year under all funding categories and funding streams, 29 (50%) were awarded to previous grant-holders that have held grants with us in the past, 11 (19%) went to first-time applicants and 18 (31%) were made to organisations who had applied to us unsuccessfully

on previous occasions. This even split between new and previous grant-holders is different to last year, where more grant-holders were new to us, but more aligned with our usual trend from previous years.

Grant portfolio

At the end of this financial year our live grant portfolio was made up of 185 grants managed by four members of the team. This has reduced from last year's high of 194 live grants, which had been inflated by the additional grants made through our UK Overseas Territories Fund and extensions that were offered to grant-holders due to the Covid-19 pandemic. We expect the number of live grants to continue reducing over the next year.

While many of our grant-holders took up our offer of increased flexibility in terms of reporting and payment timeframes, there was only one significant alteration across our portfolio of live grants. This was where one of our grant-holders went into liquidation, thus causing the grant to end early and without the final payment being

released. One other grant-holder also asked for us to withdraw their grant with no payments having been made, as their circumstances had changed and they were no longer able to deliver the work they had planned.

Our live portfolio at the end of March 2024 was spread across categories and funding streams as follows: Arts – 50 (27%), Social Action – 48 (26%), Environment – 43 (23%), Other – 13 (7%), UK Overseas Territories Fund – 15 (8%), and the Museums and Galleries Fund – 16 (9%).

Grants to museums and galleries

This Fund concentrates on museums and galleries having impact or based outside London, with a focus on enhancing and sustaining curatorial capacity and development. Between October and December of 2023, we offered nine online question and answer sessions for potential applicants to learn about the Fund and ask questions. 74 people attended these sessions, which took place ahead of

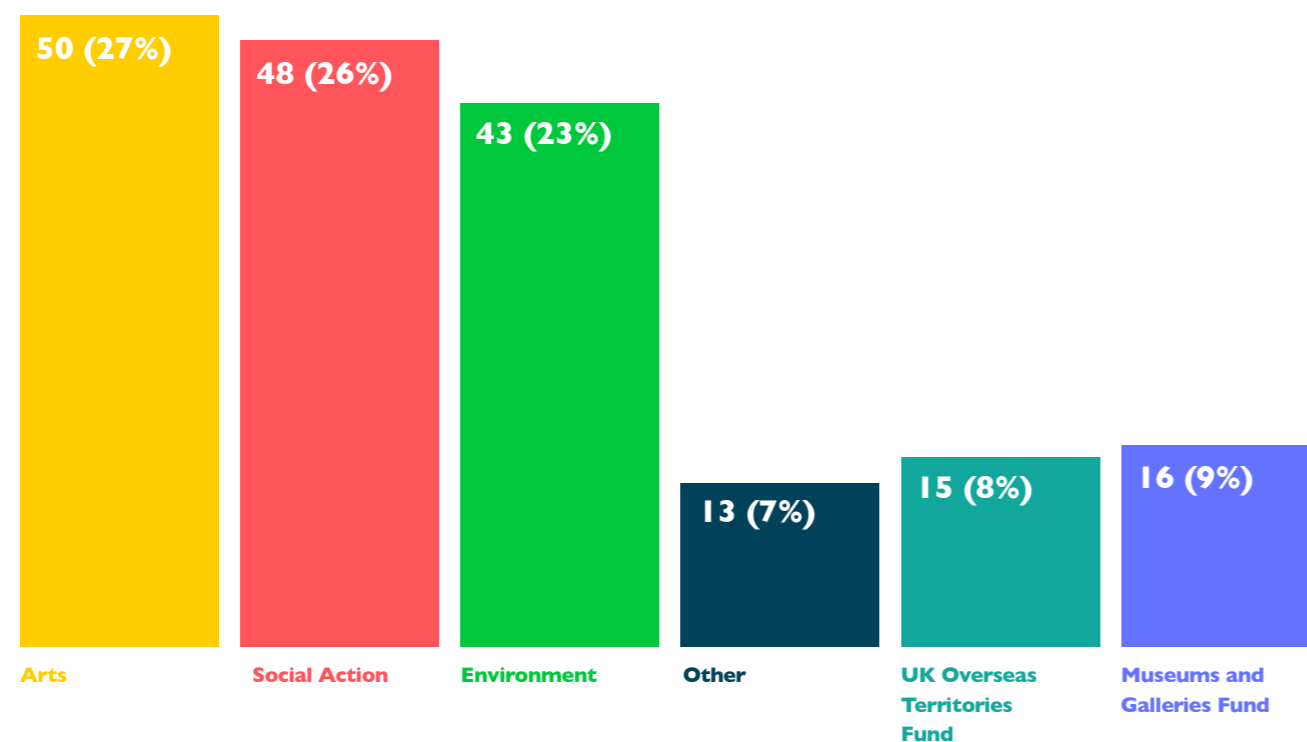
our application deadline in early January 2024. We received 73 first stage applications, which is similar to the 70 applications received in the previous year, and in line with application levels prior to the Covid-19 pandemic.

The applications received were of a high quality overall, but competition remains high due to the annual budget of circa £523,000. The majority of proposals were for funding curatorial salaries and for support with professional development and training. Other requests included contributions towards collections management, project management and archiving.

Trustees invited six applications to second stage, with final decisions due in May 2024. As in previous years, we signposted those applications which demonstrated a strong fit with the criteria but exceeded our available budget to a group of other funders. We have had feedback from our partners that this has resulted in grants being made to some of our unsuccessful applicants.

Lyme Regis Museum Fossil Walks © Jurassic Coast Trust

LIVE PORTFOLIO AS AT 31 MARCH 2023



“ we are thinking deeply about our role in supporting museums and galleries and the vital role they play for people, society and the natural world across the UK as community anchor organisations ”

FINANCIAL REVIEW

Investments

Our investment aim is to manage our funds in such a way that enables a high level of grantmaking consistent with operating in the long term. This aim provides the underlying basis for our investment objective, which is to achieve a real return of 4% annually over the long term, calculated as 4% plus inflation (CPIH), with the commensurate risk (volatility). Trustees have adopted a Total Return approach, which means that both income from the portfolio and the underlying capital can be used to support our activities.

Our approach to investing is set out in our publicly-available Investment Policy, which is reviewed annually. For the majority of 2023/24 we had seven fund managers, including some specialists in particular asset classes and some multi-asset managers who are responsible for their own asset allocation decisions within an overarching strategy set by the Finance and Investment Committee. In line with values underlying our Investment Policy as well as our commitments as a signatory of the Funder Commitment on Climate Change, we seek to enhance the environment, social and governance policies and practices of the managers and funds who invest our endowment on our behalf.

Investment performance

The Finance and Investment Committee monitors the performance of each fund manager, who each have their own benchmark. The portfolio's primary objective is to achieve a real return target of CPIH + 4% annually, net of costs. A comparison with a simple benchmark of 80% UK equities and 20% UK government bonds is used to provide evidence of the benefit of running the diversified, actively managed investment structure.

Stanhope Consulting continues to provide us with performance measurement analysis, commentary on the fund managers' performance

and modelling options to assist with the review and planning of the Investment Policy.

At 31 March 2024, our investment portfolio was valued at £153m, a 4.5% increase over the previous year's level of £147m. The portfolio Total Return for the financial year ending 31 March 2024 was 8.7% (2022/23: minus 2.5%), compared to the long-term inflation + 4% objective of 7.9% (2022/23: 15.7%) and the total return for the simple benchmark of 18.9% (2022/23: minus 15%).

Returns from the investment portfolio have beaten the long-term objective over 1 year, but have lagged since inception and particularly over the past three and five years due to the surge in inflation.

Income and expenditure

The Foundation's income derives largely from its investment portfolio. Total investment income of £3.3m (2022/23: £2.5m) was 32% above that of the previous year, due to improved returns across the markets as inflation figures significantly reduced.

In line with our Total Return approach, we realised £3.2m during the year through sales from our portfolio to meet our projected working capital requirements for the near future. This amount was required simply to cover the year's anticipated difference between income and expenditure.

We have three significant items of expenditure: the grants that we make, the costs of managing the investment portfolio and our running expenses (of which staff costs are the major component). Total expenditure this year was £6.5m, compared to £7.6m last year. Grants were £5.2m (2022/23: £6.2m); Investment Management costs at £0.44m were 8% lower than in the previous year; and our running costs of £0.8m were 13.9% (2021/22: £0.9m, 13.2%)

of total expenditure (excluding investment costs). Trustees are mindful of the need to control running costs in order to maximise the amount available to spend on grants. We continue to monitor these closely.

Spending policy

We manage our assets and expenditure for the long term – which we currently define as 30 years. This time horizon, last reviewed in 2022, remains under review. In April 2015, Trustees held a special meeting to determine an appropriate spending policy, concluding that annual expenditure would be set at 4.5% of the value of our net assets, averaged over the quarter end values of the last three calendar years. Our spending policy is reviewed each year in setting the annual expenditure budget, and this year the review took place against a background of high inflation, heightened global tension and low projected real rates of return on investment. The discussion recognised that expenditure at our historic rate was likely to continue to erode the real value of our future spending capacity over time. Nevertheless, we concluded that expenditure next year would be set at 4.5% of the value of our net assets, averaged over the quarter end value of the last three calendar years,

in part so as not to prejudge the decision yet to be taken on our Time Horizon. The Finance and Investment Committee continues to review spending policy in February of each year, and the Committee advises the Trustee Board in March.

Reserves policy

Our reserves policy is inextricably linked with the spending policy. The Total Return approach means that actual income received each year will be supplemented, if necessary, from distributable capital. Given that all our endowment funds are expendable, the Trustees have sufficient flexibility to respond to unforeseen circumstances if necessary, and therefore it is not considered appropriate to identify a level of free reserves that needs to be maintained.

Remuneration policy

Pay is reviewed annually by the Remuneration Committee, which considers external market conditions, such as inflation, cost of living awards in other sectors, and the cost as a proportion of overall expenditure, as part of its decision making. Trustee remuneration is primarily linked to the lowest of two external benchmarks, currently CPI and CPIH, in a specified month, and as such is not determined directly by Trustees themselves.

GRANTS MADE in the Year Ended 31 March 2024

Grants are included in the Statement of Financial Activities once they have been approved by the Trustees and grant-holders informed. This is a list of the new grants awarded in 2023/24.

Arts

20 Stories High	£120,000
Towards core costs to support the development and delivery of their 2023-26 national touring programme	over 3 years
British Youth Music Theatre	£90,000
Towards core costs to strengthen their management and expand artistic capacity	over 3 years
Chineke! Orchestra	£150,000
Towards core costs to support the expansion of their national touring and artistic research and development	over 3 years
Clean Break	£30,000
Towards core costs of co-producing new works from 2023-26	over 1 year
Dante or Die Theatre	£60,000
Towards core costs, including salaries, while they create two new live productions and two digital projects	over 3 years
Headlong	£120,000
Towards core costs to support the development, production and touring of theatrical works	over 3 years
Little Angel Theatre	£98,946
Towards the salary of a Commercial Touring Producer	over 3 years
Opera Up Close	£90,000
Towards the salary of a Fundraising & Partnerships Manager to support the delivery of their 2023-26 programme	over 3 years

Arts

Oxford Philharmonic Orchestra	£150,000
Towards core costs, including salaries, as they expand their programme of concerts	over 3 years
Paraorchestra	£100,000
Towards artistic commissioning and production costs	over 2 years
Royal Philharmonic Society	£75,000
Towards core costs including salaries	over 3 years
Silent Uproar	£40,000
Towards core costs including support for their national touring programme	over 2 years
Studio Wayne McGregor	£120,000
Towards core costs associated with Company Wayne McGregor, including creating two new full-length works	over 3 years
The Javaad Alipoor Company	£90,000
Towards core costs as they commission and produce four new, larger-scale pieces of work	over 3 years
Theatr Clwyd	£150,000
Towards core costs of their artist development programme – Stiwdio Clwyd	over 3 years
ThickSkin Theatre	£105,000
Towards core costs supporting the creation of new works	over 3 years
Tinderbox Theatre Company	£35,000
Towards core costs of their Inferno Programme	over 2 years
Total Arts Grants	£1,632,946

Environment

Action for Conservation	£100,000
Towards core costs to support young people taking action in the environmental sector	over 3 years
Bat Conservation Trust	£100,000
Towards core costs of policy and advocacy work supporting bat species recovery	over 3 years
Campaign for Better Transport	£100,000
Towards core costs of campaigning and policy work around sustainable transport	over 2 years
Campaign for National Parks	£95,000
Towards core costs to deliver their strategy for healthier ecosystems, land and freshwater in National Parks in England and Wales	over 3 years
Caring for God's Acre	£128,500
Towards core costs to support growth in impact	over 3 years
Environmental Funders Network	£90,000
Towards core costs of expanding and improving the effectiveness of environmental philanthropy	over 3 years
Hubbub	£90,000
Towards core costs for their communications team	over 3 years
Institute for Public Policy Research	£100,000
Towards core costs associated with their transport programme and public engagement	over 2 years
National Biodiversity Network Trust	£120,000
Towards core costs including the salary of a Senior Software Developer	over 3 years
Plantlife International	£100,000
Towards the costs of Plantlife's Temperate Rainforest Advisor Network	over 2 years
Radnorshire Wildlife Trust	£115,000
Towards core costs including the salary of their Campaigns and Advocacy Officer	over 3 years

Environment

ShareAction	£150,000
Towards core costs of expanding their work to promote change in the investment industry	over 3 years
The Open University	£149,190
Towards salary costs for core staff and travel costs to floodplain meadow restoration sites	over 3 years
The Organic Research Centre	£95,000
Towards core costs of the Impact Delivery team, to promote the Organic Research Centre's work amongst the farming community	over 3 years
The Sustainable Soils Alliance	£75,000
Towards core costs of campaigning around sustainably managed soils	over 3 years
Trees for Cities	£75,000
Towards core costs supporting the creation of a UK-wide community engagement strategy	over 2 years
Watershed Investigations	£120,000
Towards core costs of an environmental investigative journalism unit focusing on all aspects of the water crisis	over 3 years
Total Environment Grants	£1,802,690

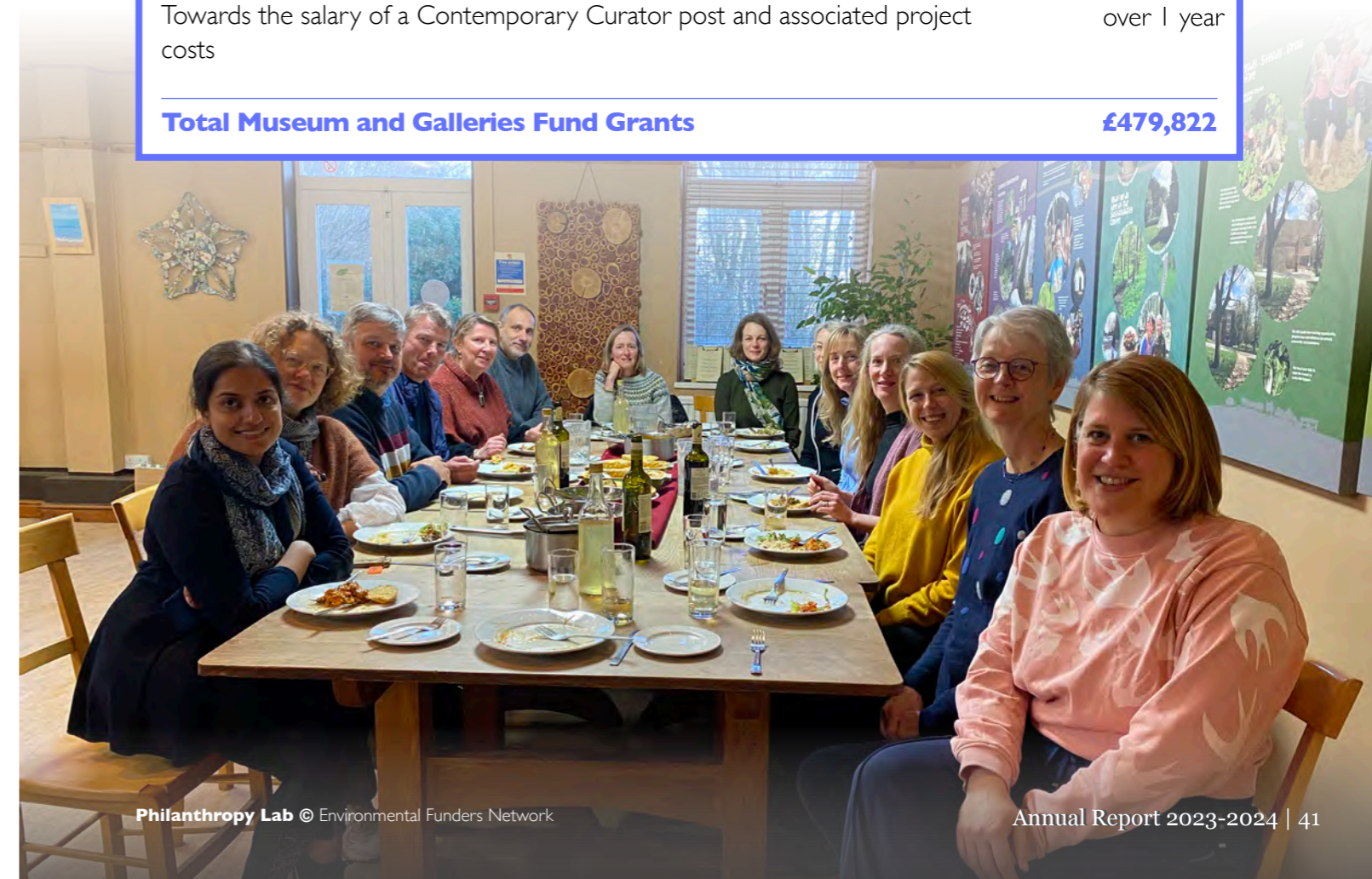


Social Action

Agenda CIO	£83,000
Towards core costs of advocating for change for women and girls with experience of trauma and harm	over 3 years
Anti Trafficking and Labour Exploitation Unit (ATLEU)	£111,000
Towards core salaries in the Policy/Survivor Advocacy Unit partnering with those with lived experience of trafficking to drive systemic change at a national level	over 3 years
Hibiscus Initiatives	£105,000
Towards core costs, including a Policy and Public Affairs Specialist salary	over 3 years
Migrants Organise	£150,000
Towards core costs including salaries of the CEO and Operations Manager	over 3 years
Participation and the Practice of Rights	£130,000
Towards core costs including a new part-time Data Research Officer	over 3 years
Project I7	£60,000
Towards core costs of policy work addressing the impact of 'no recourse to public funds'	over 3 years
Surviving Economic Abuse	£150,000
Towards core costs of influencing and advocacy for survivors	over 3 years
The Lucy Faithfull Foundation	£120,000
Towards core costs of advocacy for the prevention of child sexual abuse	over 3 years
Zacchaeus Trust 2000 – Z2K	£150,000
Towards core costs of national influencing and campaigning on key social security and housing policies	over 3 years
Total Social Action Grants	£1,059,000

Museum and Galleries Fund Grants

Amgueddfa Ceredigion Museum	£91,572
Towards curatorial staff salaries on their Perthryn project	over 2 years
Bristol Museums	£78,126
Towards the salary of a Working Exhibits Manager on their Working Exhibits collection	over 3 years
Jurassic Coast Trust	£95,500
Towards the salary of the Jurassic Coast Collection Lead Officer and contributions to fossil preparation	over 2 years
Natural History Museum	£89,978
Towards the core costs for the Museum Network Coordinator and travel costs for partner organisations	over 2 years
The Bowes Museum	£89,646
Towards a Co-Production Curator salary to embed a new community-centred approach within the museum	over 2 years, 2 months
The Holburne Museum of Art – Bath	£35,000
Towards the salary of a Contemporary Curator post and associated project costs	over 1 year
Total Museum and Galleries Fund Grants	£479,822



Other Grants

Clore Leadership	£38,000 over 2 years
Towards the costs of a 2024/25 Fellowship and bursary places on their leadership courses	
Counterpoint Arts	£15,000 over 1 year
Towards the costs of their pilot of a new literary prize for writers from refugee and migrant backgrounds	
Environmental Funders Network	£1,000 over six months
Towards the Philanthropy Lab	
Foundation Practice Rating	£30,000 over 3 years
Towards the Foundation Practice Rating	
Joseph Rowntree Reform Trust	£50,000 over 1 year
Contribution to the costs of the UK Democracy Fund	
Kent University – UK Philanthropy Archives	Up to £20,115 over 3 months
Towards the transfer of our archives to UK Philanthropy Archives	
ShareAction (for The Shareholder Commons)	£30,000 over 2 years
To promote and raise awareness of 'Investor-Led Guardrails' as a tool for shareholder activism	
Southwark Law Centre (for Windrush Justice Clinic)	£50,000 over 1 year
Towards the salary of a Policy Lead and associated delivery costs for a People's Tribunal	
Sustainable Wellbeing Environment Work	£15,000 over 2 years
Towards the costs of further development after their pilot year	
Total Other Grants	£249,115

UK Overseas Territories funding carried forward to 2024/25 £50,000

Total grants made in the year ending 31 March 2024 **£5,214,573**

Additional grant-related expenditure not included in the above £78,918.60

“ We prioritise diversity, equity and inclusion, transparency, accountability and impact in the work that we do. ”



STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees, including Trustee induction

Our Trustees are listed at the end of this report. The governing document provides for a maximum of nine and a minimum of three. Trustees are appointed for five years, followed by the possibility of a further five years. A Trustee who is selected to be Chair of the Trustee Board or Chair of the Finance and Investment Committee may serve beyond the 10-year term, if this is in the best interests of the Foundation. Since the introduction of the Equalities Act 2010, there is no retirement age.

The first Trustees were personally selected by John Reeves Ellerman, 2nd Bt. and his wife, Lady Esther Ellerman, and had strong links with the Ellerman companies. In 2011, the last Trustee with a personal connection to Ellerman Lines retired.

Today, Trustees are recruited according to our publicly available Recruitment Policy and we look to bring in Trustees with the skills, knowledge and experience required while seeking to achieve greater diversity. Each new Trustee receives a full induction, which includes meeting with staff and Trustees, and receiving a detailed information pack covering our governance, history, funding guidelines, investments and objectives. Ongoing training and skills development takes a variety of forms, depending on the role and interests of the individual Trustees, and includes attendance at seminars, conferences, speakers at Board meetings and other events. There is an annual appraisal by the Chair, who, in turn, is appraised by two Trustees.

Trustees are closely involved in the evaluation of applications and grants made. They review initial applications, visit those organisations invited to submit a second-stage application and provide written reports to the Board. Trustees that are appointed for their experience in one of our funding categories play a lead role in developing and monitoring the grantmaking strategy in that area, and those with investment expertise sit on the Finance and Investment Committee. All participate in occasional sub-groups to review our policies, practice and strategy.

Organisational structure

The Trustee Board meets at least six times each year. The Trustee Board approves new grants and sets strategy and policy for grantmaking and financial matters.

Several Committees support our work throughout the year, and report to the Trustee Board:

The **Finance and Investment Committee** is responsible for financial and investment matters. The Committee's role includes developing an appropriate investment strategy and policy, overseeing its implementation and monitoring investment performance. It also reviews and advises the Board on the annual budget and spending policy, and monitors expenditure. It meets at least four times a year.

The **Remuneration Committee** is responsible for reviewing all remuneration and benefits for staff and Trustees. It meets at least once a year.

The **Risk and Audit Committee** is responsible for reviewing the systems in place to manage risks within the organisation and ensure that adequate internal financial controls and procedures are in place. It also supports the compilation of our Annual Report and Accounts. It meets at least once a year.

The **Nominations Committee** is responsible for the recruitment of Trustees as delegated by the Board. It is not a permanent Committee but is convened when a new Board appointment is being made.

The day-to-day management of our organisational affairs is delegated by the Trustees to the Director and staff team. They are responsible for ensuring that the Trustees' decisions are implemented in accordance with existing strategy and policies, and within budget, and for briefing Trustees on current trends in the charitable sector and advising on how these may affect the Foundation.

Risk statement

The Trustees are responsible for the management of the risks we face organisationally. These fall into five areas: governance, management, operational, grantmaking and finance.

The Director and Finance and Operations Manager work with the team to identify and assess major risks, their likelihood of occurrence, the significance of the risk, mitigating controls that are in place, and recommends any additional actions and resources required to reduce and manage those risks. These are compiled as a Risk Register that the Risk and Audit Committee reviews and approves, which is also considered by the Trustee Board.

Our investment activities represent our main financial risk. This risk is managed with support from our investment consultant, regular review of our Investment Policy and objectives, and employing external fund managers to achieve a well-diversified portfolio that we monitor closely in terms of fund manager performance relative to the investment objective and Investment Policy. Our investment activities also risk diverging from our charitable purpose and aim, and this is why environmental, social and governance factors are a key focus for our work in this area.

Applications for grants are assessed carefully to ensure that the Board understands any risks associated with a particular organisation or programme of work, and appropriate conditions are agreed as needed. Once a grant is approved, monitoring and reporting processes are in place to ensure grants are well managed and evaluated.

All relevant policies and procedures are included in the Foundation Handbook. The Handbook is updated regularly and reviewed annually, with the Risk and Audit Committee maintaining oversight of its contents and delegated responsibilities. A Business Continuity Plan and Health and Safety Review form part of the annual risk assessment and are detailed in the Handbook. Trustees are satisfied with the current systems and internal controls.

Conflicts of interest

Trustees and staff are expected to conduct the business of the Foundation with integrity at all times. A Conflict of Interest Policy is in place to ensure that there is no personal gain from our work, and to prevent any conflict, actual or perceived, between an individual's duty to the Charity and a duty or loyalty to another organisation or person. The Policy is reviewed and updated annually, but underwent a deeper review in 2022.

All staff and Trustees complete an annual register of interests form. At Trustee Board meetings, each Trustee completes a declaration of interest form that lists all applications to be discussed. Staff and Trustees are expected to alert those present to any interests and may be asked to withdraw from the meeting during the relevant decision-making process. Any relevant gift or hospitality received by Trustees and staff is also recorded on the Register of Interests. A note to the financial accounts lists grants made to any organisation during the year with which a Trustee has a close relationship.

Good governance

The Trustee Board applies great care, attention and skill in order to ensure that our resources are used responsibly and for the public benefit. Trustees recognise the importance of good governance in ensuring the ongoing success of the Foundation. To support with this, Trustees adhere to the guidance set out in our Scheme, which is our governing document, Charity Commission guidance, and the Charity Governance Code. Trustees also receive presentation and discussions on these matters periodically through external training, as well as written updates from the Director to the Trustee Board on new guidance they should be aware of.

STATEMENT OF RESPONSIBILITIES OF THE BOARD OF TRUSTEES

Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS102 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 Charity will continue in business; and
- state whether a SORP applies and has been followed, subject to any material departures which are explained in the financial statements.

Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deeds. They are also responsible for safeguarding the assets of the Charity, including taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



Peter Kyle CBE
Chair



Keith Shepherd
Chair, Finance and Investment Committee

Date: 25 July 2024

INDEPENDENT AUDITORS' REPORT

to the Trustees of John Ellerman Foundation Charity

Opinion

We have audited the financial statements of John Ellerman Foundation for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, and the Cash Flow Statement 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, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023, and of its incoming resources and application of resources, 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual 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 there is 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 Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity 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 required for our audit.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 47, the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent 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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

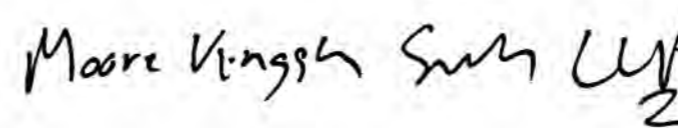
Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees 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 any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.



Moore Kingston Smith LLP, Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

Date: 27 July 2023

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES

for the Year Ended 31 March 2024

	Notes	Total Unrestricted Funds 2024 £'000	Total Unrestricted Funds 2023 £'000
Income			
Income from investments	3	3,295	2,536
Other income		0	644
Total income		3,295	3,180
Expenditure			
Expenditure on raising funds		525	548
Expenditure on Charitable Activities			
Grants to charities		5,294	6,388
Grants cancelled in the year		(84)	(207)
Costs in support of grantmaking	5	736	867
Total charitable activities	5	5,946	7,048
Net gains (losses) on investments			
Gains (Losses) on investment assets	9	9,974	(6,610)
Net income/(expenditure)		6,798	(11,026)
Net movement in funds		6,798	(11,026)
Reconciliation of funds			
Total funds brought forward		144,610	155,636
Total funds at 31 March		151,408	144,610

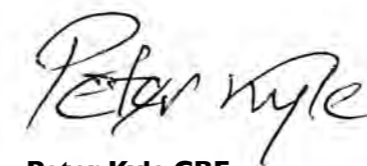
All the above figures relate to continuing operations. There are no recognised gains or losses other than those disclosed.

BALANCE SHEET

at 31 March 2024

	Notes	2024 £'000	2023 £'000
FIXED ASSETS			
Tangible Fixed Assets	8	1,362	1,394
Investments	9	153,309	146,744
Social Investment	9	-	-
Total Fixed Assets		154,672	148,138
CURRENT ASSETS			
Debtors	10	767	710
Cash at bank and in hand		2,186	2,426
Total Current Assets		2,953	3,136
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	11	(4,161)	(4,189)
NET CURRENT (LIABILITIES)/ASSETS		(1,208)	(1,053)
TOTAL ASSETS LESS CURRENT LIABILITIES			
Creditors: amounts falling due after more than one year	12	(2,055)	(2,475)
NET ASSETS		151,408	144,610
FUNDS			
Expendable Endowment Capital		151,408	144,610
TOTAL FUNDS		151,408	144,610

The financial statements were approved by the Trustees on 25 July 2024 and were signed on their behalf by:



Peter Kyle CBE
Chair



Keith Shepherd
Chair, Finance and Investment Committee

STATEMENT OF CASH FLOWS

for the Year Ended 31 March 2024

	Notes	2024 £'000	2023 £'000
Net cash provided by/(used in) operating activities	15	(6,940)	(7,959)
Cash flows from investing activities			
Interest received		77	22
Investment income received		3,218	2,514
Purchase of fixed assets		(2)	(4)
Movements in investments cash balance		406	(94)
(Loss)/gain on foreign exchange		797	(200)
Sale of investments		58,058	34,853
Purchase of investments		(55,855)	(30,189)
Purchase of social investment		-	-
Redemption of social investment		0	13
		6,700	6,915
Increase/(decrease) in cash		(240)	(1,044)
Cash and cash equivalents at the beginning of the reporting period		2,426	3,470
Cash and cash equivalents at the end of the reporting period		2,186	2,426

NOTES TO THE FINANCIAL ACCOUNTS

for the Year Ended 31 March 2024

1 Charitable status

John Ellerman Foundation is a charity registered under the Charities Act 1960, No. 263207; all the income has been agreed as being charitable and therefore no UK taxation is payable.

2 Accounting policies

I. BASIS OF PREPARATION

These financial statements are prepared on a going concern basis, under the historical cost convention, with the exception that investments are valued 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 Charity is a public benefit entity for the purposes of FRS 102 and therefore the Charity 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 including update bulletin 2) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern including the upcoming elections in both the UK and the US as well as ongoing overseas conflicts in Ukraine and Israel.. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Trustees have considered the Charity's forecasts and projections and have taken account of pressures on investment income. After making enquiries, 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. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

The financial statements have been prepared in sterling which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest thousand.

NOTES TO THE FINANCIAL ACCOUNTS

II. FINANCIAL INSTRUMENTS

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the SOFA, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

III. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

In the view of the Trustees in applying the accounting policies adopted, no 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.

A summary of the more important accounting policies, which have been applied consistently, is set out below:

(a) Bank deposit interest has been included on the accruals basis.

Investment income is recognised as follows: for the segregated accounts, income has been accrued as applicable; where shares are issued in lieu of income, the market value of these shares has been included in income.

(b) Grants are fully accounted for in the year the grant is approved. Payments falling due in later years are provided for as a liability on the balance sheet.

(c) Expenditure has been accounted for on the accruals basis. Costs of raising funds include investment management, custody, consultancy and a proportion of staff and trustee costs. Employee costs and trustee remuneration have been apportioned between costs of raising funds, charitable activities and governance costs, on the basis of the proportion of time spent by each employee or trustee in contributing to each category. Governance costs include audit fees, legal fees and a proportion of staff and trustee costs associated with trustee meetings, strategy, Away Days and compliance with statutory requirements. The remaining expenses of the Foundation have been apportioned on the same basis as staff costs and trustee remuneration. All expenditure is recorded inclusive of irrecoverable VAT.

(d) Pension contributions are made for all employees and recorded as they fall due. These are defined contributions paid to approved private pension schemes for each employee. Details are provided in note 7.

(e) At 1 April 2014, the Trustees valued the property of the Foundation's offices at Aria House, held on a 999 year lease from 1990, at £1,250,000, based on a chartered surveyor's valuation report. This value was recorded in the year of transition and will be held as the carrying value in future years, following the transitional provisions of FRS 102 (paragraph 35.10c) which allow the property to be valued at fair value on transition and to use that value as deemed cost going forward, with no ongoing requirement to carry out further revaluations. The residual value of the leasehold property is considered to be at least equal to the carrying value and therefore no depreciation has been provided as this would be immaterial. Annual impairment reviews are carried out. The same principle and review policy applies to the carrying value of a portrait of a member of the Ellerman family. All fixed assets are held for the Foundation's charitable use.

(f) Furniture, fittings and equipment have been depreciated to write off the cost less the estimated residual value, on a straight line basis over the expected useful economic life. The annual rate used for this purpose is 33% for computer and office equipment and 10% for other assets. A capitalisation limit has been set such that purchases of £250 and over are capitalised and items below this level are treated as an expense in the year of purchase.

(g) Profit or loss on realisations of investments has been taken to the Expendable Endowment.

(h) Monetary assets and liabilities denominated in foreign currencies are translated at the year end exchange rate. Transactions denominated in foreign currencies are translated at rates prevailing at the transaction date. Exchange differences are taken into account in arriving at the movement of funds for the year.

(i) The Foundation has adopted a Spending Policy which the Trustees believe to be currently sustainable. The Total Return approach means that actual income received each year will be supplemented, if necessary, from distributable capital. It follows that the reserves policy is to retain the appropriate capital value in the investment portfolio to be able to continue to support charities over the long-term.

3 Investment income

	2024	2023
	£'000	£'000
Investment income from assets in the UK	1,775	1,355
Investment income from assets outside the UK	1,443	1,159
Interest on cash deposits	77	22
Total investment income	3,295	2,536

Investment income received during the year relates to investments, which are listed on recognised stock exchanges. Dividend income and interest is treated in accordance with the accounting policy 2(a) above.

4 Grants to charities

	2024	2023
	£'000	£'000
Grants awarded in the year	5,294	6,388
Grants cancelled in the year	(84)	(207)
Total Grants to Charities (note 5)	5,210	6,181

A list of grants awarded during the year ended 31 March 2024 is shown in the Annual Report.

Grants awarded in the year:

	2024	2023
	£'000	£'000
Grants paid in the year	1,816	2,362
Grants payable within one year	1,809	2,167
Grants payable after more than one year	1,669	1,859
Grants cancelled in the year	(84)	(207)
Total Grants to Charities (note 5)	5,210	6,181

Trustees include in the notes to the Financial Accounts, for transparency reasons, any grant made to an organisation with which a Trustee of the Foundation has a conflict of interest. In accordance with the Foundations policy, Trustees withdraw from the (virtual) room for these decisions. In the financial year 2023/24 there was one such occurrence. Rebecca Bunce is a Trustee of the Institute for Public Policy Research who were awarded a grant in November 2023 (£100,000). In this case, the Trustee removed themselves from the decision-making discussion held by the board.

In 2022/23 a grant was approved for Rights and Security International (£100,000) for whom Tufyal Choudhary is a Trustee and to the Beaver Trust (£120,000) for whom Keith Shepherd is a Trustee. Payments were made to the Beaver Trust in the 2023/24 financial year but outstanding payments to the Rights and Security International will be made in the next two financial years. In 2021/22 grants were approved for both We Belong (£90,000) and Just for Kids Law (£150,000) and payments made in the 2023/24 financial year for whom Sufina Ahmad is a Trustee.

This financial year two grants were cancelled: Children England £33,334 as no longer continuing and Gibraltar Botanic Gardens £50,305 as the grant was no longer required.

5 Analysis of total expenditure

	Costs of Raising Funds	Charitable Activities	2024 Total	Costs of Raising Funds	Charitable Activities	2023 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Investment fees	437		437	474		474
Grants to Charities (note 4)		5,210	5,210		6,181	6,181
<i>Support costs:</i>						
Staff costs (note 7)	64	402	466	50	482	532
Trustee costs (note 6)	12	110	122	9	96	105
Audit fees	-	19	19	-	18	18
Legal fees	-	64	64	-	113	113
Depreciation	3	31	34	3	32	35
Monitoring & Evaluation	-	32	32	-	24	24
General expenses	9	78	87	12	102	114
Total expenditure	525	5,946	6,471	548	7,048	7,596

Support costs are allocated on the basis of an estimate of time apportioned to Charitable Activities and to managing the endowment investments.

6 Trustees' remuneration

Trustees receive remuneration in accordance with the authority in the Scheme (clause 12). In carrying out their duties, including visits to applicant charities, eight Trustees incurred travelling and related expenses totalling £3,751 (2023: £6,517).

	2024 £'000	2023 £'000
Remuneration paid to Trustees during the year:		
Gary Steinberg, Chair of the Finance and Investment Committee	-	11
Peter Kyle OBE, Chair of the Risk and Audit Committee	18	16
Geraldine Blake	14	12
Keith Shepherd	14	12
Annika Small	14	12
Tufyal Choudhury	14	12
Rebecca Bunce	14	12
Jonny Hughes	14	12
Lily Tomson	14	2
Total remuneration	115	101
Social Security costs	6	3
Pension provision	1	1
Total remuneration and Social Security costs	122	105

7 Employees

	2024 £'000	2023 £'000
Wages and salaries	375	298
Redundancy	-	97
Employer's National Insurance costs	40	41
Pension costs	51	24
Temporary staff	-	72
Total staff costs	466	532

The average number of employees during the year ended 31 March 2024 was 6 (2023: 5). The average full-time equivalent number of employees analysed by function was:

	2024	2023
Generating funds	0.2	0.2
Charitable activities	5.8	4.9
Total full-time equivalent staff	6.0	5.1

For each employee, the Foundation contributes to an approved private pension scheme. The total pension cost for the Foundation was £51,188 (2023: £24,575). The numbers of employees who received emoluments (including taxable benefits in kind) in the following ranges were:

	2024 Number	2023 Number
£60,001 - £70,000	1	2
£70,001 - £80,000	-	-
£80,001 - £90,000	-	-
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-

For these employees, the Foundation made contributions to their approved private pension schemes totalling £21,017 (2023: £18,695) during the year.

The Charity considers its key management personnel to comprise the Trustees, the Director and the Head of Research and Impact. Previously, the Heads of Grants and the Head of Finance and Resources were also considered key management personnel. The total remuneration (salaries and employee benefits) including employer pension contributions of the key management personnel was £334,596 (2023: £397,108). Key management personnel are defined as persons having authority and responsibility for planning, directing and controlling the activities of the entity, including directors and senior management personnel to whom the Trustees have delegated significant authority or responsibility in the day-to-day running of the entity's affairs.

8 Tangible fixed assets

	Leasehold property £'000	Furniture, Fittings and Equipment £'000	Total £'000
Cost or valuation			
At 1 April 2023	1,250	419	1,669
Purchases during year	-	2	2
At 31 March 2023	1,250	421	1,671
Depreciation			
At 1 April 2023	-	276	276
Charge for the year	-	34	34
At 31 March 2023	-	310	310
Net book value at 31 March 2023	1,250	143	1,393
Net book value at 31 March 2024	1,250	111	1,361

As at 1 April 2014, the Trustees valued the property of the Foundation's offices at Aria House, held on a 999 year lease from 1990, at £1,250,000, based on a valuation report by Aston Rose chartered surveyors. This external valuation was made on an existing value basis and prepared in accordance with RICS Valuation Standards, published by the RICS. As stated in note 2(f), this valuation is being treated as deemed cost in accordance with the transitional provisions of FRS 102.

9 Investments

	31 March 2024 £'000	31 March 2023 £'000
Investment assets in the UK	102,148	77,490
Investment assets outside the UK	49,851	67,541
Total investments, excluding cash	151,999	145,031
Investment cash accounts in the UK	1,309	1,713
Total investments at 31 March	153,308	146,744

The historical cost of the investments (including cash) held at 31 March 2024 was 134,330,308 (31 March 2023: £133,329,726). The movement during the year of the total investments, excluding cash, was:

At 1 April	145,031	156,109
Purchases at cost	55,854	30,189
Disposal proceeds	(58,058)	(34,853)
Net investment gains	9,176	(6,410)
At 31 March	152,003	145,035

Investments are listed on recognised stock exchanges and valued at the middle market prices ruling at the period end. During the year, £5.7m (2023: £5.7m) was withdrawn from the investment portfolios to provide working capital.

The movement during the year of social investments was:

At 1 April	-	9
Purchases at cost	-	-
Redemption proceeds	-	(13)
Impairment charge	-	4
At 31 March	-	-

Gains on revaluations and disposals of investments:

Net investment gains/(losses)	9,176	(6,410)
Realised gains/(losses) on foreign currency	798	(200)
Total gains/(losses) on revaluations and disposals of investments	9,974	(6,610)

10 Debtors

	31 March 2024 £'000	31 March 2023 £'000
Accrued income and prepayments	767	710
Other debtors	-	-
Total Debtors	767	710

11 Creditors: amounts falling due within one year

	31 March 2024 £'000	31 March 2023 £'000
Accrued expenditure	110	171
Other creditors	10	26
Grants payable	4,034	3,974
Other taxation and social security	7	18
Total Creditors due within one year	4,161	4,189

Included within accrued expenditure is an amount of £7,193 (2023: £2,697) due to pension schemes.

12 Creditors: amounts falling due after more than one year

	31 March 2024 £'000	31 March 2023 £'000
Grants payable between 1 to 2 years	2,055	2,475
Total Creditors falling due after more than one year	2,055	2,475

13 Financial commitments

There are no financial commitments.

14 Lease commitments

At 31 March the Foundation had total future commitments under operating leases as follows:

	31 March 2024 £'000	31 March 2023 £'000
Within one year	0.19	1
Between one and five years	-	-
Total lease commitments	0.19	1

15 Reconciliation of net income/(expenditure) to net cash outflow from operating activities

	31 March 2024 £'000	31 March 2023 £'000
Net income/(expenditure) for the reporting period	6,799	(11,026)
Depreciation charges	34	35
Bank interest received	(77)	(22)
Investment income	(3,218)	(2,514)
Loss/(profit) on foreign exchange	(797)	200
(Profit)/ Loss on revaluation of investments	(9,176)	6,410
(Increase)/decrease in debtors	(57)	134
Increase/(decrease) in creditors	(448)	(1,176)
Net cash provided by (used in) operating activities	(6,940)	(7,959)

16 Analysis of changes in net debt/cash

The movement during the year of net debt/cash balances was:

	2024 £'000	2023 £'000
Cash balance as at 1 April	2,426	3,470
Cash Flows during the year	(240)	(1,044)
Cash balance as at 31 March	2,186	2,426

TRUSTEES, STAFF AND REGISTERED OFFICE OF THE FOUNDATION

Board of Trustees

Geraldine Blake
Rebecca Bunce
Tufyal Choudhury
Jonathan Hughes
Peter Kyle CBE, CCMi (*Chair*)
Keith Shepherd
Annika Small OBE
Lily Tomson

The following Trustees are members of or served on Committees at 31 March 2024:

FINANCE AND INVESTMENT COMMITTEE:

Keith Shepherd (Chair), Geraldine Blake and Lily Tomson

REMUNERATION COMMITTEE:

Peter Kyle CBE (Chair), Geraldine Blake and Keith Shepherd

RISK AND AUDIT COMMITTEE:

Tufyal Choudhury (Chair), Rebecca Bunce and Annika Small

Members of Staff

Sufina Ahmad MBE *Director*
Ciorsdan Brown *Head of Research and Impact (to 25 January 2024)*
Christabel Keenan *Finance and Operations Manager (to 3 April 2023)*
Mark Hart *Finance and Operations Manager (from 22 August 2023)*
Kate Hitchcock *Senior Grants Manager*
Jo Bridger *Grants Manager (to 8 December 2023)*
Stephanie Santiano *Grants Manager (from 1 February 2024, was previously Grants Officer)*
Lauren Williamson *Executive Assistant (on maternity leave from 17 November 2023)*
Bernie McShane *Executive Assistant (maternity cover from 6 November 2023)*

Registered address of the Foundation

Aria House
23 Craven Street
London WC2N 5NS
Telephone: 020 7930 8566
Email address: enquiries@ellerman.org.uk
Website: www.ellerman.org.uk

Registered Charity Number

263207

ADVISERS TO THE FOUNDATION AT 31 MARCH 2024

Auditors

Moore Kingston Smith LLP, 9 Appold Street, London EC2A 2AP

Solicitors

Bates Wells, 10 Queen Street Place, London EC4R 1BE

Investment Advisers

Stanhope Consulting, 35 Portman Square, London W1H 6LR

Investment Managers at 31 March 2024

CCLA, Senator House, 85 Queen Victoria Street, London EC4V 4ET
Charities Property Fund, Cordea Savills, 33 Margaret Street, London W1G 0JD
Fulcrum Asset Management, Marble Arch House, 66 Seymour Street, London W1H 5BT
GMO UK Limited, No. 1 London Bridge, London SE1 9BG
Investec Wealth & Investment Limited, 30 Gresham Street, London EC2V 7QN
Newton Investment Management Limited, 160 Queen Victoria Street, London EC4V 4LA
Ruffer LLP, 80 Victoria Street, London SW1E 5JL

Bankers

COIF Charities Deposit Fund, Senator House, 85 Queen Victoria Street, London EC4V 4ET
Coutts & Co., 440 Strand, London WC2R 0QS

Museums and Galleries Fund Adviser

Dr Virginia Tandy OBE

UKOTs – UK Overseas Territories Fund Adviser

Jonathan Hall

John Ellerman Foundation

Registered Charity Number 263207

www.ellerman.org.uk

JOHN ELLERMAN FOUNDATION

England & Wales - Charity number 263207

Accounts



John Ellerman Foundation

ANNUAL REPORT AND FINANCIAL ACCOUNTS

1 April 2022 – 31 March 2023

FRONT COVER:

AimHi Earth: What are green skills? © AimHi Earth

John Ellerman Foundation

ANNUAL REPORT AND FINANCIAL ACCOUNTS

1 April 2022 – 31 March 2023

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CHAIR'S REPORT

A defining feature of the year under review has been the level of continuing challenge and uncertainty in which charitable organisations are seeking to fulfil their objectives. There are many attributable causes including, but by no means limited to: deeply concerning levels of geopolitical activity in many parts of the world and resultant levels of migration and refugee crises; the pace and scale of political change in the UK and the consequences of significant legislative change resulting from there being three Prime Ministers in one year; the impacts of high levels of inflation and the cost of living crisis, combined with continued market volatility; the long-term and ongoing effects and impact of Covid-19; and the increasing evidence of the climate and nature crises, all lead to an increased sense of the fragility of our planet and its peoples.

It has been a year of change also at John Ellerman Foundation with significant levels of restructure and staffing change resulting from the implementation of our new strategy for 2022-25. I want particularly to express my sincere gratitude to Matthew Whittell, Dorothée Irving, Rian Trim and Gareth Clayton for their valued service to the Foundation and to wish them well in the next stages of their careers. I also pay tribute to members of the Working Party who led on the difficult process and implementation of the restructure, for their unfailing levels of commitment and compassion.

Whilst welcoming new members of our staff team and wishing them every success in their roles, I especially thank our Director, Sufina Ahmad MBE and interim staff for their rigour in ensuring that our principal grantmaking activities were seamlessly continued and all other aspects of work progressed. I hope you will enjoy reading details of the impressive progress made across the four pillars of our new strategic direction in the following pages and I draw attention to a particular highlight that John Ellerman Foundation is one of only seven foundations in the UK to achieve an A Rating in this year's Foundation Practice Rating, which assesses foundations in relation to transparency, accountability and diversity. It is a considerable achievement.

In such an environment of change, it has been important to uphold our organisational values of being responsive, discerning, flexible, connected and operating with a personal touch. Our grant-holders tell us that our willingness to respond flexibly and to fund core costs through multi-year grants has never been more important to them. We are very conscious of the fact that there are many more organisations doing important work to a high standard that we should like to be able to support than our funding resources permit. Volatility in financial markets has a direct impact on the amount we can award each year in grants, which is one reason why we review regularly the 'Time Horizon' for the Foundation. This will be considered again in the coming year and further details are contained in the body of this Report. We continue to make good progress with embedding environmental, social and governance considerations in every stage of our investment decision making and investigations relating to impact investing are in train.

Within the context of points mentioned above, I am proud of the fact that in the past year, John Ellerman Foundation has been able to make 74 grants with a total value of £6,267,269 to a wide range of very deserving charitable organisations. Case Studies detailed in the

Report present a flavour of the extraordinary work we have been able to support across each of our funding categories.

Looking forward, we are always seeking to learn from our past in order to inform our present and future and, in that regard, we are delighted to announce that the research into our history meticulously and unflinchingly undertaken by West Room Research Limited and titled, John Ellerman Foundation – A Historical Review, will be available on our website from May 2023. Amongst the many insights revealed through this research, it is pleasing to note that our founder's interests in the natural world and in the arts remain amongst our funding priorities to the present day.

Following six years of exemplary service both as a Trustee and as Chair of our Finance and Investment Committee we give heartfelt thanks and bid a fond farewell to Gary Steinberg and we welcome as a new Trustee Lily Tomson who brings an impressive background in responsible investment. Sincere thanks to all my colleague Trustees in what has been a challenging year. We welcome Keith Shepherd as the new Chair of our Finance and Investment Committee and Tufyal Choudhury as the new Chair of our Risk and Audit Committee.

Under the leadership of our Director, Sufina Ahmad, I have little doubt that a year full of wonders and delights lies ahead across all areas of our grantmaking activities.

Peter Kyle CBE

Chair, John Ellerman Foundation



AIM AND OBJECTIVES

Our aim

John Ellerman Foundation's aim is to advance the wellbeing of people, society and the natural world. The main ways in which we achieve this are by:

1 Funding charities for work that has national significance in the fields of the arts, environment and social action (our funding categories). We believe these can make an important contribution to wellbeing.

2 Investing and managing our funds in such a way that balances the desire to maintain grantmaking capacity, operating in the long-term, and addressing the risk that our investments are poorly aligned to our aim and values.

Our strategy and policies are reviewed at our Board meetings throughout the year, with support from Sub-Committees as needed, and through the objectives that are set for staff as part of their probation periods or annual appraisals on governance, management, our work programme, finance and personal development. Away Days provide an opportunity for a more focussed consideration of our future direction and role, and the decisions we need to take to support with this. In 2021, we held a series of Away Day related meetings that contributed to the development of our organisational strategy for 2022-25. In October 2022, we held an Away Day focussing on our time horizon.

Public benefit

This flows from the Foundation making grants to charities engaged in activities in pursuit of their agreed vision and mission. We offer funding towards the core costs of delivering an organisation's work, reflecting our belief in empowering organisations to deliver their work as flexibly and as effectively as they can.

Trustees confirm they have referred to the Charity Commission's guidance on public benefit when reviewing our aim and objectives, and our grantmaking-related strategy and policy.



OUR HISTORY

We are currently governed by a Scheme, approved by the Charity Commissioners for England and Wales in March 2002. The previous Scheme brought together the funds originally donated in 1971, with a smaller trust fund set up under the first John Reeves Ellerman's, 1st Baronet (Bt.), Order of the Companion of Honour (C. H.) (1862–1933) will. Trustees were granted incorporation under the Charities Act 1993 as the Trustees of John Ellerman Foundation. The Scheme provides wide powers for the Trustees to carry out their duties.

In November 2021, we commissioned Drs Michael Taylor, Timothy Twining and Felix Waldmann to produce a robust historical overview of the history of the Foundation and its antecedent charitable trusts, which includes research into the philanthropic, business and personal inclinations of John Reeves Ellerman, 1st Bt., C.H.(1862–1933), Annie

Winifred (Bryher) Ellerman (1894–1983), and John Reeves Ellerman, 2nd Bt. (1909–1973). It was the latter who set up the antecedents to the present-day John Ellerman Foundation, using the wealth he inherited from his father, John Reeves Ellerman, 1st Bt., C. H..

Over the course of the last year, their work has resulted in *John Ellerman Foundation: A Historical Review*, which will be available on our website from May 2023 onwards. The research has provided us with the fullest written account the Foundation has ever possessed of the character, acumen and ambitions of John Reeves Ellerman, 1st Bt., C. H., Annie Winifred (Bryher) Ellerman, and John Reeves Ellerman, 2nd Bt.. On their philanthropic endeavours, there is much to commend, even if it is caveated by the motivations and methodologies they adopted.

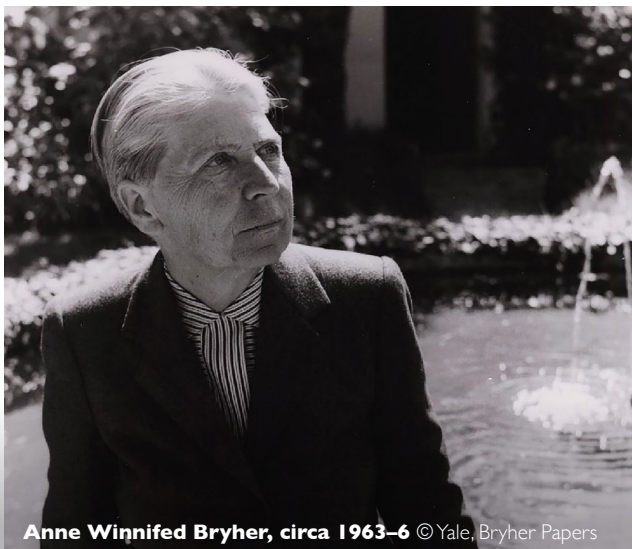
OUR HISTORY

The rationale for setting up the antecedents to what is now John Ellerman Foundation by our founder, John Reeves Ellerman, 2nd Bt., was complex. A primary concern was to guard against the effects of estate duty for his heir and widow Lady Esther Ellerman (1910–1985) and to ensure Ellerman Lines Ltd. (from which a considerable proportion of his wealth was derived) could continue as a going concern, without estate duty risking the company being broken up. The Trusts that were originally set up, the Moorgate Trust and New Moorgate Trust, were under no obligation from our founder to prioritise grantmaking over ensuring the continued existence of Ellerman Lines Ltd., to the extent that the latter over some years reportedly did not generate a dividend for charitable disbursement.

The research also evidences that the businesses from which our wealth derived, which in brief comprised shipping, brewery, coal and oil, property and newspaper and publication interests ‘...were undoubtedly involved in activities which their modern equivalents would reject’. Be that a clear indifference to the apartheid system in South Africa and Namibia, or the environmental harms caused by the family’s investments, or that the source of the family’s wealth was linked to the British Empire in the later nineteenth and early twentieth centuries, and that John Reeves Ellerman, 1st Bt., C. H. ‘presented himself as a modern Francis Drake: a cynosure for the extension of British rule across the globe’. The research also

uncovered a clear example of antisemitism committed by John Reeves Ellerman’s, 1st Bt., C. H. mother, Anne Elizabeth, with the publication in 1897 of a book she wrote titled *The Prime Minister of Württemberg*. This fact was particularly surprising in light of the considerable evidence of her grandchildren’s support and respect for Jewish people and Judaism.

We fully acknowledge that the origins of our endowment have links to such practices that resulted in harms and struggles both then and now. It is our intent and belief that our present-day practices help to redress these wrongs. Our grantmaking activities are designed to support work that challenges the symptoms and root causes of systemic and structural issues, and improves politics, society, the economy and the environment in ways that enhance the wellbeing of individuals and communities across the UK and beyond. The endowment, from which our wealth continues to be derived, is invested in ways that take full account of Environmental, Social and Governance (ESG) issues, but we are fully aware that this practice may be rejected by future generations, and we are proactively looking for new and better ways to invest in ESG funds and beyond. We are committed to delivering our work in ways that are transparent, accountable and effective, with environmental sustainability and diversity, equity and inclusion applied across everything that we do. We know that there is more for us to do in redressing past and present harms.



Anne Winnifed Bryher, circa 1963–6 © Yale, Bryher Papers



John Reeves Ellerman II and Esther © JEF Archive

“ Our grantmaking activities are designed to support work that challenges the symptoms and root causes of systemic and structural issues, and improves politics, society, the economy and the environment in ways that enhance the wellbeing of individuals and communities across the UK and beyond ”



ACHIEVEMENTS AND PERFORMANCE

Implementing our strategy

In March 2022, the Foundation approved our strategy for 2022-25, which seeks to determine how we can advance wellbeing with 100% of our assets. We continue to be values-led in all that we do; working in ways that are responsive, discerning, connected, flexible and offer a personal touch. Our strategy splits our work into the following four strategic pillars:

Our funding offer, ensuring that we embrace and deliver best and promising practice;

Our investment policy, ensuring that we invest in ways that are aligned to our aim, values and funding categories;

Our work with others, ensuring that we understand our stakeholders and can work with them to deliver our work together more effectively; and

Our commitment to accountability, ensuring that we make further progress on diversity, equity and inclusion, transparency and impact and learning.

This Annual Report and Accounts sets out the progress we have made in our first full year of delivering to the strategy.

A NEW ORGANISATIONAL STRUCTURE

We committed to being transparent about the restructuring that took place at John Ellerman Foundation in 2022/23. At the beginning of the financial year, our Grants Assistant post remained vacant, with the former post-holder, Philee Ang-Chen, leaving the Foundation in December 2021 – and her role being back-filled through interim grants support from Mary Carruthers and Laura Williams of CW Grant Management. Gareth Clayton, our Grants Manager, left the Foundation in August 2022 to take up the role of Grants and Fellowship Manager at the Paul Mellon Centre.

In July 2022 the Trustee Board and Sufina Ahmad, our Director, took the difficult decision to begin a restructure consultation with Dorothee Irving, our Head of Grants, Matthew Whittell, our Head of Finance and Resources and Rian Trim, our Office Manager and Executive Assistant. The primary reason for the restructure was based on our new organisational strategy, alongside the learning from delivering five different activities to celebrate our 50th anniversary celebrations in 2021/22, the Grants Assistant vacancy, and ongoing feedback on whether staff workloads were deliverable within the current structure. The consultation resulted in all three being made redundant in August 2022. We are grateful to them for their service and commitment and all that they achieved in their time with us.

These staffing changes meant that from August 2022 to December 2022, our grantmaking and finance operations were delivered through Sufina and the following interim staff team, each working between one to three days per week: Mary Carruthers, Natalia Griffiths, Julia Oertli, Bhavna Patel, Alice Sachrajda and Laura Williams. We appreciate their support and skills, which enabled us to continue delivering our work to high standards during this period.

Between August and October 2022, we recruited the following individuals to six new roles in our structure, for which we received a total of 309 applications:

Ciorsdan Brown,
Head of Research and Impact

Christabel Keenan,
Finance and Operations Manager

Kate Hitchcock, Senior Grants Manager

Jo Bridger, Grants Manager

Stephanie Santiano, Grants Officer

Lauren Williamson, Executive Assistant.

The new team joined the Foundation between October 2022 and January 2023, and includes for the first time two remote-only workers, based in Yorkshire. All new staff have received inductions, which have included: handovers from the interim staff team; setting probation targets; undertaking different trainings; and a three day off-site in York. The latter was an important team building opportunity that included designing and committing to positive ways of working together, as well as spending time understanding the Foundation's organisational purpose, our strategy for 2022-25 and planning for the year ahead. As part of the new team's arrival, we have also completed a skills and diversity audit, and the diversity audit results are shared below:

GOVERNANCE CHANGES

In February 2023, Gary Steinberg, Trustee and Chair of our Finance and Investment Committee left the Board as he was offered a new Trustee role for a pension fund supporting ex-coal miners. Gary joined us in July 2016 and provided us with exceptional levels of skill and expertise in relation to our finance and investing. He also supported us to think meaningfully about topics like mission related investing, Environment, Social and Governance (ESG) investing, our fund manager line up and weathering the investment markets. Gary was very committed to our grantmaking areas too.

We received 59 high quality applications for Gary's replacement. We are delighted to have appointed

Ethnicity

- 14% – Asian/Asian British – Pakistani
- 14% – Any other Asian background
- 14% – White and Asian
- 14% – White – British and Irish
- 44% – British

Gender 100% – Female

Age Range from 28 years to 37 years and eight months

Religion or belief

- 14% – Christian
- 72% – No religion
- 14% – Other – Atheist

Sexual Orientation

- 57% – Heterosexual/Straight
- 29% – Bisexual
- 14% – Gay woman/Lesbian

Disability

- 72% – Not disabled
- 14% – Disabled
- 14% – Unsure/Self describe

Gender reassignment

- 86% – Not gender reassigned
- 14% – Prefer not to say

Marriage/Civil Partnership

- 29% – Married
- 42% – Single
- 29% – Co-habiting

ACHIEVEMENTS AND PERFORMANCE

Lily Tomson to the Board in January 2023. Lily has worked across responsible investment, social and environmental action, and network building. She is currently Senior Research Associate at Jesus College, Cambridge, leading the development of a 1.5°C-aligned corporate bond index. Lily was previously Head of Networks at the responsible investment charity ShareAction.

PILLAR ONE

OUR FUNDING OFFER

This strategic pillar requires us to develop and refine our funding offer further. Our new Grants Team structure is designed to enable applicants and grant-holders to receive more dedicated support from members of the team, including through pre-application advice and what is commonly referred to as ‘funder plus’ support, which relates to support we can offer to grant-holders beyond just our funding.

In March 2023, we finalised arrangements that will allow us to include the DEI (Diversity, Equity and Inclusion) Data Standard as part of our first stage application process from April 2023 onwards. The data we collect about an organisation in relation to the DEI Data Standard will not be used as part of our assessment processes. There is no judgment or preference for particular responses, and applicants also have the option of selecting ‘prefer not to say’ if they wish. By collecting this data in aggregate for at least 12 months, we will be able to gain a better

understanding about the kinds of organisations that are applying to us and that we go on to fund. This will allow us to discern if there are any correlations between the organisations we reject or progress, and their approach to diversity, equity and inclusion, as set out in the DEI Data Standard. We can even use the data to compare, or benchmark, our results with other organisations using the DEI Data Standard. These findings will enable us to commit to internal learning and improvements in our practice, including being able to review how the data is changing each year.

We continue to review and update all aspects of our grantmaking on an ongoing basis, including a formal review of our funding guidelines between August and October each year, which includes consideration of the ways in which we can ensure our core funding offer is clear and serves the needs of the organisations we fund. We also reviewed our internal guiding principles in relation to how we award grants that fall under our ‘Other’ category, as well as our approach to joining or leading funder collaborations.

We continued to be inspired by the work we were able to fund under our Main Grants programme, which consists of the categories of Arts, Social Action and Environment.

Under our **Arts** programme, we once again saw the ways in which creators and curators enrich and transform lives.

Case Study

Grant to KAKILANG (FORMERLY CHINESE ARTS NOW) through our Arts funding category

In November 2022, the Foundation awarded £90,000 over three years for core costs to Kakilang – first established in 2005 as the Chinatowns Arts Space and becoming Kakilang in 2022. Kakilang aims to provide a home and platform for artists of East and South-East Asian communities, bringing their diverse and nuanced stories to wider audiences. With a small team of seven, they produce original and high-quality work that tours extensively. This is primarily performing arts-based, but also includes other art forms like visual art, music, live art, film and eclectic immersive experiences involving digital production, audio drama and music. In 2019 they launched their Festival, which has presented over 150 leading East and South-East Asian artists since its inception, and includes Kakilang productions of *Citizens of Nowhere?*, *Overheard*, *Bats and Beats*, and *Augmented Chinatown 2.0* (which combines drama, tour guide and augmented reality, and is permanently available on App Store and Google Play).

This grant was a strong match with our criteria. It presented an opportunity to support an

organisation working with East and South-East Asian diaspora communities with an excellent executive and creative team, as they expand their national significance and reach.

On their experience of applying to us, An-Ting Chang, Artistic Director and Chief Executive (until April 2023) of Kakilang said: *“We are tremendously grateful for the support provided by John Ellerman Foundation. This funding has allowed us to significantly elevate our artistic ambitions and extend our reach to broader audiences throughout the UK, including the highly successful premiere of HOME X at the prestigious Barbican, as well as at Theatre Royal York and Cambridge Junction. Our application experience was incredibly positive. We had meaningful dialogue with staff and a Trustee and the level of engagement we received made it clear that the Foundation is not only interested in supporting artistic endeavours but is also invested in building meaningful relationships with its grant-holders.”*



ACHIEVEMENTS AND PERFORMANCE

We also finished delivering Protea, our international curatorial exchange involving eight curators working in the UK and South Africa, and shared a report about the programme on our website in November 2022. Protea was part of a programme of work designed to celebrate our 50th anniversary in 2021, and we chose to partner with curators in South Africa because South Africa was a place that our founder considered a home in his later life. With an investment of around £85,000, and the efforts and expertise of the Project Team comprising Mark Irving, Dr Nobulali Dangazele and Mariapaola McGurk, Protea created an important space for learning between the curators, which has included being able to interrogate and grapple with the issues and opportunities they have in common, as well as those that are unique to their individual operating contexts. It was

Protea, our international curatorial exchange involving eight curators working in the UK and South Africa, created an important space for learning between the curators

a reminder that curators are part of a rich and diverse global community and tradition, with all involved showing the importance of curating as a way of connecting with and understanding artefacts and sites of cultural value, and the ways in which these can be worked with to help individuals, communities and wider society to connect and engage with each other. Protea was a resounding endorsement too of the need to invest meaningfully in curatorial practice, and we hope that others will be inspired to support initiatives like this through their own funding programmes.

Under our **Environment** programme, we remain committed to people and planet and supporting work that achieves greater harmony between people and nature, through the protection, restoration and sustainable use of the natural world.



Case Study

Grant to PAN (PESTICIDE ACTION NETWORK) UK, made through our Environment funding category

In September 2022, the Foundation contributed £90,000 over three years towards the core costs of PAN UK's programme of work in the UK. PAN UK is part of PAN International, a global network of 600 organisations, institutions and individuals that includes PAN International and PAN Europe working to tackle the use of hazardous pesticides and replace them with ecologically sound and socially just alternatives. PAN UK's approach is rooted in scientific

expertise, which underpins the organisation's advocacy efforts in pursuit of its mission to 'end the harms to human health and the environment from pesticides'. To achieve this mission, PAN UK works across the environmental movement, as well as across other sectors and movements, including worker and consumer rights, health and farming.

PAN UK is the only UK charity focussed solely on tackling the problems caused by pesticides – a crucial and often overlooked issue that does not receive a great deal of funding from institutional grantmakers and donors. We committed to this grant because PAN UK can demonstrate solid evidence and relationship based campaigning approaches. It is a focussed organisation that is delivering positive impact and works in a nimble and responsive way – vital as this is a fast-changing policy and legislative space.

On their experience of applying to us, Josie Cohen, Head of Policy and Campaigns at PAN UK said: *"John Ellerman Foundation's focus on changing the systems which drive environmental harms through collaborative advocacy fits perfectly with PAN UK's approach. While many donors see pesticides as a niche issue, the Foundation recognised the core role they play in exacerbating many of today's most pressing problems and the need to support policy and campaigning work in this area. Foundation staff and Trustees were very supportive throughout the application process and beyond, and took more of an interest in the details of our work than most other grantmakers. As a relatively small organisation, we are incredibly proud to now be able to call ourselves one of their grant-holders!"*



Case Study

Grant to FALKLANDS CONSERVATION made through the UK Overseas Territories Fund

In November 2022, the Foundation provided £121,000 of funding to Falklands Conservation for 16 months to deliver a project in the Falklands Islands that aims to protect two peatland mountain ranges internationally recognised in 2012 as Important Plant Areas, and are of critical importance for the conservation of Falklands Nassauvia, a *Critically Endangered* restricted range endemic plant. Falklands Conservation will work with government and local landowners to establish novel approaches to progress a rejuvenated conservation area agenda, setting new precedents for public and private land.

Falklands Conservation is the oldest and largest membership-based charity in the Falkland Islands, comprising 14 staff. They undertake practical conservation projects, scientific studies, environmental policy advocacy and oversight, and encourage sound public and private sector decision-making in relation to the environment.

Since making this grant, we were thrilled to hear in March 2022 that the Falklands Government has committed to creating the Territory's first-ever National Park, in the Hill Cove Mountains on West Falkland, one of the focal areas. Our grant will support Falklands Conservation in their work to inform and support the consultation and designation process.

The National Park would be the first high-altitude protected area in the Falkland Islands, covering 11,833 hectares (29,240 acres) of public land, and conserving unique and diverse habitats. Recognised as an important plant area and key biodiversity area, the mountains are home to a third of the Islands native flora species and provide habitat for native birds. Falklands Conservation recently conducted



Half a million sheep, and one million penguins © A Baylis

botanical surveys in the mountains that will greatly assist with the development of policy and an active park management plan, which will also consider how to enable effective public access, and opportunities for recreation, wellbeing, and tourism.

We committed to this grant because we felt it was an incredibly exciting proposal that could be transformative for this famously tricky conservation issue, and we also recognised that Falklands Conservation has very robust institutional leadership and management processes, and a very strong track record of working in collaboration with local community partners to achieve strong conservation gains.

On their experience of applying to us, Esther Bertram, CEO of Falklands Conservation said: *“John Ellerman Foundation is a genuinely excellent and personally interested funder who are refreshing to work with. They provide core support, make timely decisions (which is invaluable), and respond to real need. Once they are confident with a grant-holder’s abilities, they do not require lots of time-consuming reporting. This has enabled us to apply quickly and get on with the activities on the ground, without taking time away from important conservation work.”*

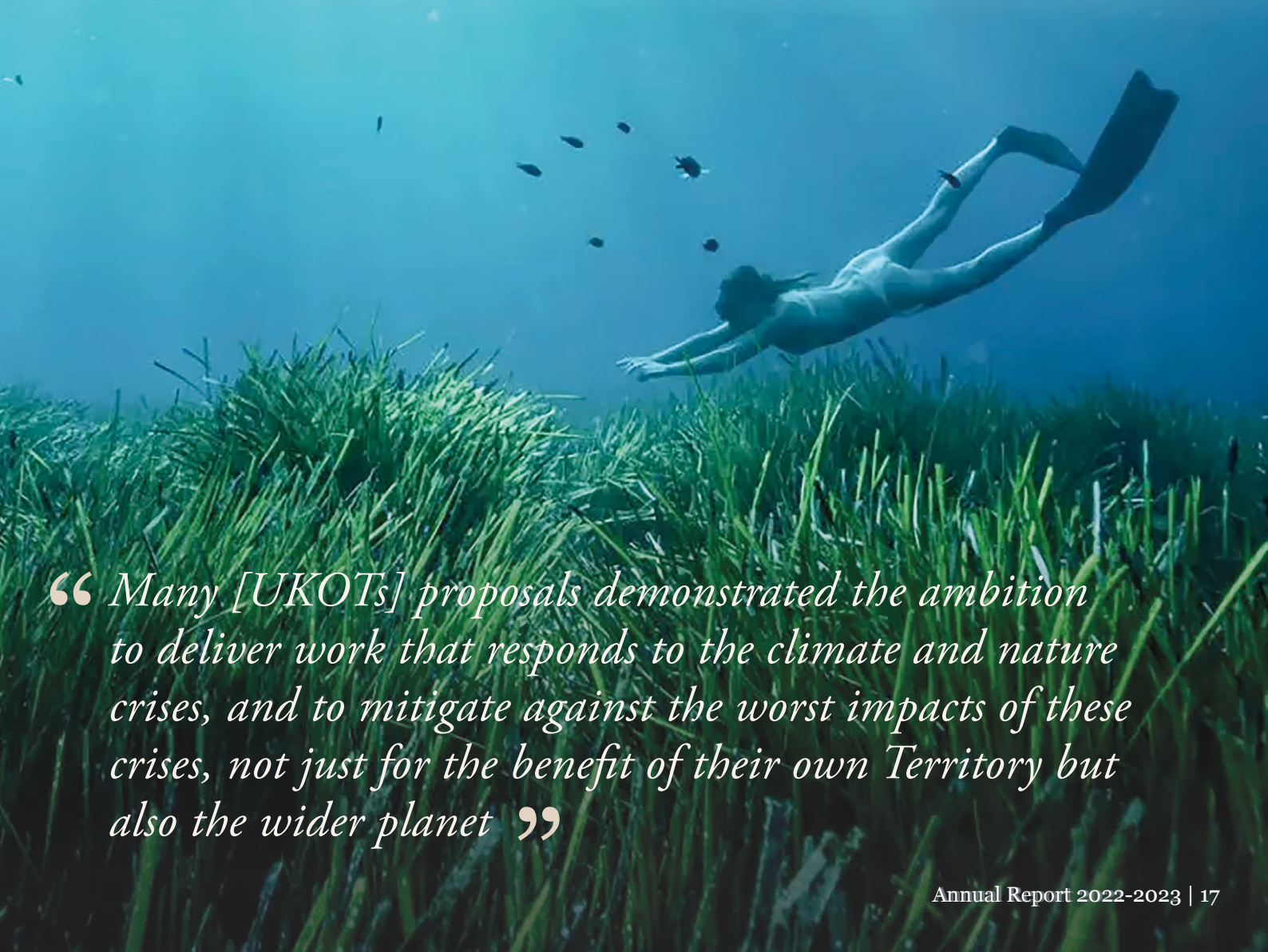


We also ran the second round of the **UK Overseas Territories** (UKOTs) Fund. The UKOTs are mainly small islands with vast ocean estates, home to 94% of the UK's unique wildlife. A total of £794,000 was committed for nine new grants. We received contributions to the UKOTs Fund from three other funders, including The Postcode Planet Trust (£500,000), Calouste Gulbenkian Foundation (UK Branch) (£84,000), and one anonymous funder contributing £60,000, alongside our own contribution of £150,000. This round built on the successful first round and continued our bespoke approach. Specifically, we kept the one-stage process in recognition of the limited capacity of many UKOT-based organisations. We also emphasised our desire and willingness to fund those areas which the UK Government's annual Darwin Plus fund (the main

funder of UKOT environment projects) is unable to support, including contributing to core costs, policy, advocacy and campaigning work, organisational development, and land acquisition.

We received 17 applications with a total request of £1,791,122. The applications related to work across 12 UKOT jurisdictions, and again for a very exciting range of marine and land-based work. Much of the work shared was rooted in community and built on expertise and insights that had emerged from the applicants' local knowledge, prior delivery, and partnerships. Many proposals demonstrated the ambition held across the UKOTs to deliver work that responds to the climate and nature crises, and to mitigate against the worst impacts of these crises, not just for the benefit of their own Territory but also the wider planet.

Blue Marine Foundation



“ Many [UKOTs] proposals demonstrated the ambition to deliver work that responds to the climate and nature crises, and to mitigate against the worst impacts of these crises, not just for the benefit of their own Territory but also the wider planet ”

Case Study

Grant to BREAKTHROUGH through our Social Action funding category

In January 2023, the Foundation provided Breakthrough with £90,000 over three years for core costs. Breakthrough is a UK-wide social impact accelerator, providing people with direct experience of social injustice with the support, tools and network they need to lead campaigns and achieve impact. We supported them in their pilot year through our 'Other' category, and it is great to see how their work has continued to evolve and to support them through our Main Grants programme for the next three years.

Breakthrough has supported four campaigns so far and proven demand for their support, with two of the campaigns they supported in the pilot year winning national awards: #HandsOffOurVote won the Big Issue's Change Makers of the Year Award, and Coventry Youth Activists #FacebookHasNoStandards won the Sheila McKechnie David and Goliath Award at the Annual Campaigners Award. Breakthrough operates two programmes – their Catalyst programme identifies issues without an organised campaign and seeks to redress this, and the second programme, Accelerate, supports existing groups with their campaigns. Breakthrough is able to mobilise its extensive networks, made up of PR companies, senior journalists, lawyers, politicians, political advisers and strategists, in support of the campaigning work that is happening.

We committed to this grant because Breakthrough is delivering highly effective work, and they are an important and vital addition to the limited but growing set of organisations that support community organising and campaigning that have direct experience of social injustice.



On their experience of applying to us, Kat Sladden, Executive Director of Breakthrough said: *"We found the process of applying to John Ellerman Foundation considerate, fair and seamless. The team set clear expectations and gave us clear and considered feedback at every stage. Having the backing of John Ellerman Foundation has been a great boost to us as we seek to realise our potential and bring our support to many more groups over the coming years."*

BREAKTHROUGH

Our **Social Action** programme attracts more than half (61%) of the applications received under the Main Grants programme. We continue to champion change and help create an inclusive society where all can thrive, by supporting organisations making positive changes at a systemic level and supporting policy, advocacy and campaigning work that actively involves those with direct experience of the issues.

This year, we delivered three funder plus activities, which comprised:

.....
More In Common, a not-for-profit organisation committed to advancing the common good in society, independent of partisan or political interests, that has provided grant-holders with training on their 'British Seven segments' research. This is based on polling and focus groups with over 25,000 people, and how this can be applied to understand British demographics and attitudes, as well as webinars, partner briefings and live-streamed focus groups on topical issues of the day and different qualitative and quantitative research they have produced. Topics have included the cost of living crisis, the Culture Wars, and the climate and nature crises. Around 14 to 20 grant-holders attended these various sessions, and several have also sought out one-to-one strategy sessions with More in Common.

.....
Aim-Hi Earth, a not-for-profit organisation providing climate and sustainability training, that has run a series of workshops for our grant-holders covering: carbon tipping points and our simplest solutions; nature, soil and the future of food; population, pollution and finding a balance; and how we can respond to the climate and nature emergencies effectively. 95 grant-holders attended the live sessions, and the recordings are available for all current and future grant-holders.

.....
Smarter Not Harder, a company offering productivity and time management support, that has delivered two 'taster' sessions, introducing 27 of our grant-holders to some key concepts. These

have been followed up by bespoke organisational workshops for eight grant-holders.

Having time to learn and reflect is an important aspect of our work under this strategic pillar, as is seeking out opportunities for convening and connecting the organisations we fund with each other. Our new team structure, including the introduction of a Head of Research and Impact, should support this to happen more in the coming year.

PILLAR TWO

OUR INVESTMENT POLICY

With the introduction of a new Chair and two new Trustees to the Finance and Investment Committee, as well as a new staffing structure, we have been undertaking a deeper review of our Investment Policy since February 2023 and will publish a revised version later this year. We remain committed to a responsible, sustainable and transparent investment approach; the updated Policy will reflect our discussions on what it means to be an environmentally sustainable and responsible investor and the need and urgency to act on behalf of people, society and the natural world, as highlighted by factors like the climate and nature crises.

This strategic pillar calls on us to improve the engagement with our fund managers to ensure they act in accordance with our Investment and Environmental Sustainability Policies and undertake effective shareholder engagement on our behalf. Over the last year, we have continued to develop our approach to the exercise of our shareholder voting powers with support from ShareAction and the Charities Responsible Investment Network. We have also been considering developing investment mandates for our fund managers that set out our expectations in relation to matters like net zero investing. We have also conducted further research into what changes we would need to undertake in order to become a net zero investor. We continue to exclude tobacco investments from the portfolio.

ACHIEVEMENTS AND PERFORMANCE

Our strategy also tasks us with considering other ways in which to invest our funds, such as through impact investing opportunities. This remains a work in progress, but in February 2023 we began researching opportunities for consideration by the Finance and Investment Committee later this year.

Our time horizon

In our strategy we also consider further the number of years the Foundation will exist for or, put another way, our time horizon. Discussions on our time horizon started in January 2012, at which point we moved from existing in perpetuity (i.e. forever) to existing in the long term, which was defined as ‘in excess of 30 years’. These discussions were motivated mainly by the fact that we do not retain any significant living links to our founder. In 2020 our thinking around time horizon evolved further. As part of discussions on what it means to be an environmentally sustainable and responsible investor and the need and urgency to act on behalf of people, society and the natural world, as highlighted by factors like the climate and nature crises, we updated our Investment Policy. This included an agreement to review our choice to exist in the long term every three years, in order to determine if an end date should be chosen for the Foundation.

In October 2022, we had an externally facilitated Away Day, during which we explored further the debates, models and implications of various time-limited or perpetuity scenarios for a Foundation like ours. We concluded the day with a number of ideas in favour of both existing in perpetuity and spending down, including the idea of a ‘partial spend-down’, meaning a boost in spending for a time-limited period that would allow the Foundation to remain in existence for the long term or in perpetuity thereafter. In March 2023, Trustees agreed that they would make a decision on the Foundation’s time horizon by the end of 2023. Depending on the outcome of this, we will make updates to matters like our investment mandates and grantmaking priorities accordingly.

We recognise that any change to the Foundation’s timescale will have significant implications for the structure of our investment portfolio. However, whether we choose an end date or exist in perpetuity, we remain as committed as ever to being a robust and proactive steward of our investments, engaging with our fund managers and the companies in which we invest.

PILLAR THREE

OUR WORK WITH OTHERS

Our strategy encourages us to be more outward-facing and engaged in work that is happening across the different stakeholder groups we work with to deliver our grantmaking, investing and wider operations. We have committed to this because we know that there are ideas and challenges that are too large for any single institution to have any chance of affecting or resolving, and that working with others allows us to gain valuable new knowledge and make better choices, as well as making things easier for applicants and grant-holders.

This year we have been working with others across all three of our funding categories of Arts, Social Action and Environment. Under **Arts**, we have supported the Art Fund’s work on curatorial diversity, as well as convening a group of three other funders to continue considering the way in which the arts, culture and heritage sectors can continue its work on decolonisation and sharing inclusive histories.

Under **Social Action**, we have undertaken internal discussions and spoken with others about what social justice means in the context of our work. We shared more on our website [here](#), and whilst we remain wholly committed to our overarching aim of advancing wellbeing, we found this exercise very informative in terms of gaining a greater understanding and appreciation of the work of social movements, community organising and the way in which social justice is being thought about currently by a range of other grantmakers.

Case Study

Grant to ENVIRONMENTAL FUNDERS NETWORK (EFN) made through our 'Other' category



In September 2022, the Foundation awarded £18,200 over 12 months towards the core costs of running the Philanthropy Lab, which has been set up as a space facilitated by Andres Roberts and Hannah Temple from the Bio Leadership Project to help funders, including John Ellerman Foundation, work together towards greater environmental impact as they grapple with the question of what it would take to create an economy in service to life. The Lab sets out a 12-month journey for funders, split into five stages: Research; Development; Strategy; Investment; and Evaluation.

We committed to this grant because we believe that the Lab is an exciting and ambitious piece of work that is setting out to support funders to collaborate and work together in new, more dynamic ways. The Lab represents a learning opportunity for us all and will support us to think about how to address root causes of systemic challenges as funders and challenge our own thinking on the art of the possible in supporting environmental

systems change, and in challenging economic norms. The Lab is not something that would fit with our Environment funding guidelines, but the ideas that are designed through the Lab may well do so in the future and may also support the work we fund under Social Action – hence, in part, it being supported through our 'Other' category.

On their experience of applying to us, Florence Miller, Director of EFN said: *“Applying to John Ellerman Foundation for support for the Lab was a pleasure, partly because of their typical lack of bureaucracy but also because they understood what we were trying to do. The Lab is by nature an experiment, with uncertain outcomes. John Ellerman Foundation understood the premise: that the seriousness of the crises we face require us to break the mould of business as usual, in philanthropy as in all other sectors, and that how we go about our work might be as important as what we do.”*

 Environmental Funders Network

ACHIEVEMENTS AND PERFORMANCE

Under **Environment**, we have been working collaboratively with others in the design of the Environmental Funders Network Philanthropy Lab, which we are now actively participating in alongside other funders.

The Foundation is regularly invited to offer its contributions to different discussions happening across the sector. This year, we have regularly contributed to conversations on leadership and governance, with Sufina Ahmad, our Director, giving the keynote speech at the Charity Governance Awards in May 2022, and speaking about leadership on numerous occasions in 2022, including at the London Funders Festival, the UK Community Foundation's Annual Conference, the NPC Annual Conference and in two episodes of the Charity Impact Podcast hosted by Alex Blake of KEDA Consulting. Sufina also contributed an article on leadership to Alliance Magazine. She also spoke at a session at the Association of Charitable Foundations' Annual Conference on researching a Foundation's history, organised by the Wates Enterprise Trust.

We have written blogs on a range of topics, including for: the Luc Hoffmann Institute (now Unearthodox) on systems change; the Law Family Commission on Civil Society on their recommendations to funders; the Museums Journal on the climate crisis; and the Living Wage Foundation on the importance of funders paying the Living Wage.

PILLAR FOUR

OUR COMMITMENT TO ACCOUNTABILITY

This pillar is designed to ensure that we prioritise diversity, equity and inclusion, transparency, accountability and impact in the work that we do. Our new structure, which includes a Head of Research and Impact, will support us further in the delivery of these ambitions.

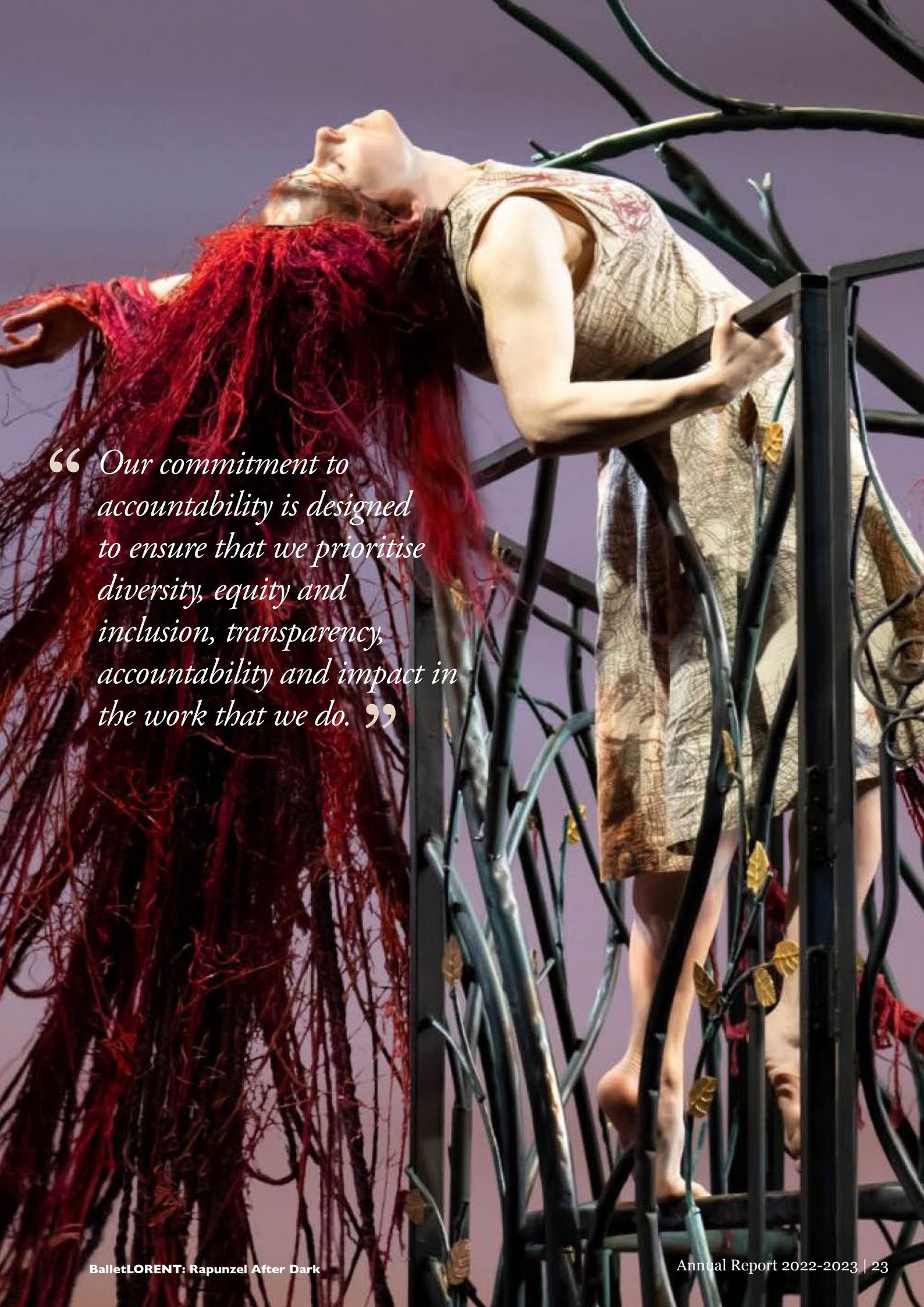
We are one of only seven organisations to receive an A rating (B, A, A for diversity, accountability and transparency respectively) in this year's Foundation Practice Rating. Our numerical scores in all three areas improved from the year before, when we received a B rating.

Diversity is one of the areas where our rating most improved. Over the last year, we have continued to implement our Diversity, Equity and Inclusion Accountability Plan, which has included publishing our Diversity, Equity and Inclusion Policy to our website in May 2022, adding ReciteMe, an accessibility tool, to our website, and providing diversity data and pay gap reporting in our annual report. We are pleased that through our recruitment exercises over the last year we have been able to diversify our team and Board further, and can report on this here through our diversity audit results.

Our gender pay gap for 2022/23 is 14%. This has been calculated as at 5 April 2022, when we were a team of 5.8 full time equivalents (we rose to 7.0 full time equivalents by the end of 2022/23), and uses the methodology set out in guidance from the Government Equalities Office applying mean (average) compensation on an hourly equivalent basis. This means that there is a gap of 14% between male and female pay on mean average within the team. It is worth noting that we are not legally required to share these figures, and these figures are statistically insignificant. Furthermore, as at 31 March 2023, as an all-female team, our gender pay gap is 0% between male and female pay on mean average within the team.

We continue to report publicly on our progress against the Funder Commitment on Climate Change, and our involvement in the Environmental Funders Network Philanthropy Lab and the Aim-Hi Earth training are two particular highlights from our work this year. We remain signed up to the eight commitments under IVAR's Flexible Funders initiative, aimed at making funders more open and trusting. We undertook a review of our progress and next steps against these principles with colleagues at IVAR in November 2022.

Over the last year, much progress was made into the research of our history, a piece of work we commissioned in November 2021. We have shared some of the key findings under 'Our History' in this Annual Report and Accounts and look forward to publishing the final report in May 2023.



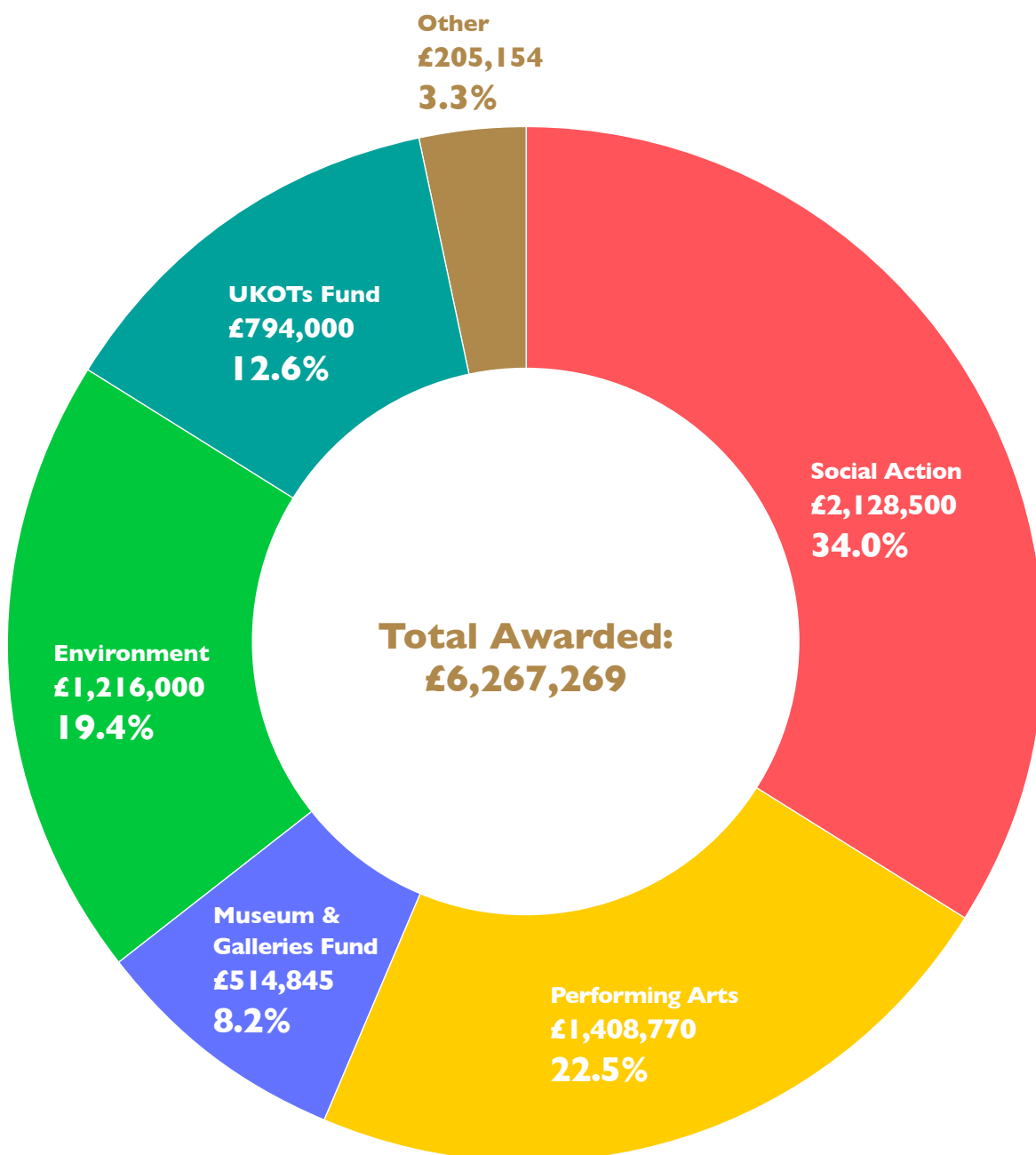
“ Our commitment to accountability is designed to ensure that we prioritise diversity, equity and inclusion, transparency, accountability and impact in the work that we do. ”

THE YEAR IN NUMBERS

This year was the fourth full year of operation under our current grants strategy which was launched in June 2018.

We publish details of grants approved on our website following Trustee Board meetings which take place six times a year, and our grants data is also published on 360Giving. A list for the full year is included later in this report.

Grants Awarded 2022-23



Grant numbers

74

We made 74 grants (72 last year) worth £6,267,269 (£6,640,195 last year) and incurred a further £120,595 of grant-related expenditure (£44,760 last year).

Reflecting one of our core values, flexibility, Trustees supported the work of 12 organisations or funder collaborations which did not strictly fit with our funding criteria, but whose work is very closely aligned with our organisational aim, values and funding priorities. One of these grants is part of our funder plus offer, providing training and support to our grant-holders. All 12 grants are shown as 'Other' in the pie chart opposite.

Size of organisation

63%

63% of our grants went to medium-sized (annual income between £100k and £1m) charities. 26% went to large (annual income between £1m and £10m) charities. This is more than last year, when 78% fell into the medium and large categories. This year 8% of grants were awarded to organisations with an income under £100k but which provided us with confidence that they would meet our minimum threshold in the near future, compared to 14% last year. 3% of our grants went to charities with an income over our maximum limit of £10m because they were deemed uniquely placed to carry out the proposed work and made a convincing case regarding funding need – down from 8% last year.

Grant size

£96,542

Not taking into account the 12 exceptional grants mentioned above, the average overall size of grant decreased this year to £96,542 (compared to £108,856 last year).

Core funding

88%

88% of our grants (or 65 out of our 74 grants) were for core funding, while the remainder supported project costs. The majority of project grants were made under our 'Other' category and enabled the delivery of one-off activities aligned with our strategic priorities. For example, we contributed to the development of the Funder Commitment on Climate Change through one-off project funding to the Association of Charitable Foundations. Of the 65 core grants, 50 were for restricted costs (typically a salary or a specific part of core activity) and 15 for unrestricted core costs. This represents a small decrease in unrestricted core grants (from 25% to 20% of all grants made), following four years of growth in this area. We are led by applicants on what they would find most useful in relation to our core funding offer.

Length of grant

3 years

This year more than half of our grants were for three years (43 out of 74), with the remainder split as follows: two years (15) and one year (15). One grant was for sixteen months, at the request of the grant-holder. We actively support this flexible approach as we know that longer-term funding is more beneficial to most applicants. At the same time, we are keen to remain open to applications for shorter periods.

THE YEAR IN NUMBERS

Share of grants between the different categories

The budget for the year was £5,817,592. This included an under-spend of £127,407 from the previous financial year. This year Trustees again chose to remain flexible and did not allocate a share to each of the Main Grant categories at the start of the financial year.

The grant spend across the categories was spread as follows: Arts (including Museums and Galleries) received £1,923,615; Social Action received £2,128,500; and Environment received £1,216,000. UKOTs received £794,000 (of which £644,000 were funds raised from other funders, alongside our contribution of £150,000). Due to the additional funds raised, our overall grantmaking was higher than our original budget for 2022/23.

We ended the year with an under-spend of £263,137.98, which is being carried forward to the budget for the 2023/24 financial year.

Category breakdown

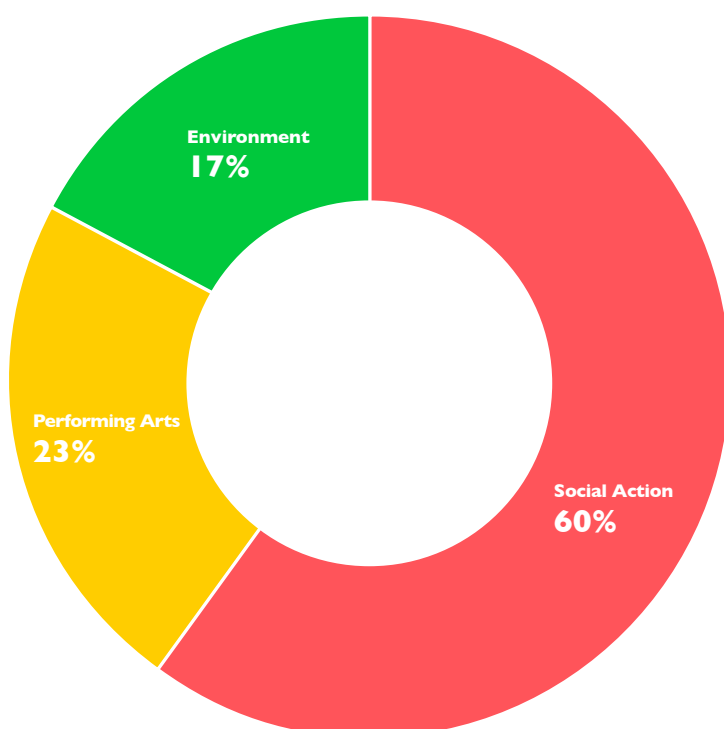
Of the 15 Performing Arts grants awarded this year, more than half (eight) were for theatre companies, three were for dance companies, and two were for music companies. The remaining two grants went to a poetry and spoken word company, and a multi-arts company.

In our Social Action category, we made 20 grants supporting organisations working towards systemic change through policy, advocacy and campaigning activities. This work covered a broad spectrum of issues, including support for Disabled People*, women and girls, racial justice and poverty and inequality.

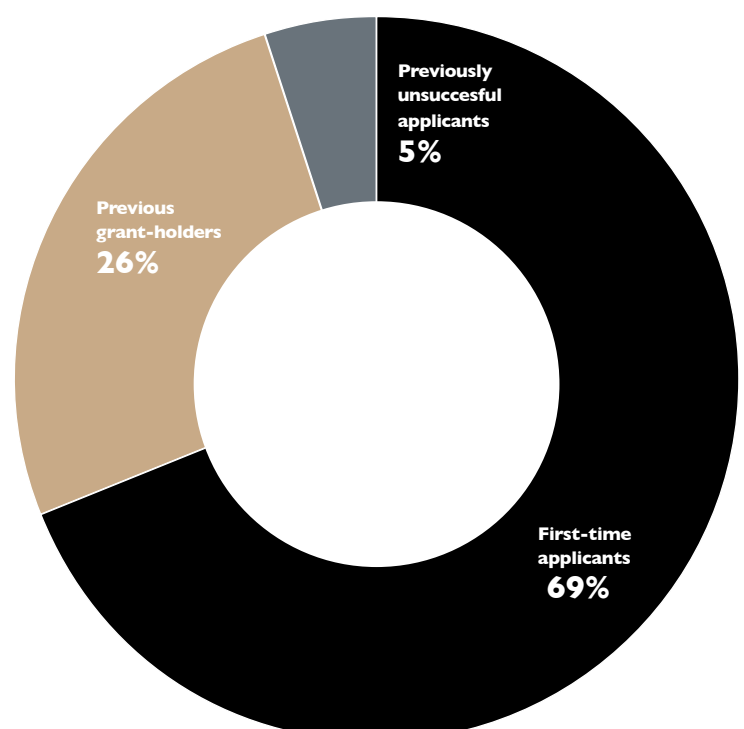
In Environment, four of our 13 grants went towards either freshwater or marine-based work, and two grants supported land-based conservation activity. Three grants were aimed at tackling climate change, and three were for food and agriculture. One grant was for an initiative that focuses on the linked issues of sustainability, food security, and wellbeing.

** Language is aligned with the DEI Data Standard*

APPLICATIONS BY CATEGORY



% SUCCESSFUL APPLICATIONS BY TYPE OF APPLICANT



Eligibility

We received 357 first-stage applications this year under our three main categories, which represents a 20% increase from last year. Following the trend of previous years, the majority of applications (61%) came in under Social Action, followed by Performing Arts (23%) and Environment (17%). Of these applications, 89 did not meet our criteria and five decided to withdraw, resulting in 263 applications (74%) being presented for review by our Trustees. By far the highest proportion of ineligible applications were again in Social Action (65%), with 24% and 11% of proposals received under Performing Arts and Environment respectively deemed to be outside guidelines.

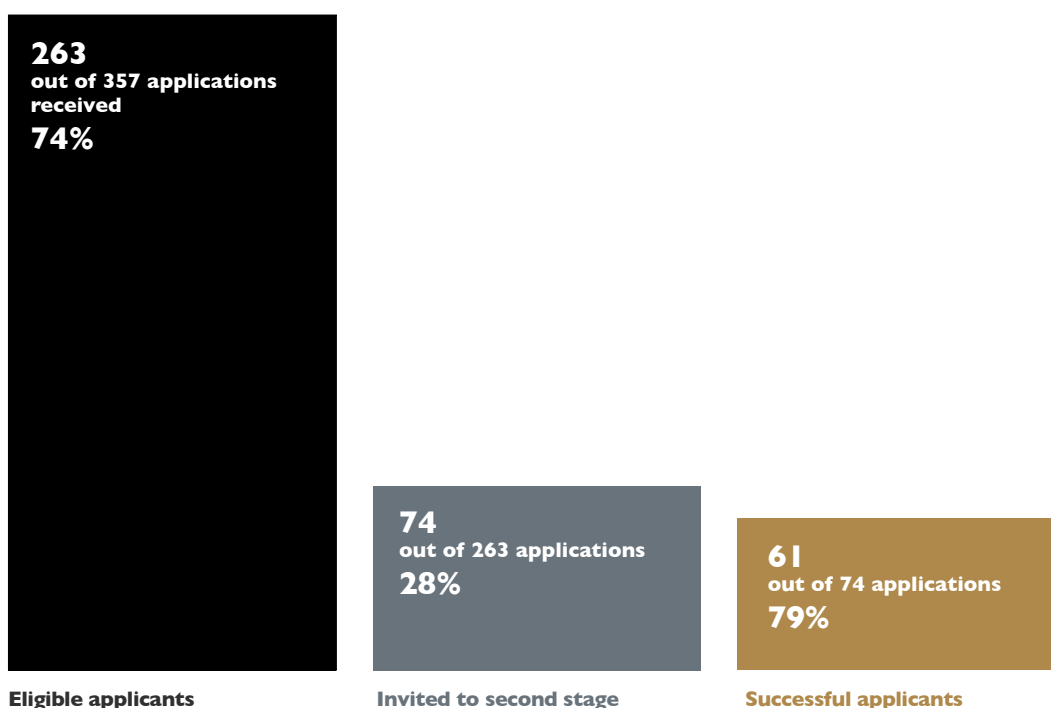
The main reason for not progressing applications related to the fact that they did not provide a sufficiently strong fit with the individual criteria of the relevant funding category. Under Social Action, a lack of fit with our criteria around systems change was one of the most common declination reasons. With Arts and Environment, a lack of national significance relative to competing applications was a common factor.

Applications and success rates

Of the 263 (compared to 199 last year) eligible first-stage applications assessed under our Main Grants programme (i.e. excluding Museums and Galleries Fund, our 'Other' category and the UKOTs Fund), 74 resulted in a grant. This represents a success rate of 28%, slightly down from last year's rate of 30%, but within the range observed since we launched our current funding guidelines in 2018.

Of the 61 applications presented for decision at a Trustee Board meeting under our Main Grants Programme this year, 13 were declined. This represents a success rate of 79% at second stage, which is lower than last two years' success rates of 91% (2020-21) and 88% (2021-22). This year saw success rates vary across the different funding streams, in a similar manner to last year. Social Action saw eight out of 28, or 29%, second stage applications declined, whereas Environment and Arts were at similar levels (with three out of 16, or 19%, and two out of 17, or 12%, declined respectively).

SUCCESS RATES



THE YEAR IN NUMBERS

Of the 74 grants awarded in total this year under all funding categories and funding streams, 51 (69%) went to first-time applicants and 19 (26%) were awarded to previous grant-holders. The remaining four grants (5%) were made to organisations who had applied to us unsuccessfully on previous occasions. This is a change from last year, where our grants were awarded fairly equally between new organisations and those already known to us

Grant portfolio

At the end of this financial year our live grant portfolio was made up of 194 grants (last year 189) managed by four members of the team. This is a slightly higher number than in recent years due to the larger numbers of grants made through our UK Overseas Territories Fund and extensions that were offered to grant-holders due to the Covid-19 pandemic. We expect the number of live grants to start reducing over the next two years as more of these come to an end.

While many of our grant-holders took up our offer of increased flexibility in terms of reporting and

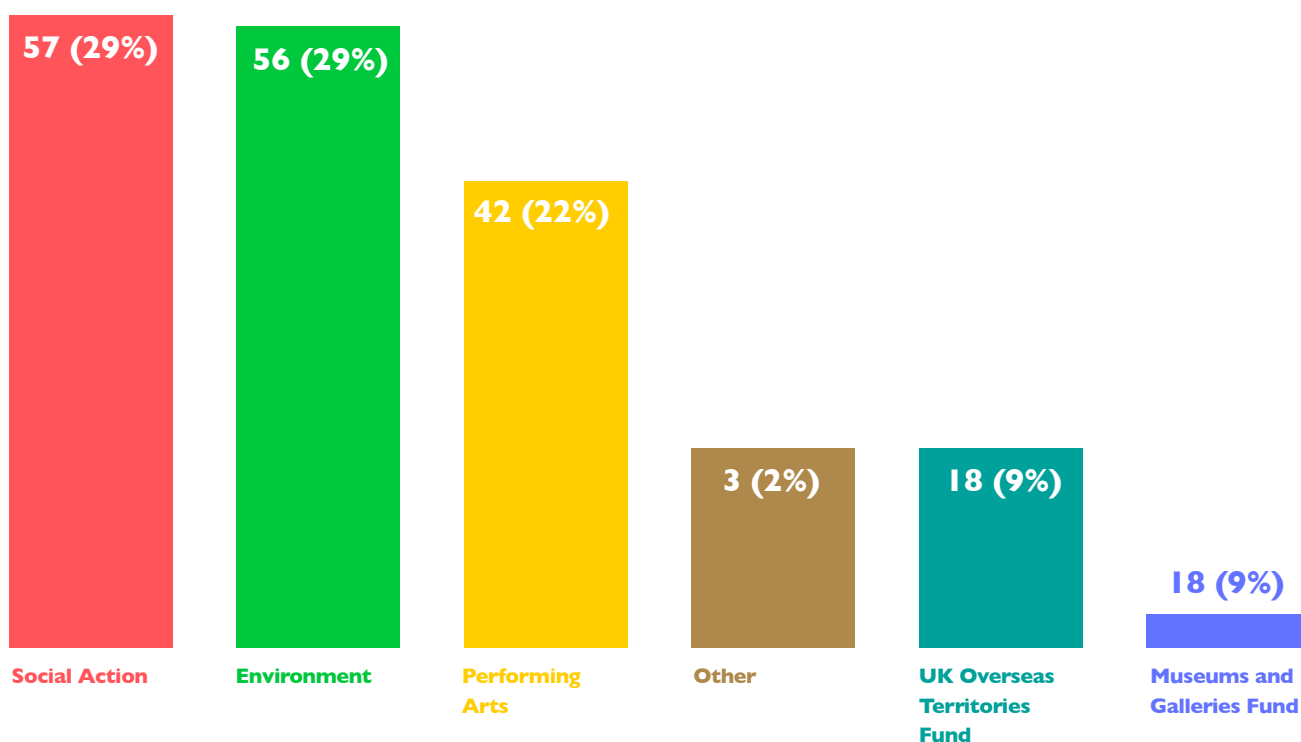
payment timeframes, there was only one significant alteration across our portfolio of live grants. This was where one of our grant-holders went into liquidation, thus causing the grant to end early and without the final payment being released.

Our live portfolio at the end of March 2023 was spread across categories and funding streams as follows: Performing Arts – 57 (29%), Social Action - 56 (29%), Environment - 42 (22%), Other - 18 (9%), UK Overseas Territories Fund - 18 (9%), and the Museums and Galleries Fund - 3 (2%).

Grants to museums and galleries

This Fund concentrates on museums and galleries outside London, with a focus on enhancing and sustaining curatorial capacity and development. Between October and December of 2022, we offered ten online question and answer sessions for potential applicants to learn about the Fund and ask questions. 148 people signed up for these sessions, which took place ahead of our application deadline in early January 2023. We received 70 first stage applications, more than double the

LIVE PORTFOLIO AS AT 31 MARCH 2023



Case Study

Grant to SAINSBURY CENTRE FOR VISUAL ARTS through the Museums and Galleries Fund

In May 2022, the Foundation awarded £124,677 over three years to the Sainsbury's Centre for Visual Arts, towards the costs of a new curatorial post – Curator of Art and Climate Sciences. The Sainsbury Centre for Visual Arts was founded in 1978 at the University of East Anglia when Lord and Lady Sainsbury gifted their collection of art dating from prehistory to the twentieth century. Wishing the collection to remain together, the Sainsburys gave the collection to the University of East Anglia (UEA) with the aim that the collection could be viewed across space and time – rather than limited to eras and artists.

There are a limited number of curatorial posts in UK museums and art galleries dedicated to environmentalism or climate sciences, although

there are some science and natural history museums that are undertaking active research in the area. This role is the first of its kind in an art museum. The post is also supported by The Tyndall Centre for Climate Change Research, based at the University of East Anglia, which has previously worked with artists to communicate about climate sciences.

The Curator of Art and Climate Sciences will deliver an ambitious exhibition and book towards the end of the three-year period. The exhibition will address new climate science research via material culture. The Curator of Art and Climate Sciences will also feed into current strategic discussions at the Sainsbury Centre for Visual Arts about developing the Sculpture Park and will be invited to propose artists to work with the Park.

This grant demonstrated a clear curatorial focus and a commitment to supporting the development of curatorial skills and expertise both within the Sainsbury Centre for Visual Arts, but in the sector more widely too. The role will be an important addition to the team and sector.

On their experience of applying to us, Jago Cooper, Executive Director at the Sainsbury Centre for Visual Arts said: "I am thrilled to have partnered with John Ellerman Foundation on this exciting and ambitious project. With their support we are delighted to have appointed the fantastic Ken Paranada to the role of Curator of Art and Climate Change, the first full-time role of its kind in the UK. Since arriving Ken has already transformed how Art can be used to engage and inspire new audiences with the challenges and opportunities of our transforming planet."

**SAINSBURY
CENTRE**



THE YEAR IN NUMBERS

number received last year (33), but in line with application levels prior to the Covid-19 pandemic.

The applications received were of a high quality overall, and with a limited annual budget of £550,000 competition in this Fund remains strong. The majority of proposals requested funding for curatorial roles, and this year we saw an increase in the number of requests for work with early career curators compared to last

year. Other themes included requests to support with project, core, and administration costs; collections management; and exhibition costs.

Trustees decided to invite nine applications to second stage, with final decisions due in May 2023. As in previous years, we signposted those applications which demonstrated a strong fit with the criteria but exceeded our available budget to a group of other funders

Interactive experience at the People's History Museum



“ Grants to museums and galleries concentrate on [institutions] outside London, with a focus on enhancing and sustaining curatorial capacity and development. ”

FINANCIAL REVIEW

Investments

Our investment aim is to manage our funds in such a way that enables a high level of grantmaking consistent with operating in the long term. This aim provides the underlying basis for our investment objective, which is to achieve a real return of 4% annually over the long term, calculated as 4% plus inflation (CPIH), with the commensurate risk (volatility). Trustees have adopted a Total Return approach, which means that both income from the portfolio and the underlying capital can be used to support our activities.

Our approach to investing is set out in our publicly-available Investment Policy, which is reviewed annually. We have seven fund managers, including some specialists in particular asset classes and some multi-asset managers who are responsible for their own asset allocation decisions within an overarching strategy set by the Finance and Investment Committee. In line with values underlying our Investment Policy as well as our commitments as a signatory of the Funder Commitment on Climate Change, we seek to interrogate and improve more about the environment, social and governance policies and practices of the managers and funds who invest our endowment on our behalf. We have asked our fund managers to look at our quoted equity exposure on a global basis, with the result that our UK equity exposure has reduced to 10% of our quoted equity investments.

Investment performance

The Finance and Investment Committee monitors the performance of each fund manager, who each have their own benchmark. The portfolio's primary objective is to achieve a real return target of CPIH + 4% annually, net of costs. A comparison with a simple benchmark of 80% UK equities and 20% UK government bonds is used to provide evidence

of the benefit of running the diversified, actively managed investment structure.

Stanhope Consulting continues to provide us with performance measurement analysis, commentary on the fund managers' performance and modelling options to assist with the review and planning of the Investment Policy.

At 31 March 2023, our investment portfolio was valued at £147m, a 7% decrease over the previous year's level of £158m. The portfolio Total Return for the financial year ending 31 March 2023 was -2.5% (2021/22: 9.2%), compared to the long-term inflation + 4% objective of 15.7% (2021/22: 5.5%) and the total return for the simple benchmark of 15% (2021/22: minus 19.8%).

Returns from the investment portfolio have lagged the long-term 4% per annum real return over the past one, three and five years. Due to a surge in inflation and the general setbacks in markets during 2022, the portfolio lagged the long-term target by more than 21% in the last year.

Income and expenditure

The Foundation's income derives largely from its investment portfolio. Total investment income of £2.5m (2021/22: £3.2m) was 22% below that of the previous year, due to correction in markets during the first half of the year and much higher levels of inflation.

In line with our Total Return approach, we realised £5.7m during the year through sales from our portfolio to meet our projected working capital requirements for the near future. This amount was more than required simply to cover the year's anticipated difference between income and expenditure, reflecting our response to expectations of an increasing level of market risk.

We have three significant items of expenditure: the grants that we make, the costs of managing the investment portfolio and our running expenses (of which staff costs are the major

component). Total expenditure this year was £7.6m, compared to £8.0m last year. Grants were £6.2m (2021/22: £6.7m); Investment Management costs at £0.47m were 14% lower than in the previous year; and our running costs of £0.9m were 13.2% (2020/21: £0.7m, 9.8%) of total expenditure (excluding investment costs). Trustees are mindful of the need to control running costs in order to maximise the amount available to spend on grants. We continue to monitor these closely.

Spending policy

We manage our assets and expenditure for the long term – which we currently define as 30 years. This time horizon, last reviewed in 2022, remains under review. In April 2015, Trustees held a special meeting to determine an appropriate spending policy, concluding that annual expenditure would be set at 4.5% of the value of our net assets, averaged over the quarter end values of the last three calendar years. Our spending policy is reviewed each year in setting the annual expenditure budget, and this year the review took place against a background of high inflation, heightened global tension and low projected real rates of return on investment. The discussion recognised that expenditure at our historic rate was likely to erode the real value of our future spending capacity over time. Nevertheless, we concluded that expenditure next year would be set at 4.5% of the value of our

net assets, averaged over the quarter end value of the last three calendar years, in part so as not to prejudge the decision yet to be taken on our Time Horizon. The Finance and Investment Committee continues to review spending policy in February of each year, and the Committee advises the Trustee Board in March.

Reserves policy

Our reserves policy is inextricably linked with the spending policy. The Total Return approach means that actual income received each year will be supplemented, if necessary, from distributable capital. Given that all our endowment funds are expendable, the Trustees have sufficient flexibility to respond to unforeseen circumstances if necessary, and therefore it is not considered appropriate to identify a level of free reserves that needs to be maintained.

Remuneration policy

Pay is reviewed annually by the Remuneration Committee, which considers external market conditions, such as inflation, cost of living awards in other sectors, and the cost as a proportion of overall expenditure, as part of its decision making. Trustee remuneration is primarily linked to the lowest of three external benchmarks, currently RPI, CPI and CPIH, in a specified month, and as such is not determined by Trustees themselves.

“ Under our Environment programme, we remain committed to people and planet and supporting work that achieves greater harmony between people and nature, through the protection, restoration and sustainable use of the natural world. ”

GRANTS MADE

in the Year Ended 31 March 2023

Grants are included in the Statement of Financial Activities once they have been approved by the Trustees and grant-holders informed. This is a list of the new grants awarded in 2022-23.

Arts

<p>Alexander Whitley Dance Company</p> <p>To enable more people to explore the creative possibilities of new technologies and how they are shaping the future of dance and the cultural sector</p>	<p>£133,770 over 3 years</p>
<p>balletLORENT</p> <p>Core costs to support the Company to create a pioneering National Centre for Creative Inclusion (NCfCI) in Newcastle, focusing on inclusivity for both performance and outreach, and producing inspirational storytelling dance for families</p>	<p>£90,000 over 3 years</p>
<p>Cardboard Citizens</p> <p>Towards core costs of their 2023-26 commissions and touring</p>	<p>£105,000 over 3 years</p>
<p>China Plate Theatre Co.</p> <p>Core costs to support the Company's new co-creation model which will help them to provide routes for artistic ideas to emerge from communities of place, identity, and interest, and then to reach national stages</p>	<p>£90,000 over 3 years</p>
<p>Dunedin Consort</p> <p>To commission three contemporary composers to write new works over a three-year period, each centred around a different baroque form</p>	<p>£75,000 over 3 years</p>
<p>Fevered Sleep</p> <p>Towards core costs supporting the creation and touring new works</p>	<p>£120,000 over 3 years</p>
<p>Forward Arts Foundation</p> <p>Funding to pilot and develop the UK's first nationally significant spoken word prize – as a new category alongside existing prizes</p>	<p>£75,000 over 3 years</p>
<p>Kakilang (formerly Chinese Arts Now)</p> <p>Core costs supporting staff salaries</p>	<p>£90,000 over 3 years</p>

Arts

Motionhouse	£65,000
Towards the core costs for their artistic team salaries and fees	over 2 years
New Diorama Theatre	£90,000
Core costs to support with commissioning new work, artist development and audience engagement	over 3 years
Quarantine	£45,000
Towards core costs supporting the delivery of their 2023-26 artistic programme	over 3 years
Talawa Theatre	£120,000
Towards core costs, including senior producer salary	over 3 years
Tenebrae Choir	£120,000
Core costs to maintain Tenebrae's concert and recording schedule, as well as to invest in new commissions and artistic partnerships, and implement a digital strategy to expand its audience reach	over 3 years
Theatre de Complicité	£100,000
Core costs in support of the development of new touring work developing their artistic exploration and advocacy of the climate, environment and humanity's role in the global ecosystem	over 3 years
Wise Children	£90,000
Towards core costs supporting the creation and touring of new work	over 3 years
Total Arts Grants	£1,408,770

Environment

Ashden	£90,000
Towards the core costs of their Sustainable Towns and Cities Programme	over 2 years
Beaver Trust	£120,000
Towards core costs	over 3 years
Broadway Initiative	£126,000
Towards core costs	over 3 years
Eating Better	£90,000
Core costs for this charitable alliance of 60 influential UK and international organisations advocating more sustainable eating through the reduction of meat and dairy consumption with its Better by Half roadmap	over 3 years
Open Seas Trust	£105,000
Core costs supporting their campaigning work against bottom trawling and dredging in inshore waters	over 3 years
Pesticide Action Network UK (PAN UK)	£90,000
Core costs to support PAN UK's programme of work which aims to significantly reduce pesticide use and related harms to both human health and the environment in the UK	over 3 years
Sustainable Food Trust	£75,000
Core costs supporting their policy, advocacy and awareness raising work	over 2 years
Sustainable Inshore Fisheries Trust (SIFT)	£80,000
Core costs to support SIFT's capacity to continue its work on three core issues: reform of fisheries management, management of marine carbon, and the implementation of regional marine planning	over 3 years
The Ecology Trust (for Unchecked UK)	£105,000
Towards core costs supporting Unchecked and its work to reset the narrative on regulation in the UK, especially environmental regulation	over 3 years
The Orchard Project	£75,000
Core costs of creating and restoring urban community orchards across the UK, to conserve orchard habitat, enhance biodiversity, and connect people to nature.	over 3 years

Environment

The Royal Society of Wildlife Trusts

Funding towards a new post influencing agricultural policy

£100,00

over 2 years

The Poverty & Environment Trust

Towards core costs of a nationwide project aiming to create a twentyfold increase in community-owned renewable energy generation

£60,000

over 2 years

Wessex Rivers Trust

Core costs to continue to deliver their catchment-scale conservation work and educational activities for the benefit of vulnerable chalk streams

£120,000

over 3 years

Total Environment Grants

£1,216,000

Unchecked UK: Protecting What Matters © iStock



Social Action

<p>Attitude is Everything</p> <p>Towards core costs to support disabled people be more heard, valued and included as audience members, performers, professionals and volunteers across the UK's live music and events sector</p>	<p>£120,000 over 3 years</p>
<p>Birthrights</p> <p>Towards core costs including staff salaries to support the next phase of their Race Inquiry</p>	<p>£90,000 over 2 years</p>
<p>Breakthrough</p> <p>Towards core costs, including staff salaries</p>	<p>£90,000 over 3 years</p>
<p>British Deaf Association</p> <p>Towards core costs, including staff salaries</p>	<p>£80,000 over 2 years</p>
<p>Centre for Homelessness Impact</p> <p>To create an enhanced learning culture in which reliable and actionable evidence enables policymakers, practitioners and commissioners everywhere to make better decisions with regard to homelessness</p>	<p>£75,000 over 2 years</p>
<p>Challenging Behaviour Foundation</p> <p>Funding is towards core costs to support its work seeking to improve the way in which legal, health, education and social care systems work to protect the rights and meet the needs of people with severe learning disabilities and their families</p>	<p>£90,000 over 3 years</p>
<p>Children England</p> <p>Core costs to support its Young Leaders programme where Young Leaders are leading nationwide peer research and creating a national campaign for a ChildFair state</p>	<p>£100,000 over 3 years</p>
<p>Civic Power Fund</p> <p>Towards core costs</p>	<p>£50,000 over 1 year</p>
<p>Economy</p> <p>Towards core costs of organisational development work</p>	<p>£90,000 over 2 years</p>
<p>Equally Ours</p> <p>Core costs to help enable their pan-equality network to advance its mission to create a just and inclusive society</p>	<p>£140,000 over 3 years</p>

Social Action

Full Fact	£150,000
Towards core costs supporting Full Fact's work aiding people who want to tackle poor information in areas they care about	over 3 years
Making Rights Real	£105,000
Towards core costs of supporting marginalised communities to use a human rights based approach in practice and to provide opportunities to share the learning from this work	over 3 years
Migrant Voice	£120,000
Core costs towards implementing their new strategy (2022-27) to challenge structural inequality and injustice by building migrants' voices, power and influence	over 3 years
Muslim Women's Network UK	£100,000
Towards core costs, including staff salaries	over 3 years
National Ugly Mugs	£148,500
Core costs supporting their policy advocacy and campaigning work nationally, and strategy work	over 3 years
Rainbow Migration	£90,000
Towards core costs of their policy and campaigning work in support of LGBTQI+ people seeking asylum	over 3 years
Rights and Security International	£100,000
Towards core costs	over 3 years
Sheila McKechnie Foundation	£150,000
To provide essential infrastructure for civil society campaigning nationwide	over 3 years
Sounddelivery Media	£120,000
Core costs to support Sounddelivery to deliver its work linking journalists and communities so that those with lived experience of social injustice are able to have their voice heard	over 3 years
The Advocacy Academy	£120,000
Towards core costs	over 3 years
Total Social Action Grants	£2,128,500

UKOTs Fund

BirdLife Cyprus	£85,000
Core costs funding to continue science and advocacy work related to habitat management and illegal bird-killing and funding towards an expert hydrological and wetland management study in the areas around Akrotiri and Dhekelia UK Sovereign Base Areas in Cyprus	over 2 years
Blue Marine Foundation	£99,425
Funding to support the establishment of a Marine Protected Area (MPA) in the waters off Akrotiri, one of two UK Sovereign Base Areas in Cyprus	over 2 years
Falklands Conservation	£121,100
Funding to support the creation of the Falklands' first National Park which will protect two peatland mountain ranges	over 16 months
Gibraltar Botanic Gardens	£50,305
Funding for a project which will utilise the technical expertise of Gibraltarian etymologists to increase the capacity for the identification and survey of invasive ant species	over 2 years
Montserrat National Trust	£119,800
Core costs funding for a Conservation Officer role to support the Trust to deliver its new strategic plan	over 3 years
Protect Blue	£37,000
Funding towards work in the Pitcairn Islands to create a branding and communications strategy for the Pitcairn Marine Protected Area	over 1 year
Royal Society for the Protection of Birds	£76,370
Funding for the post of Sustainable Cayman Campaign Officer to resource a campaign to protect Cayman's Central Mangrove Wetland	over 3 years
South Atlantic Environmental Research Institute	£103,000
Core costs funding for salaries of a PA and Communications Officer and an Office Manager to increase the capacity of the institute	over 2 years
The Turks and Caicos National Trust	£102,000
Core costs funding for salaries of a Heritage Sites Operation Manager and a Fundraising Officer to build the capacity of the Trust and to deliver the Trust's strategic plan	over 2 years

TOTAL UKOTs Fund Grants

£794,000

Other Grants

<p>ACEVO (Association of Chief Executives of Voluntary Organisations)</p> <p>Funding towards the project costs of the second phase of the Home Truths Project researching the wider efforts in the sector to consider race equity and racism in civil society</p>	<p>£30,000 over 1 year</p>
<p>Association of Charitable Foundations</p> <p>To support them to progress their work on the Funder Commitment on Climate Change</p>	<p>£30,000 over 1 year</p>
<p>Aim-Hi Earth</p> <p>Funding to support our grant-holders to access Aim-Hi Earth's training on the climate and nature crises</p>	<p>£11,454 over 1 year</p>
<p>Ashden</p> <p>Project costs relating to 2022 Summit on public engagement in action to address climate change</p>	<p>£20,000 over 1 year</p>
<p>Civil Exchange - A Better Way</p> <p>Towards their 'A Better Way' network</p>	<p>£25,000 over 1 year</p>
<p>Environmental Funders Network</p> <p>Funding for the Foundation's staff to join the Environment Philanthropy Lab</p>	<p>£18,200 over 1 year</p>
<p>Sheila McKechnie Foundation</p> <p>Sponsorship of the Amplifying Voices Awards at their 2023 National Campaigner Awards</p>	<p>£7,500 over 1 year</p>
<p>Skin Deep</p> <p>Towards the budget of their upcoming 10th print issue</p>	<p>£10,000 over 1 year</p>
<p>Sustainable Wellbeing Environment Network</p> <p>Project funding to support the delivery of resilience programmes for climate activists and professionals</p>	<p>£10,000 over 1 year</p>
<p>The School of Social Justice</p> <p>To support the recently launched School of Social Justice build what it describes as the world's first online school for people to learn how to achieve social justice practically, through video podcast interviews with changemakers, alongside online training and in-person teaching</p>	<p>£10,000 over 1 year</p>

GRANTS MADE IN THE YEAR ENDED 31 MARCH 2023

Other Grants

Voice4Change England	£30,000
Core costs relating to the Reframing Race Project	over 1 year
Wildlife and Countryside Link	£3,000
Contribution towards the costs of Wildlife and Countryside Link's work to improve diversity in the conservation and environmental sectors, with match-funding provided by Joseph Rowntree Charitable Trust and Esmée Fairbairn Foundation	over 1 year
Total Other Grants	£205,154

Museum and Galleries Fund Grants

FACT (Foundation for Art & Creative Technology)	£117,000
The grant will support the delivery of the first three years of its Curatorial Development Programme, an annual three-strand series of curatorial residencies	over 3 years
History of Science Museum, University of Oxford	£50,362
To consolidate learnings from the Multaka programme and enable the delivery of curatorial activities leading to longer-term benefits for both audience development and the wider sector	over 1 year
People's History Museum	£132,806
Towards core costs, specifically an early career curatorial post	over 3 years
Sainsbury Centre for Visual Arts	£124,677
To facilitate a new curatorial post, Curator of Art and Climate Sciences, at the Centre	over 3 years
Tullie House Museum & Art Gallery	£90,000
To use the Tullie House and Lakeland Arts social history collections as a case study for how a comprehensive programme of disposals can be conducted strategically and inclusively	over 2 years
Total Museum and Galleries Fund Grants	£514,845

Additional grant-related expenditure not included in the above £120,595

Total grants made in the year ending 31 March 2022 £6,387,864

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees, including Trustee induction

Our Trustees are listed at the end of this report. The governing document provides for a maximum of nine and a minimum of three. Trustees are appointed for five years, followed by the possibility of a further five years. A Trustee who is selected to be Chair of the Trustee Board or Chair of the Finance and Investment Committee may serve beyond the 10-year term, if this is in the best interests of the Foundation. Since the introduction of the Equalities Act 2010, there is no retirement age.

The first Trustees were personally selected by Sir John II and Lady Ellerman and had strong links with the Ellerman companies. In 2011, the last Trustee with a personal connection to Ellerman Lines retired.

Today, Trustees are recruited according to the skills, knowledge and experience required while seeking to achieve greater diversity. Each new Trustee receives a full induction, which includes meeting with staff and Trustees, and receiving a detailed information pack covering our governance, history, funding guidelines, investments and objectives. Ongoing training and skills development takes a variety of forms, depending on the role and interests of the individual Trustees, and includes attendance at seminars, conferences, speakers at Board meetings and other events. There is an annual appraisal by the Chair, who, in turn, is appraised by two Trustees.

Trustees are closely involved in the evaluation of applications and grants made. They review initial applications, visit those organisations invited to submit a second-stage application and provide written reports to the Board. Trustees that are appointed for their experience in one of our funding categories play a lead role in developing and monitoring the grantmaking strategy in that area, and those with investment expertise sit on the Finance and Investment Committee. All participate in occasional sub-groups to review our policies, practice and strategy

Organisational structure

The Trustee Board meets at least six times each year. The Trustee Board approves new grants and sets strategy and policy for grantmaking and financial matters.

Several Committees support our work throughout the year, and report to the Trustee Board:

The Finance and Investment Committee is responsible for financial and investment matters. The Committee's role includes developing an appropriate investment strategy and policy, overseeing its implementation and monitoring investment performance. It also reviews and advises the Board on the annual budget and spending policy, and monitors expenditure. It meets at least four times a year.

The Remuneration Committee is responsible for reviewing all remuneration and benefits for staff and Trustees. It meets at least once a year.

The Risk and Audit Committee is responsible for reviewing the systems in place to manage risks within the organisation and ensure that adequate internal financial controls and procedures are in place. It also supports the compilation of our Annual Report and Accounts. It meets at least once a year.

The Nominations Committee is responsible for the recruitment of Trustees as delegated by the Board. It is not a permanent Committee but is convened when a new Trustee is being appointed.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The day-to-day management of our organisational affairs is delegated by the Trustees to the Director and staff team. They are responsible for ensuring that the Trustees' decisions are implemented in accordance with existing policy and within budget, and for briefing Trustees on current trends in the charitable sector and advising on how these may affect policy.

Risk statement

The Trustees are responsible for the management of the risks we face organisationally. These fall into five areas: governance, management, operational, grantmaking and finance.

The Director works with the team to identify and assess major risks, their likelihood of occurrence, the significance of the risk, mitigating controls that are in place, and recommends any additional actions and resources required to reduce and manage those risks. These are compiled as a Risk Register that the Risk and Audit Committee reviews and approves, which is also considered by the Trustee Board.

Our investment activities represent our main financial risk. This risk is managed with support from our investment consultant, regular review of our Investment Policy and objectives, and employing external fund managers to achieve a well-diversified portfolio that we monitor closely in terms of fund manager performance relative to the investment objective and Investment Policy. Our investment activities also risk diverging from our charitable purpose and aim, and this is why environmental, social and governance factors are a key focus for our work in this area.

Applications for grants are assessed carefully to ensure that the Board understands any risks associated with a particular organisation or programme of work, and appropriate conditions are agreed as needed. Once a grant is approved, monitoring and reporting processes are in place to ensure grants are well managed and evaluated.

All relevant policies and procedures are included in the Foundation Handbook. The Handbook is updated regularly and reviewed annually, with the Risk and Audit Committee maintaining oversight of its contents and delegated responsibilities. A Business Continuity Plan and Health and Safety Review form part of the annual risk assessment and are detailed in the Handbook. Trustees are satisfied with the current systems and internal controls.

Conflicts of interest

Trustees and staff are expected to conduct the business of the Foundation with integrity at all times. A Conflict of Interest Policy is in place to ensure that there is no personal gain from our work, and to prevent any conflict, actual or perceived, between an individual's duty to the Charity and a duty or loyalty to another organisation or person. The Policy underwent a deeper review this year and was approved by the Trustee Board in November 2022, having first been reviewed by the Risk and Audit Committee in June 2022.

All staff and Trustees complete an annual register of interests form. At Trustee Board meetings, each Trustee completes a declaration of interest form that lists all applications to be discussed. Staff and Trustees are expected to alert those present to any interests and may be asked to withdraw from the meeting during the relevant decision-making process. Any relevant gift or hospitality received by Trustees and staff is also recorded on the Register of Interests. A note to the financial accounts lists grants made to any organisation during the year with which a Trustee has a close relationship.

Good governance

Trustees recognise the importance of good governance in ensuring the ongoing success of the Foundation. To support with this, Trustees adhere to the guidance set out in our Scheme, which is our governing document, the Charity Commission's guidance in 'The Essential Trustee', and the Charity Governance Code.

The Trustee Board applies great care, attention and skill in order to ensure that our resources are used responsibly and for the public benefit. Trustees are deeply committed to operating in a way that is transparent, accountable and effective, and are keen to champion diversity, equity and inclusion across all areas of our work. In October 2021, we completed a skills and diversity audit of our current Trustee Board (made up of eight Trustees). The diversity audit results are shared below:

Ethnicity	12.5% – Asian/Asian British – Bangladeshi 62.5% – British 12.5% – British – Welsh 12.5% – Prefer not to say
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Gender	37.5% – Male 50.0% – Female 12.5% – Prefer not to say
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Age	Range from 29 years and four months to 73 years and five months
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Religion or belief	12.5% – Muslim 12.5% – Christian 37.5% – No religion 37.5% – Prefer not to say
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Sexual Orientation	62.5% – Heterosexual/Straight 12.5% – Bisexual 25.0% – Prefer not to say
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Disability	75.0% – Not disabled 12.5% – Disabled 12.5% – Prefer not to say
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Gender reassignment	87.5% – Not gender reassigned 12.5% – Prefer not to say
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Marriage/Civil Partnership	25.0% – Married, 12.5% – Civil Partnership 25.0% – Single, 12.5% – Co-habiting 25.0% – Prefer not to say
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STRUCTURE, GOVERNANCE AND MANAGEMENT

Our skills audit revealed that we have less proficiency on the Trustee Board in relation to health and safety, procurement of goods or services and building management. This is managed by the fact that these activities do not form a significant part of our day-to-day operations and we have access to robust external support for these three things, as well as some expertise in each of these areas within the staff team. The Trustee Board demonstrated a strong skill-set and proficiency in the grantmaking and charitable sectors, our funding categories, governance, charity and company law and compliance, finance and finance-related activities (including investing, accounting and auditing), strategic planning and business development, communications and marketing, public policy and influencing, research and development (including outcomes-based monitoring frameworks, impact and learning), IT and digital knowledge and HR and people management. There was also a strong commitment shown to diversity, equity and inclusion, as well as a good understanding of this. These audit findings will be used when making future appointments. Our next known retirement from the Trustee Board is scheduled for January 2025.

STATEMENT OF RESPONSIBILITIES OF THE BOARD OF TRUSTEES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS102 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 Charity will continue in business; and
- state whether a SORP applies and has been followed, subject to any material departures which are explained in the financial statements.

Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deeds. They are also responsible for safeguarding the assets of the Charity, including taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



Peter Kyle CBE

Chair



Keith Shepherd

Chair, Finance and Investment Committee

Date: 27 July 2023

INDEPENDENT AUDITORS' REPORT

to the Trustees of John Ellerman Foundation Charity

Opinion

We have audited the financial statements of John Ellerman Foundation for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, and the Cash Flow Statement 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, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023, and of its incoming resources and application of resources, 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual 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 there is 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 Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity 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 required for our audit.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 25, the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

INDEPENDENT AUDITORS' REPORT

when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent 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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

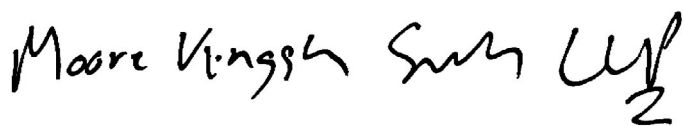
Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are [the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council]
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees 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 any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.



Moore Kingston Smith LLP, Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

Date: 27 July 2023

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES

for the Year Ended 31 March 2023

	Notes	Total Unrestricted Funds 2023 £'000	Total Unrestricted Funds 2022 £'000
Income			
Income from investments	3	2,536	3,020
Grants received		644	151
Total income		3,180	3,171
Expenditure			
Expenditure on raising funds		548	640
Expenditure on Charitable Activities			
Grants to charities		6,388	6,685
Grants cancelled in the year		(207)	-
Costs in support of grantmaking	5	867	673
Total charitable activities	5	7,048	7,358
Net gains (losses) on investments			
Gains (Losses) on investment assets	9	(6,610)	10,750
Net income/(expenditure)		(11,026)	5,923
Net movement in funds		(11,026)	5,923
Reconciliation of funds			
Total funds bought forward		155,636	149,713
Total funds at 31 March		144,610	155,636

All the above figures relate to continuing operations. There are no recognised gains or losses other than those disclosed.

BALANCE SHEET

at 31 March 2023

	Notes	2023 £'000	2022 £'000
FIXED ASSETS			
Tangible Fixed Assets	8	1,394	1,425
Investments	9	146,744	157,729
Social Investment	9	-	8
Total Fixed Assets		148,138	159,162
CURRENT ASSETS			
Debtors	10	710	844
Cash at bank and in hand		2,426	3,470
Total Current Assets		3,136	4,314
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	11	(4,189)	(5,954)
NET CURRENT (LIABILITIES)/ASSETS		(1,053)	(1,640)
TOTAL ASSETS LESS CURRENT LIABILITIES			
Creditors: amounts falling due after more than one year	12	(2,475)	(1,886)
NET ASSETS		144,610	155,636
FUNDS			
Expendable Endowment Capital		144,610	155,636
TOTAL FUNDS		144,610	155,636

The financial statements were approved by the Trustees on 27 July 2023 and were signed on their behalf by:



Peter Kyle CBE

Chair



Keith Shepherd

Chair, Finance and Investment Committee

STATEMENT OF CASH FLOWS

for the Year Ended 31 March 2023

	Notes	2023 £'000	2022 £'000
Net cash provided by/(used in) operating activities	15	(7,959)	(7,020)
Cash flows from investing activities			
Interest received		22	1
Investment income received		2,514	3,170
Purchase of fixed assets		(4)	(2)
Movements in investments cash balance		(94)	(780)
(Loss)/gain on foreign exchange		(200)	(54)
Sale of investments		34,853	91,883
Purchase of investments		(30,189)	(87,698)
Purchase of social investment		-	-
Redemption of social investment		13	34
		6,915	6,554
Increase/(decrease) in cash		(1,044)	(466)
Cash and cash equivalents at the beginning of the reporting period		3,470	3,936
Cash and cash equivalents at the end of the reporting period		2,426	3,470

NOTES TO THE FINANCIAL ACCOUNTS

for the Year Ended 31 March 2023

1 Charitable status

John Ellerman Foundation is a charity registered under the Charities Act 1960, No. 263207; all the income has been agreed as being charitable and therefore no UK taxation is payable.

2 Accounting policies

I. BASIS OF PREPARATION

These financial statements are prepared on a going concern basis, under the historical cost convention, with the exception that investments are valued 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 Charity is a public benefit entity for the purposes of FRS 102 and therefore the Charity 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 including update bulletin 2) and the Charities Act 2011.

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Trustees have considered the Charity's forecasts and projections and have taken account of pressures on investment income. After making enquiries, 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 and the Trustees have not foreseen any material uncertainties at this time. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

The financial statements have been prepared in sterling which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest thousand.

NOTES TO THE FINANCIAL ACCOUNTS

II. FINANCIAL INSTRUMENTS

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the SOFA, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment..

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest..

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

III. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

In the view of the Trustees in applying the accounting policies adopted, no 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.

A summary of the more important accounting policies, which have been applied consistently, is set out below:

(a) Bank deposit interest has been included on the accruals basis.

Investment income is recognised as follows: for the segregated accounts, income has been accrued as applicable; where shares are issued in lieu of income, the market value of these shares has been included in income.

(b) Grants are fully accounted for in the year the grant is approved. Payments falling due in later years are provided for as a liability on the balance sheet.

(c) Expenditure has been accounted for on the accruals basis. Costs of raising funds include investment management, custody, consultancy and a proportion of staff and trustee costs. Employee costs and trustee remuneration have been apportioned between costs of raising funds, charitable activities and governance costs, on the basis of the proportion of time spent by each employee or trustee in contributing to each category. Governance costs include audit fees, legal fees and a proportion of staff and trustee costs associated with trustee meetings, strategy, Away Days and compliance with statutory requirements. The remaining expenses of the Foundation have been apportioned on the same basis as staff costs and trustee remuneration. All expenditure is recorded inclusive of irrecoverable VAT.

(d) Pension contributions are made for all employees and recorded as they fall due. These are defined contributions paid to approved private pension schemes for each employee. Details are provided in note 7.

(e) At 1 April 2014, the Trustees valued the property of the Foundation's offices at Aria House, held on a 999 year lease from 1990, at £1,250,000, based on a chartered surveyor's valuation report. This value was recorded in the year of transition and will be held as the carrying value in future years, following the transitional provisions of FRS 102 (paragraph 35.10c) which allow the property to be valued at fair value on transition and to use that value as deemed cost going forward, with no ongoing requirement to carry out further revaluations. The residual value of the leasehold property is considered to be at least equal to the carrying value and therefore no depreciation has been provided as this would be immaterial. Annual impairment reviews are carried out. The same principle and review policy applies to the carrying value of a portrait of a member of the Ellerman family. All fixed assets are held for the Foundation's charitable use.

(f) Furniture, fittings and equipment have been depreciated to write off the cost less the estimated residual value, on a straight line basis over the expected useful economic life. The annual rate used for this purpose is 33% for computer and office equipment and 10% for other assets. A capitalisation limit has been set such that purchases of £250 and over are capitalised and items below this level are treated as an expense in the year of purchase.

(g) Profit or loss on realisations of investments has been taken to the Expendable Endowment.

(h) Investments have been stated at market value in accordance with SORP. Net investment gains and losses are disclosed in note 9. Social Investments represents a limited partnership interest with a maximum commitment of £250,000 in Shared Lives Investments L.P. to support the growth of Shared Lives provision. This investment was redeemed during the year in full.

(i) Monetary assets and liabilities denominated in foreign currencies are translated at the year end exchange rate. Transactions denominated in foreign currencies are translated at rates prevailing at the transaction date. Exchange differences are taken into account in arriving at the movement of funds for the year.

(j) The Foundation has adopted a Spending Policy which the Trustees believe to be currently sustainable. The Total Return approach means that actual income received each year will be supplemented, if necessary, from distributable capital. It follows that the reserves policy is to retain the appropriate capital value in the investment portfolio to be able to continue to support charities over the long-term.

3 Investment income

	2023	2022
	£'000	£'000
Investment income from assets in the UK	1,355	2,293
Investment income from assets outside the UK	1,159	726
Interest on cash deposits	22	1
Total investment income	2,536	3,020

Investment income received during the year relates to investments, which are listed on recognised stock exchanges. Dividend income and interest is treated in accordance with the accounting policy 2(a) above.

4 Grants to charities

	2023	2022
	£'000	£'000
Grants awarded in the year	6,388	6,685
Grants cancelled in the year	(207)	-
Total Grants to Charities (note 5)	6,181	6,685

A list of grants awarded during the year ended 31 March 2023 is shown in the Annual Report.

Grants awarded in the year:

	2023	2022
	£'000	£'000
Grants paid in the year	2,362	1,967
Grants payable within one year	2,167	2,834
Grants payable after more than one year	1,859	1,884
Grants cancelled in the year	(207)	-
Total Grants to Charities (note 5)	6,181	6,685

Trustees include in the notes to the Financial Accounts, for transparency reasons, any grant made to an organisation with which a Trustee of the Foundation has a conflict of interest. In accordance with the Foundation's policy, Trustees withdraw from the (virtual) room for these decisions. In the financial year 2022-23 there were two such occurrences. Tufyal Choudhury is a Trustee of Rights and Security International, who we awarded a grant to in January 2023, and Keith Shepherd is a Trustee of Beaver Trust, who we awarded a grant to in March 2023. In both cases, each Trustee removed themselves from the decision making discussions held by the Board.

This financial year two grants were cancelled as the organisations ceased to operate, £40,000 to Campaign Bootcamp and £29,997 to Nottingham Castle Trust. Furthermore, during the year while carrying out our reconciliations, two grants relating from 2017 to 2018 were not cancelled in the accounting system as no longer payable, The Art Room (Oxford) for £40,000 and NVA for £91,986. Also showing as cancelled is a balance of £5,000 for Sheila McKenchie Awards, as this was incorrectly entered into the accounting system as £10,000 rather than the agreed figure of £5,000 in 2019.

5 Analysis of total expenditure

	Costs of Raising Funds £'000	Charitable Activities £'000	2023 Total £'000	Costs of Raising Funds £'000	Charitable Activities £'000	2022 Total £'000
Investment fees	474		474	566		566
Grants to Charities (note 4)		6,181	6,181		6,685	6,685
<i>Support costs:</i>						
Staff costs (note 7)	50	482	532	50	378	428
Trustee costs (note 6)	9	96	105	9	99	108
Audit fees	-	18	18	-	14	14
Legal fees	-	113	113	-	4	4
Depreciation	3	32	35	3	34	37
Monitoring & Evaluation	-	24	24	-	12	12
General expenses	12	102	114	12	132	144
	74	867	941	74	673	747
Total expenditure	548	7,048	7,596	640	7,358	7,998

Support costs include governance costs of £60,000 (2022: £60,000). Support costs are allocated on the basis of an estimate of time apportioned to Charitable Activities and to managing the endowment investments.

6 Trustees' remuneration

Trustees receive remuneration in accordance with the authority in the Scheme (clause 12). In carrying out their duties, including visits to applicant charities, eight Trustees incurred travelling and related expenses totalling £6,517 (2022: £886), which have been included under Monitoring and Evaluation.

	2023	2022
	£'000	£'000
Remuneration paid to Trustees during the year:		
Gary Steinberg, Chair of the Finance and Investment Committee	11	11
Peter Kyle OBE, Chair of the Risk and Audit Committee	16	12
Hugh Raven, Chair (until 31 December 2021)	-	12
Geraldine Blake	12	11
Keith Shepherd	12	11
Annika Small	12	11
Tufyal Choudhury	12	11
Rebecca Bunce	12	11
Jonny Hughes	12	12
Lily Tomson	2	-
Total remuneration	101	103
Social Security costs	3	4
Pension provision	1	1
Total remuneration and Social Security costs	105	108

7 Employees

	2023	2022
	£'000	£'000
Wages and salaries	298	340
Redundancy payments	97	-
Employer's National Insurance costs	41	40
Pension costs	24	30
Temporary staff	72	19
Total staff costs	532	429

The average number of employees during the year ended 31 March 2023 was 5 (2022: 6). The average full-time equivalent number of employees analysed by function was:

	2023	2022
	£'000	£'000
Generating funds	0.2	0.2
Charitable activities	4.9	5.6
Total full-time equivalent staff	5.1	5.8

For each employee, the Foundation contributes to an approved private pension scheme. The total pension cost for the Foundation was £24,575 (2022: £34,480). The numbers of employees who received emoluments (including taxable benefits in kind) in the following ranges were:

	2023	2022
	Number	Number
£60,001 - £70,000	2	-
£70,001 - £80,000	-	-
£80,001 - £90,000	-	2
£90,001 - £100,000	1	1
£100,001 - £110,000	-	-

For these employees, the Foundation made contributions to their approved private pension schemes totalling £18,695 (2022: £19,686) during the year.

The Charity considers its key management personnel to comprise the Trustees, the Director and the Head of Research and Impact. Previously, the Heads of Grants and the Head of Finance and Resources were also considered key management personnel. The total remuneration (salaries and employee benefits) including employer pension contributions of the key management personnel was £397,108 (2022: £397,205). Key management personnel are defined as persons having authority and responsibility for planning, directing and controlling the activities of the entity, including directors and senior management personnel to whom the Trustees have delegated significant authority or responsibility in the day-to-day running of the entity's affairs.

8 Tangible fixed assets

	Leasehold property £'000	Furniture, Fittings and Equipment £'000	Total £'000
Cost or valuation			
At 1 April 2022	1,250	416	1,666
Purchases during year	-	4	4
At 31 March 2023	1,250	420	1,670
Depreciation			
At 1 April 2022	-	241	241
Charge for the year	-	35	35
At 31 March 2023	-	276	276
Net book value at 31 March 2022	1,250	175	1,425
Net book value at 31 March 2023	1,250	144	1,394

As at 1 April 2014, the Trustees valued the property of the Foundation's offices at Aria House, held on a 999 year lease from 1990, at £1,250,000, based on a valuation report by Aston Rose chartered surveyors. This external valuation was made on an existing value basis and prepared in accordance with RICS Valuation Standards, published by the RICS. As stated in note 2(f), this valuation is being treated as deemed cost in accordance with the transitional provisions of FRS 102.

9 Investments

	31 March 2023 £'000	31 March 2022 £'000
Investment assets in the UK	77,490	72,162
Investment assets outside the UK	67,541	83,947
Total investments, excluding cash	145,031	156,109
Investment cash accounts in the UK	1,713	1,619
Total investments at 31 March	146,744	157,729

The historical cost of the investments (including cash) held at 31 March 2023 was £133,329,756 (31 March 2022: £140,663,726). The movement during the year of the total investments, excluding cash, was:

	2023 £'000	2022 £'000
At 1 April	156,109	149,490
Purchases at cost	30,189	87,698
Disposal proceeds	(34,853)	(91,833)
Net investment gains	(6,410)	10,804
At 31 March	145,035	156,109

Investments are listed on recognised stock exchanges and valued at the middle market prices ruling at the period end. During the year, £5.7m (2022: £2.0m) was withdrawn from the investment portfolios to provide working capital. The movement during the year of social investments was:

	2023 £'000	2022 £'000
At 1 April	9	42
Purchases at cost	-	-
Redemption proceeds	(13)	(33)
Impairment charge	4	-
At 31 March	-	9

Gains on revaluations and disposals of investments:

	2023 £'000	2022 £'000
Net investment gains/(losses)	(6,410)	10,804
Realised gains/(losses) on foreign currency	(200)	(54)
Total gains/(losses) on revaluations and disposals of investments	(6,610)	10,750

10 Debtors

	31 March 2023 £'000	31 March 2022 £'000
Accrued income and prepayments	710	843
Other debtors	-	1
Total Debtors	710	844

11 Creditors: amounts falling due within one year

	31 March 2023 £'000	31 March 2022 £'000
Accrued expenditure	171	167
Other creditors	26	43
Grants payable	3,974	5,728
Other taxation and social security	18	16
Total Creditors due within one year	4,189	5,954

Included within accrued expenditure is an amount of £2,697 (2022: £14,061) due to pension schemes.

12 Creditors: amounts falling due after more than one year

	31 March 2023 £'000	31 March 2022 £'000
Grants payable between 1 to 2 years	2,475	1,886
Total Creditors falling due after more than one year	2,475	1,886

13 Financial commitments

During the year to 31 March 2015, Trustees approved a social investment of up to £250,000 in a Fund created by Social Finance to expand the number of Shared Lives schemes in England. The first drawdown was made in April 2015. At 31 March 2020, the Foundation had provided a total of £150,000 in respect of this commitment, leaving a residual commitment of £7,000. As at 31 March 2021 there are no residual commitments. At 31 March 2023 the investment was redeemed and closed.

14 Lease commitments

At 31 March the Foundation had total future commitments under operating leases as follows:

	31 March 2023 £'000	31 March 2022 £'000
Within one year	1	1
Between one and five years	-	-
Total lease commitments	1	1

15 Reconciliation of net income/(expenditure) to net cash outflow from operating activities

	31 March 2023 £'000	31 March 2022 £'000
Net income/(expenditure) for the reporting period	(11,026)	5,923
Depreciation charges	35	37
Bank interest received	(22)	(1)
Investment income	(2,514)	(3,170)
Loss/(profit) on foreign exchange	200	54
(Profit)/ Loss on revaluation of investments	6410	(10,804)
(Increase)/decrease in debtors	134	(32)
Increase/(decrease) in creditors	(1,176)	973
Net cash provided by (used in) operating activities	(7,959)	(7,020)

16 Analysis of changes in net debt/cash

The movement during the year of net debt/cash balances was:

	2023 £'000	2022 £'000
Cash balance as at 1 April	3,470	3,936
Cash Flows during the year	(1,044)	(466)
Cash balance as at 31 March	2,426	3,470

TRUSTEES, STAFF AND REGISTERED OFFICE OF THE FOUNDATION

Board of Trustees

Geraldine Blake
Rebecca Bunce
Tufyal Choudhury
Jonathan Hughes
Peter Kyle CBE *CCMI (Chair)*
Keith Shepherd
Annika Small OBE
Gary Steinberg *(until 28 February 2023)*
Lily Tomson *(from 26 January 2023)*

The following Trustees are members of or served on Committees at 31 March 2023:

FINANCE AND INVESTMENT COMMITTEE:

Keith Shepherd (Chair), Geraldine Blake and Lily Tomson

REMUNERATION COMMITTEE:

Peter Kyle CBE (Chair), Geraldine Blake and Keith Shepherd

RISK AND AUDIT COMMITTEE:

Tufyal Choudhury (Chair), Rebecca Bunce and Annika Small

Members of Staff

Sufina Ahmad MBE	<i>Director</i>
Mathew Whittell	<i>Head of Finance and Resources (until 5 August 2022)</i>
Dorothee Irving	<i>Head of Grants (until 5 August 2022)</i>
Gareth Clayton	<i>Grants Manager (until 5 August 2022)</i>
Rian Trim	<i>Office Manager and Executive Assistant (until 5 August 2022)</i>
Lauren Williamson	<i>Executive Assistant (from 3 October 2022)</i>
Jo Bridger	<i>Grants Manager (from 7 November 2022)</i>
Christabel Keenan	<i>Finance and Operations Manager (from 21 November 2022)</i>
Stephanie Santiano	<i>Grants Officer (from 21 November 2022)</i>
Kate Hitchcock	<i>Senior Grants Manager (from 5 December 2022)</i>
Ciorsdan Brown	<i>Head of Research and Impact (from 4 January 2023)</i>

Registered address of the Foundation

Aria House
23 Craven Street
London WC2N 5NS
Telephone: 020 7930 8566
Email address: enquiries@ellerman.org.uk
Website: www.ellerman.org.uk

Registered Charity Number

263207

ADVISERS TO THE FOUNDATION AT 31 MARCH 2023

Auditors

Moore Kingston Smith LLP, 9 Appold Street, London EC2A 2AP

Solicitors

Bates Wells, 10 Queen Street Place, London EC4R 1BE

Investment Advisers

Stanhope Consulting, 35 Portman Square, London W1H 6LR

Investment Managers at 31 March 2022

CCLA, Senator House, 85 Queen Victoria Street, London EC4V 4ET

Charities Property Fund, Cordea Savills, 33 Margaret Street, London W1G 0JD

Fulcrum Asset Management, Marble Arch House, 66 Seymour Street, London W1H 5BT

GMO UK Limited, No. 1 London Bridge, London SE1 9BG

Investec Wealth & Investment Limited, 30 Gresham Street, London EC2V 7QN

Newton Investment Management Limited, 160 Queen Victoria Street, London EC4V 4LA

Ruffer LLP, 80 Victoria Street, London SW1E 5JL

Bankers

COIF Charities Deposit Fund, Senator House, 85 Queen Victoria Street, London EC4V 4ET

Coutts & Co., 440 Strand, London WC2R 0QS

Museums and Galleries Fund Adviser

Dr Virginia Tandy OBE

UKOTs – UK Overseas Territories Fund Adviser

Jonathan Hall

John Ellerman Foundation

Registered Charity Number 263207

www.ellerman.org.uk

JOHN ELLERMAN FOUNDATION

England & Wales - Charity number 263207

Accounts



John Ellerman Foundation

ANNUAL REPORT AND FINANCIAL ACCOUNTS

1 April 2021 – 31 March 2022

FRONT COVER:

**We Belong – the first UK-wide campaigning organisation
to be run by and for young migrants** © We Belong

John Ellerman Foundation

ANNUAL REPORT AND FINANCIAL ACCOUNTS

1 April 2021 – 31 March 2022

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CHAIR'S REPORT

Should the aims of an organisation founded 50 years ago be the same today as when it was initiated? How far are present day Trustees confined by or directed by the wishes of those who created John Ellerman Foundation? The occasion of our 50th anniversary provided an opportunity to reflect, again, on such questions: to consider how our past and present can be used to inform and improve our future and to reaffirm some guiding principles, whilst at the same time exploring new opportunities for an organisation founded in the 20th century, but working intently to be a modern and effective grantmaker, operating with a 21st century mindset.

Some of our 50th anniversary activities comprised: launching and leading the UK Overseas Territories Fund; an exploration of the role of lived, learned and practiced experience in eliciting social change through the Conference of Equals; Protea – an international curatorial exchange programme between the UK and South Africa; and gathering together friends of the Foundation for a social event, which included a panel discussion hosted by Dame Julia Unwin DBE exploring, amongst other things, the future of philanthropy. West Room Research Ltd has been commissioned to complete a 12-month research project that started in November 2021. The research will help to inform our future grantmaking by providing a much fuller understanding of the sources of our endowment and the nature of our founder. The outputs of this research will be available publicly later this year. Further details on these initiatives are contained in the body of this Annual Report.

Our governance documents provide Trustees with wide powers and choices, tempered only by a strong sense of collective responsibility in relation to remaining true to the interests and wishes of our founder, whilst meeting modern day needs and good governance practices. John Ellerman Foundation's aim therefore remains, to advance the wellbeing of people, society and the natural world and we seek to empower organisations to deliver their work as flexibly and as effectively as they can. This sense of accountability applies equally to our Investment Policy, where we seek to ensure that we invest in ways that are aligned to our aim, values and funding categories. Hence, we are committed to working with our fund managers to examine what a net zero or carbon positive investment portfolio looks like. Spending annually equates to some 4.5% of the value of the investment portfolio and we continue to review and update all aspects of our grantmaking on a regular basis.

“John Ellerman Foundation's aim therefore remains, to advance the wellbeing of people, society and the natural world and we seek to empower organisations to deliver their work as flexibly and as effectively as they can.”

Away Day sessions held in the course of the year contributed to the development of our new organisational strategy for 2022-25, with a focus on becoming a more strategic and outward-facing grantmaker, operating with increasing transparency and ambition, and comfortable in assuming a leadership role where this is deemed beneficial and appropriate. The guiding role of my predecessor as Chair, Hugh Raven, in arriving at this position cannot be overstated and our collective thanks and appreciation of all his work for the Foundation is most gratefully acknowledged. I could not have wished for a better role model.

The staff team, led by the inspirational and indefatigable Sufina Ahmad as Director,

continues to impress with unfailing commitment to the Foundation and to our grant-holders, especially during the continuing uncertainties of the Covid-19 pandemic. External communications are enhanced through monthly updates or blogs on our website, increased engagement through our Twitter account, and attendance or speaking at external conferences and events. I am very grateful to them all.

Particular thanks to my colleague Trustees who work tirelessly in support of the Foundation's objectives and work very closely with the staff team to shape its future. I have no doubt that another exhilarating year lies ahead.

Peter Kyle OBE

Chair, John Ellerman Foundation



AIM AND OBJECTIVES

Our aim

John Ellerman Foundation's aim is to advance the wellbeing of people, society and the natural world. The main ways in which we achieve this are by:

1 Funding charities for work that has national significance in the fields of the arts, environment and social action (our funding categories). We believe these areas can make an important contribution to wellbeing.

2 Investing and managing our funds in such a way that balances the desire to maintain grantmaking capacity, operating in the long-term, and addressing the risk that our investments are poorly aligned to our aim and values.

Our grantmaking-related strategy and policies are reviewed at our Board meetings throughout the year, and through the annual objectives that are set for staff on governance, management, grantmaking and our wider operations, finance and personal development. Away Days provide an opportunity for a more focussed consideration of our future direction and role. We carried out short virtual Away Day sessions exploring our profile, our impact and learning and our funding offer in June 2021, followed by a hybrid in person and virtual gathering in November 2021 that considered the implementation of our Investment Policy, funder collaborations, funder plus activities and occasions when we fund outside of our main funding guidelines more deeply. These Away Day sessions contributed to the development of our new organisational strategy for 2022-25.

Public benefit

This flows from the Foundation making grants to charities engaged in activities in pursuit of their agreed vision and mission. We offer funding towards the core costs of delivering an organisation's work, reflecting our belief in empowering organisations to deliver their work as flexibly and as effectively as they can.

Trustees confirm they have referred to the Charity Commission's guidance on public benefit when reviewing our objectives and aims, and our grantmaking-related strategy and policy.





OUR HISTORY

John Ellerman Foundation was created from a combination of the wealth and generosity of a father and son.

Both were publicity-shy and little is known about them. The first Sir John Ellerman (1862-1933) had built up from scratch an empire of shipping and other businesses in the early part of the 20th century. At the age of 23, his son, also called John, inherited his father's baronetcy and very considerable fortune. Although in charge of the family firm, the second Sir John's real interests lay elsewhere. He became a distinguished zoologist and world expert in the study of rodents. In 1971, two

years before his death, he donated the funds from the Ellerman Lines business to form the original Foundation.

We are currently governed by a Scheme, approved by the Charity Commissioners for England and Wales in March 2002. The previous Scheme brought together the funds originally donated in 1971, with a smaller trust fund set up under the first Sir John's will, and the Trustees were granted incorporation under the Charities Act 1993 as the Trustees of John Ellerman Foundation. The Scheme provides wide powers for the Trustees to carry out their duties.

TIMELINE OF THE YEAR

Plans for delivering our **50th anniversary activities** begin officially

April
2021

We agree a new approach for signing up to **open letters, statements and pledges**

Details of the **UK Overseas Territories Fund** are shared online and with fellow funders

Virtual Away Day sessions take place

June
2021

The research we commissioned nfpResearch to do, titled '**The future of the grant funding sector**', is published

We are accredited as a **Living Wage** Employer and Living Wage Funder

August
2021

Updates made to our **funding guidelines**, including removing the year break between a grant ending and a new application being submitted

September
2021

The **UK Overseas Territories Fund** opens for applications

The **Museums and Galleries Fund** opens for applications

Protea – our international curatorial exchange programme is announced

Hugh Raven steps down as Chair

We let applicants know about the outcomes of their **UK Overseas Territories Fund** applications, with some successful applicants informed in January 2022 too

We review expressions of interest for **Protea**, with several invited to complete a full request for proposal

October 2021

November 2021

December 2021

January 2022

February 2022

March 2022

We appoint **West Room Research Ltd** to a 12-month project exploring the Foundation's business and philanthropic histories

We celebrate turning 50 with **friends of the Foundation** at an evening event at the Royal Geographical Society

We partner with the **Centre for Knowledge Equity** on the Conference of Equals on 26th November

We have a hybrid **Away Day** session on 25th November

We share our progress against the **Funder Commitment on Climate Change** online

Peter Kyle OBE becomes our new Chair

Protea opens for expressions of interest

We select eight curators for **Protea**

We announce our **Foundation Practice Rating** results

Our strategy is approved and agreed by the Trustee Board

ACHIEVEMENTS AND PERFORMANCE

The year of some more change

The Foundation's Annual Report and Financial Accounts for 2020-21 spoke of the unprecedented levels of change we, alongside so many others within civil society, experienced as a result of the Covid-19 pandemic, and the ways in which we delivered our organisational aims and objectives within this context. During 2021-22, our team and Trustees remained dedicated and ambitious about the work that we are doing. Much of what was unusual in the previous year, especially digital ways of working, have become more normal for us, although we were grateful to have conducted more of our work in person too. Several measures that we had introduced within our grantmaking, in response to the Covid-19 pandemic, became permanent, including: the removal of the year break between a grant ending and a new application being made to us; grant-holders submitting bank account details digitally; and making ourselves available for a chat with new grant-holders six months in to see how they are getting on and to ensure they are clear on who their main point of contact is within the Grants Team.

In December 2021, Hugh Raven, our Chair and our Trustee with a specialist interest in environmental issues left the Board. Hugh joined us as a specialist Trustee in May 2010, and became

Chair in November 2017. He completed two terms of five years, and as Chair we were able to extend his time with us for a further 19 months – this was hugely stabilising and supportive as we navigated the Covid-19 pandemic and several changes in our staffing in late 2019 and 2020, including the appointment of our current Director, Sufina Ahmad, who started in January 2020. This extension also allowed us to complete a thorough handover of Hugh's duties, knowledge and expertise, which included appointing Jonny Hughes as our new Trustee with a specialist interest in environmental issues in March 2021, and Peter Kyle OBE as our Chair-elect in September 2021. Hugh is much missed by us all. He was a committed and collegial Trustee, a brilliant ambassador for our work, and offered us strategic acuity. Fortunately, our paths continue to cross through the many other hats Hugh wears!

Our Grants Assistant, Philee Ang-Chen, who joined us as a Charityworks Graduate in September 2019, left us in December 2021 for a new role at the National Emergencies Trust – we wish her well in this role. We are covering Philee's duties using interim support for now.

As always, we have been guided by **our values** to inform our ways of working. We have tried to work in ways that are **responsive, discerning, connected, flexible** and offer a **personal touch**.

“ Last year marked 50 years since our formation. In March 2021 we agreed an additional spend of £1m to commemorate this anniversary. For us, our anniversary provided an opportunity for reflection on the through-line and legacy of our organisation, and how our past and present can be used to inform and improve our future. ”

We continue to invest time and effort in our external communications through monthly updates or blogs from the team on our website and other publications, increased engagement through our Twitter account, and attending and speaking at external conferences and events.

The year of celebration

2021 marked 50 years since our formation. In March 2021 we agreed an additional spend of £1m to commemorate this anniversary. For us, our anniversary provided an opportunity for reflection on the through-line and legacy of our organisation, and how our past and present can be used to inform and improve our future.

Our 50th anniversary activities consisted of:

Commissioning a research team to explore the origins of our wealth, which is now managed as an endowment by the Foundation.

Launching and leading the UK Overseas Territories Fund, which was a funder collaboration designed to support environmental work in the Territories.

An exploration of the role of lived, learned and practiced experience in eliciting social change through **the Conference of Equals**, which was designed and delivered by the Centre for Knowledge Equity and the Lived Experience Leaders movement.

Protea – an international curatorial exchange programme between the UK and South Africa aimed at curators with at least five years of professional experience.

Gathering friends of the Foundation together for a social event, which included a panel discussion hosted by Dame Julia Unwin DBE that explored, amongst other things, the future of philanthropy.

We worked together as a team and Trustee Board to design and deliver new activities that built on the work we are already doing, including being a more strategic and outward-facing grantmaker that operates with increasing transparency and ambition, and is comfortable in assuming a leadership role where this is required. The celebrations also presented an opportunity to think about how we become a strategically responsive organisation. This means seeking out opportunities to respond to ideas and opportunities where we feel we could add value and make a real strategic difference that benefits our wider stakeholder networks. This is why our three 50th anniversary funding-related activities of the UK Overseas Territories Fund, Protea and the Conference of Equals are linked to our three existing funding categories of the environment, arts (specifically our Museums and Galleries Fund) and social action respectively.

RESEARCHING THE ORIGINS OF OUR WEALTH

As custodians of the legacy of our founder, we think about how little is known to us and others about the second Sir John Ellerman. In the last few years, we have tried to address this through commissioning different pieces of work. Using our 50th anniversary as a catalyst, in August 2021 we ran an open call for proposals to explore our business and philanthropic histories, with a focus on the second Sir John, his father, his sister, Bryher, and the Ellerman companies. In terms of our business history, this includes an analysis of the business-related activities undertaken by the second Sir John and his father, such as acquisitions, investments, partnerships and holdings, as it was the wealth generated from these activities that was used to set up John Ellerman Foundation. From the 14 applications received, we were delighted to appoint Drs Felix Waldmann, Timothy Twining and Michael Taylor of West Room

ACHIEVEMENTS AND PERFORMANCE

Research Ltd to complete a 12-month research project that started in November 2021. Felix, Michael and Timothy have demonstrated a robust understanding of our requirements, and presented us with a 12-month programme of work that is ambitious, thorough and eminently aware of the challenges research like this will face, such as accessing archives in the context of the Covid-19 pandemic, and dealing with sensitivities relating to what we might learn. The research will allow us to interrogate ways in which what we do now complements and possibly contradicts who we were and who we were set up by. The outputs of this research will be available publicly later this year.

The year of designing and approving our new strategy

In July 2021, the Trustee Board agreed that we would devise an organisational strategy – our first in some time. Our new strategy for 2022-25 outlines more clearly our purpose and ambitions as an organisation, and how we hope to deliver against these successfully. It builds on our learning from the last few years, including that which is set out in this document, and the fact that philanthropy, including institutional grantmaking, is under scrutiny. This scrutiny can be helpful, but, within this analysis, philanthropy is often framed in binaries like ‘old’ versus ‘new’ philanthropy. These can offer a useful shorthand, but they are not accurate. The reality is

“ Our new strategy for 2022-25 outlines more clearly our purpose and ambitions as an organisation, and how we hope to deliver against these successfully ”



that we are in fact part of a rich and diverse global philanthropic ecosystem and tradition comprising so many different forms of giving. Whilst we were founded in the 20th century, we operate with a 21st century mindset, and continue to work hard to be a modern and effective grantmaker.

Through our strategy for 2022-25, we hope to work in partnership with others to gain a deeper understanding of what it means to deliver our aim of advancing wellbeing for people, society and the natural world through our grantmaking, investing and wider operations. We will focus our efforts on: our funding offer, ensuring that we embrace and deliver best and promising practice; our investment policy, ensuring that we invest in ways that are aligned to our aim, values and funding categories; our work with others, ensuring that we understand our stakeholders and can work with them to deliver our work together more effectively; and our commitment to accountability, ensuring that we make further progress on diversity, equity and inclusion, transparency and impact and learning. You can read our strategy in full on our website.

The year of delivering more and better

The work outlined in this section has enhanced our own thinking and learning over the past year. We hope that it demonstrates well our ongoing commitment to continuous improvement across our grantmaking, investing and wider operations.

LEARNING FROM AND WITH OTHERS

In 2021, we commissioned nfpResearch to conduct a piece of analysis titled ‘The future of the grant funding sector’. This research formed the third and final phase of a partnership we began with nfpResearch in April 2020, with the first two phases of this work relating to a perception audit aimed at grant-holders and applicants available here.

The research findings are mainly based on feedback from interviews with 12 leaders working within and alongside the UK’s grantmaking sector. Of course, a single report cannot predict the future in full. However, the report does argue for improvements,

particularly in relation to things like transparency, accountability, risk-taking, collaboration and diversity, equity and inclusion, with the reflections often framed in the context of the climate and nature crises, and society’s likely long and arduous recovery from the Covid-19 pandemic. The report offers powerful reflections on a range of matters, including the appropriateness of existing in perpetuity, the efficacy of our decision-making processes, the need for flexible and unrestricted funding, the role of grantmakers in supporting and/or delivering campaigning work, and whether grantmakers are too institutionalised to respond effectively to the threats we face. As grantmakers, we are urged, regardless of our size and approach to grantmaking, to engage with the issues raised. Some solutions are offered, like building trusting relationships within and across organisations, sectors and systems, and the need for grantmakers to invest time and resource into understanding better the multi-layered contexts in which we operate. These are eminently sensible and, more importantly, achievable.

At no point does the report offer simplistic or ‘one size fits all’ solutions to these challenges. The report asks us to embrace disequilibrium. It also expresses well-reasoned pessimism about the level of change and progress that is possible in the next five years within the grantmaking sector, especially given that grantmakers have been slow to act and respond to pressing issues. However, despite this pessimism, there is consensus that more and better is possible.

We also contributed to a wide range of other work on best and promising practice in grantmaking, like IVAR’s report ‘The holy grail of funding – Why and how foundations give unrestricted funding’, the work of Modern Grantmaking movement, including the book ‘Modern Grantmaking – A guide for funders who believe better is possible’ and KEDA Consulting’s report ‘Funding Social Change – How can grant-seekers and grant-makers collaborate to better serve our communities?’. We also joined GrantAdvisor’s #FixTheForm campaign and continued to deliver against IVAR’s Open and Trusting Grant-Making Pledge.

ACHIEVEMENTS AND PERFORMANCE

TRANSPARENCY AND ACCOUNTABILITY

We believe in being an organisation that is transparent and accountable. This year, we supported the Foundation Practice Rating, an initiative commissioned by the Friends Provident Foundation and funded by a group of funders that includes us. The Rating is an important way in which funders can make real progress on accountability, transparency and diversity, equity and inclusion. We have really welcomed the collaborative approach that has been taken to the design of the Rating, including the crowdsourcing of items that funders would be assessed against under each category heading.

We received an overall rating of B (C, B, A for diversity, accountability and transparency respectively). Of the 100 foundations rated, three achieved an overall rating of A, followed by 41 Bs, 28 Cs, and 28 Ds. We are already using the results from our rating report to enhance our own practice, including by making changes that simply had not occurred to us as a small team, like publishing our funding guidelines in Welsh, and sharing more information on our website about when grant payments are made and our reporting requirements, and by providing more information about the work we are already doing that is not fully understood or known externally – especially in relation to diversity, equity and inclusion. This has been a very positive learning experience so far, and we welcome any initiative that enhances the way funders work.

Our endowment affords us the privilege of being able to operate independently and in the long-term. In May 2021, the Trustee Board approved a clearer process through which we could use our voice in support of initiatives like joint letters, statements or pledges. At first this related to our grantmaking activities, but in November 2021, we agreed to extend this to our investing too, namely through shareholder engagement. You can read more about the approach taken here in this

written update on our website. Since agreeing this approach, we have:

.....
Become a Living Wage Employer and Living Wage Funder, in August 2021.

.....
Signed an Open Letter to the Home Secretary and Secretary of State for Justice on the Police, Crime, Sentencing and Courts Bill co-written by Liberty, Bond, Friends, Families and Travellers, Quakers in Britain and Friends of the Earth, in August 2021.

.....
Worked with the Art Fund, Paul Hamlyn Foundation, Esmée Fairbairn Foundation and Museums Association to consider **the funder response to the culture wars**, which has included supporting an 18-month, UK-wide programme to embed decolonising work in museum professional development and broaden and deepen the understanding and expertise in this area of museum practice, and releasing joint communications about this in November 2021.

.....
Signed the ‘COP26 declaration of asset owner climate expectations of asset management’, led by Students Organising for Sustainability and Provident Foundation, in partnership with the Charities Responsible Investment Network and Responsible Investment Network – Universities, in November 2021.

.....
Signed a joint letter from charitable trusts and foundations, coordinated by the British Institute for Human Rights and aimed at Government, **on the consultation on the Human Rights Act**, in February 2022.

This approach has also been used for private engagement work aimed at the financial and professional services. This engagement usually relates to concerns that some of their investing and operational practices are exacerbating the climate and nature crises.

DIVERSITY, EQUITY AND INCLUSION

Like many of our peers, we recognise that the failure to prioritise and improve diversity, equity and inclusion practices within institutional philanthropy and the wider charity and philanthropic sectors, has led to the inequitable distribution of funding (as evidenced through the work of initiatives like the Funders for Race Equality Alliance, for example). As a sector, this failure manifests itself primarily through our non-diverse staff teams and Trustee Boards, and the ways in which our funding practices, processes and cultures disproportionately disadvantage marginalised groups – among the very groups we seek to support through our funding in the first place – as evidenced through the Association of Charitable Foundation's Diversity, Equity and Inclusion report as part of their Stronger Foundations programme.

We have had a Diversity, Equity and Inclusion Accountability Plan in place since January 2021, and it is the joint responsibility of the Director and the Trustee Board (which includes a lead Trustee on diversity, equity and inclusion). The Plan is updated every calendar year, and aims to deliver greater equity and improved funding practices through developing and embedding a shared organisation-wide understanding of diversity, equity and inclusion and applying this throughout our operations. This includes: the management of our underlying endowment; our grantmaking; the recruitment, retention and progression of our staff and Trustees; our internal and external communications; and research into the derivation of our wealth.

As part of this work, in 2021/22, we have worked with fellow funders of the Resourcing Racial Justice initiative through a funder retreat in October 2021 and individual and group coaching sessions to consider our role in championing diversity, equity, inclusion and racial justice in our own organisations and the funding sector more widely. We were privileged to hear from disability rights campaigner Zara Todd, as a guest speaker to our

Trustee Board and staff team in September 2021, on ways in which we can consider diversity, equity and inclusion, disability rights and intersectionality in our grantmaking. We have continued to be active contributors to the Diversity, Equity and Inclusion Data Group, convened by Esmée Fairbairn Foundation and the National Lottery Community Fund. This Group produced the DEI Data Standard, which we have agreed to adopt and implement as part of our application process. In March 2021, we finalised the build of the form within our grantmaking software, and it will be available to use by applicants in 2022/23. By adopting the Standard, we can understand more clearly the kinds of organisations and work that we are supporting from a diversity, equity and inclusion perspective, and then consider ways in which we might wish to increase the number of applications from different groups within the sector.

As part of our commitment to diversity, equity and inclusion, specifically equal pay, we are also pleased to share for the first time information on our gender pay gap. However, it is worth noting that as a small team of 5.8 full time equivalents we are not legally required to share these figures, and these figures are statistically insignificant. Our gender pay gap within the staff team is 14%. This has been calculated as at 5 April 2021, and uses the methodology set out in guidance from the Government Equalities Office applying mean (average) compensation on an hourly equivalent basis. This means that there is a gap of 14% between male and female pay on mean average within the team.

NET ZERO AND ENVIRONMENTAL SUSTAINABILITY

As a signatory of the Funder Commitment on Climate Change since December 2019, we are committed to addressing the climate emergency through: education and learning; committing resources; integrating climate into our work; stewarding our investments for a post-carbon future; and decarbonising our operations. We have published our progress against each commitment to our website and shared it with other signatories.

ACHIEVEMENTS AND PERFORMANCE

Key highlights from the last year relate to our Investment Policy and our Environmental Sustainability Policy, and are set out below, as well as the fact that in March 2022, our Trustee Board and staff team undertook Aim-Hi Earth's Climate and Nature course.

The Investment Policy we adopted in July 2020, which is available publicly on our website, represents a roadmap to doing good with 100% of our assets. We discuss and evolve the Policy with others through speaking engagements, blogs on our website, articles for other relevant publications, and our membership of CRIN (the Charities Responsible Investment Network, convened by ShareAction) and FIRM (the Finance Investment and Resources Management group, convened by the Association of Charitable Foundations). We are still spending approximately 4.5% of our average quarterly Net Asset Value over three years, and this is reviewed annually with rigour.

In the last year, we have been having robust Board-wide discussions about the ways in which we want to engage with our fund managers to ensure that the investments we make do not contradict the kind of work we support through our grantmaking – especially in terms of our environmental work, specifically work relating to mitigating the impact of the climate and nature crises. This is manifesting itself in conversations about investing in a way that meets the Paris Agreement targets of *'a climate neutral world by mid-century'*, or another way of putting it is Net Zero by 2050. There are plenty of evidence-based arguments showing that we need to reach Net Zero sooner than 2050, and that even if we do meet Net Zero we should also be striving for a carbon positive future. We are therefore very committed to working with our fund managers to think about what a net zero or carbon positive investment portfolio looks like, and the steps that need to be taken in order to achieve this, such as the shareholder engagement work described earlier under the section titled *'Transparency and accountability'*.

We are not yet in a position to state definitively what responsible investing means to us, and how

we invest in ways that promote our organisational aim and our ability to make grants without undermining this work at the same time. However, our strategy sets out our ambition to have a much clearer shared understanding on this by 2025.

Linked to our work on the Investment Policy, and our wider considerations of the environment, we replaced our Sustainability Policy with an Environmental Sustainability Policy in February 2022, which is available publicly on our website. This Policy sets out our commitment to align our actions and intentions with our organisational aim, by seeking to be environmentally sustainable in all that we do, and to address and mitigate the environmental consequences of our activities, including our internal operations, procurement, governance, grants and investments.

The year in grantmaking

We continue to review and update all aspects of our grantmaking on an ongoing basis, including a formal review of our funding guidelines between August and October each year. We have also used the learning from our 50th anniversary grantmaking-related activities to inform our wider grantmaking, and this is why in January 2022 we updated our guidelines again to reflect the fact that for work in the UK Overseas Territories, we are now happy to accept direct applications from some Territory-registered charities – this means taking a nuanced approach and distinguishing between Territories based on their respective charity governance systems.

Other changes of note include our trial of group pre-application sessions online, in addition to the pre-application advice already available over phone, email and one-to-one meetings. We will be looking to carry out more group sessions later in 2022. As of February 2022, we are now asking all second stage applicants to submit their environmental policy (or equivalent). We are also encouraging our grant-holders to pay the Living Wage, especially where our funding is towards salary costs, on account of our accreditation as a Living Wage Funder.

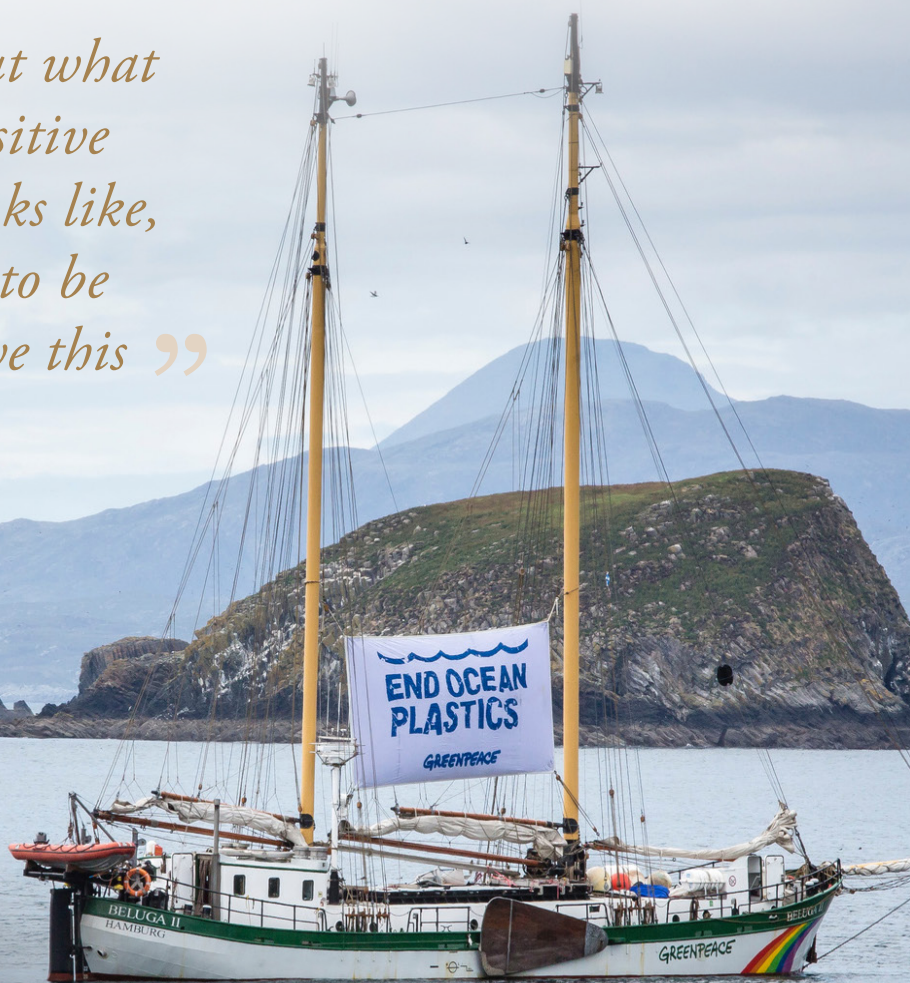
FUNDER PLUS

We hope to build a more strategic funder plus offer for our grant-holders in the coming years. In the meantime, the Trustee Board approved funding for two funder plus initiatives in November 2021 and March 2022. The first relates to training sessions on productivity and time management by Smarter Not Harder Solutions, the details of which will be shared with grant-holders later in 2022.

The second is an offer from More In Common who will be offering our grant-holders regular webinars, partner briefings, focus groups and training over 12-months from May 2022 onwards. More In Common aims to build more united, inclusive and resilient societies that celebrate what we have in common with each other, and to bring people

together to tackle our shared challenges. They undertake large-scale public opinion exercises in the UK, and deliver analysis that is rooted in values and social psychology, shifting the focus from the tip of the iceberg to the deeper beliefs that shape what people think and do. Their work supports campaigners for social and environmental change, policy makers, purpose-driven businesses, educators, democratic institutions and more in numerous ways, especially in relation to helping civil society groups understand how their goals interact with the public's values and identity and those who have less trust. More In Common has recently worked with Climate Outreach (one of our grant-holders) on their 'Britain Talks Climate' work, as well as supporting work in the arts sector relating to the culture wars, including through their 'Dousing the Flames' work.

“ We are very committed to working with our fund managers to think about what a net zero or carbon positive investment portfolio looks like, and the steps that need to be taken in order to achieve this ”



Case Study

Grant to WILDLIFE AND COUNTRYSIDE LINK, made through our Environment funding category

In July 2021, the Foundation contributed £150,000 over three years towards the core costs of Wildlife and Countryside Link (Link). Link represents a coalition of 60 English wildlife charities, and aims to influence relevant law and policy by convening and leading the sector. Its principal activities include developing policy, coordinating a unified environmental voice in advocacy and campaigning and helping to strengthen the sector by sharing best and promising practice. On the latter, this includes leading work to support its members engagement with and response to diversity, equity and inclusion.

Link has not always been known for its campaigning work, but has enjoyed a long-standing reputation for policy influencing work. The team is undertaking new approaches in both these areas, which involve Link working more strategically and flexibly to respond to political and legislative opportunities as they arise, as well as being bolder about leading policy and campaigning initiatives like its State of Nature campaign. The campaign was supported by over 200,000 people, and led directly to a world-first legal commitment to halt the decline of biodiversity by 2030. These changes are vital and welcomed by their members, with many

having to cut their policy functions in response to the financial constraints caused by the Covid-19 pandemic.

We committed to this grant because it was ambitious and timely, especially given that so many environmental policy changes are happening now. Furthermore, Link has a very strong track record of success and is well supported and much needed by its members and the wider environmental sector too.

On their experience of applying to us, Richard Benwell, CEO said: *“With so much pressure to show results “on the ground”, few funders find the space to support work on policy and legislation – even though the environmental benefits can be enormous. That’s why we’re hugely grateful to John Ellerman Foundation for backing our work, and doing so in a way that’s simple, manageable and supportive for a small charity. Already, with your help, we’ve won changes to the law that will help shift the system toward a greener future. It may not make a great photo, but hopefully it will make a big difference!”*

Wildlife and
Countryside



Case Study

Grant to TURKS AND CAICOS REEF FUND made through the UK Overseas Territories Fund



In January 2022, the Foundation provided £121,837 of funding to the Turks and Caicos Reef Fund over two years for a feasibility and pilot study to explore and trial a land-based coral nursery in order to establish a coral species survival programme for corals affected by Stony Coral Tissue Loss Disease (a new highly fatal coral disease). The work is being delivered by the Executive Director, a part-time manager and volunteers (of which the organisation has around 100) primarily, and in partnership with the Reef Institute based in Florida, who have previously delivered similar work.

The Turks and Caicos Reef Fund was entirely volunteer-led and run until it hired its first full-time Executive Director in February 2021. Their mission is to help protect the environment on the Turks and Caicos Islands through education, research and advocacy. They work closely with the Department of Environment and Coastal Resources on the Turks and Caicos Islands, and since forming in 2010 they have delivered various large-scale marine projects, including becoming

a regional leader in Stony Coral Tissue Loss Disease. They also work in partnership with other UK Overseas Territories, offering advocacy and expertise support where this might be required.

We committed to this grant because it demonstrates a strategic and ambitious response to environmental needs impacting the Turks and Caicos Islands, but marine habitats more widely. We were also very pleased to be able to support a Territory-based NGO directly, rather than requiring a UK-based conduit charity, which is what we have done previously.

On their experience of applying to us, Don Stark, Chairman of the Turks and Caicos Reef Fund said: *"The process was straightforward and simple. The review time and requirements for accepting the grant offer: the easiest I have experienced in 12 years of working to secure grants to support our work"*.



ACHIEVEMENTS AND PERFORMANCE

ENVIRONMENT

We continue to support work that contributes to greater harmony between people and planet, by funding practical conservation and policy work that protects the seas and creates richer more sustainable places on land. 2021/22 was another important year for the environment, with the UK Government hosting and organising COP26 in Glasgow in November 2021. We are sharing three case studies relating to the environment in this section, as the last year has been a significant year for us in relation to the environment.

This year can perhaps be best epitomised through our leadership of the UK Overseas Territories Fund – a vital, but often overlooked, area of environmental philanthropy. We have been a long-standing supporter of work in the UKOTs, having made our first grant to UKOTs-based work in 2013. The Fund was launched in October 2021 as the centrepiece of our 50th anniversary celebrations – with an eventual commitment of £1,050,010 to nine organisations. We contributed £900,010 to the Fund, with a further £150,000 received from two other funders. Four other funders joined as aligned funders, which means that in January 2022 we shared applications we were unable to fund with them to review and decide if they wanted to invite the applicant to apply to them directly.

We received 27 applications from a mixture of UK-registered charities and Territory-based NGOs, with a total request of £3,089,523. The applications related to work based across nearly all of the UK Overseas Territories, and for a really exciting range of marine and land-based work including: scientific research; community engagement; building organisational core capacity, including in some cases for fundraising and business development related activities; land acquisition, restoration and/or management; policy influencing work directed at the relevant legislative structures and frameworks; support of existing teams and work so that great work can continue; innovative new work relating to

new technologies and ideas being implemented in pursuit of ambitious climate and biodiversity mitigation goals; and more. Much of the work shared is rooted in community and builds on expertise and insights that have already been gathered through the applicant and relevant partners. A lot of the work also relates to the ambition held across the UKOTs to deliver work that responds to the climate and nature crises and mitigates against the worst impacts of these crises for the benefit of not just their own Territory but the wider planet.

For this Fund, we opted for a one-stage application process, with the option of a follow up video call if needed – rather than our usual two-stage application process. We took this approach mainly because it incorporated the ideas and insights from our fellow funders and advisers on the Fund, and it was more appropriate given the overall lower levels of fundraising capacity and capability within charities and organisations delivering environmental work in the UK Overseas Territories.

We are thrilled with the grants made through this Fund, and are proud to have led such an important initiative. We are also confident that it has raised much more awareness amongst the wider environmental philanthropic community of the need to fund environmental work in the UK Overseas Territories.

SOCIAL ACTION

Social action remains a popular funding category, attracting more than half (59%) of the applications received under the Main Grants programme. We continue to support policy, advocacy and campaigning work that helps create an inclusive society where all can thrive, by supporting organisations making positive changes at a systemic level. In the last year, we have seen through our grant-holders and applicants the risks caused by legislative changes across a myriad of areas, including for example the Nationality and Borders Bill.

Case Study

Grant to WE BELONG through our Social Action funding category

In July 2021, the Foundation provided We Belong with £90,000 over three years towards the costs of a Manchester-based Outreach Officer. We Belong is an award-winning charity that was set up in 2019, having started as Let Us Learn, an initiative hosted within another charity. It is the first UK-wide campaigning organisation to be run by and for young migrants, working with young people who migrated to the UK as children and are still subject to Home Office control, despite having grown up in the UK. Their work is rooted in practical delivery through their outreach work to schools and Universities, a nationwide advice line and a leadership course for young migrants. Their expansion to Manchester represents their ambitions to build place-based chapters across the UK that can provide on the ground support to young migrants that are navigating the UK's Immigration System. Their practical work guides their campaigning work, which involves a robust and effective parliamentary engagement process, alongside producing impactful and hard-hitting reports (including written research and radio and TV documentaries and interviews), partnerships with other charities and engaging digital and social media content. In October 2021, We Belong achieved a very significant campaign win that saw the Home Office publishing a 'concession' to the family immigration rules that reduces the route to settlement on the Limited Leave to Remain route from 10 years to five years.

We committed to this grant because We Belong is a young, ambitious and impactful policy, advocacy and campaigning organisation that is led by those with lived experience as a young migrant. They take a considered and strategic approach to their work, with strong evidence

[Please note that our Director is a Trustee of We Belong – this conflict of interest was managed as per our Conflicts of Interest Policy, and she was not directly involved in the decision making].



of impact and partnership working, and have a team that is capable, knowledgeable and dedicated.

On their experience of applying to us, Chrisann Jarrett, CEO said: *"The team at John Ellerman Foundation were extremely helpful throughout and communicated with us what was needed at all points. From the onset, it was clear they wanted to work with us to submit the best possible application. As a young organisation with a small team and limited capacity, we also welcomed the fact that the application process was not onerous."*



Case Study

Grant to WELSH NATIONAL OPERA through our Arts funding category

In September 2021, the Foundation awarded £120,000 over three years to Welsh National Opera – one of the big four opera companies in the UK and one of the largest providers of touring opera in Europe. Renowned for engaging people of all ages and backgrounds through their extensive partnership, engagement and development work, Welsh National Opera has received many accolades and critical acclaim since it was founded as an amateur company in the 1940s by a group of miners, doctors and teachers, including the 2018 Achievement in Opera Award at the UK Theatre Awards. They tour regularly to mid and main-scale venues, and their tours include regular participatory activities at the 'WNO Hubs' in Wales, the West Midlands and the South Coast of England.

Welsh National Opera has been funded by us previously, and although they are above our annual turnover threshold of £10m, we felt they passed the 'only they can do it' test, because of their importance as a Welsh-based organisation and their national and international significance as a touring opera company. They originally requested £50,000 over one year for new and updated works during their 2021/22 season, but in discussions at the second stage this was

changed to a higher figure for use towards organisational core costs.

This grant was a strong match with our criteria and presented an opportunity to support a Welsh-based organisation with an excellent executive and creative team as it recovers from the pandemic.

On their experience of applying to us, Aidan Lang, General Director said: *"The Foundation's support has been instrumental to us in maintaining our commitment to the creation of new work and highlighting the relevance of our art form to audiences old and new. This is especially important now that the Company is emerging from the pandemic and we are in a better position to return to our usual performing pattern. The Foundation was extremely supportive throughout the application process, clearly outlining what was expected from us. Meetings with the Foundation at Stage Two were of great help to us in shaping our proposal. We were able to discuss the Company's artistic ambition in more detail, as well as discussing how a longer-term grant could better support us in realising our intended impact".*



In November 2021, the Centre for Knowledge Equity and LEx (Lived Experience) Leaders Movement ran the Conference of Equals for us. This was a hybrid event that took place in Bristol, York, Belfast, Edinburgh and Swansea and brought together around 100 changemakers, lived experience leaders, funders and our grant-holders for a one-day deep dive into the ways in which funders, campaigners, community organisers and movement builders can support each other to deliver social change in a way that is equitable, inclusive and centres the joy, abundance and brilliance of lived experience leaders. The Conference was the beginning of a partnership between us and the Centre for Knowledge Equity, and we are having ongoing discussions with them and internally to think about things like how we better articulate our approach to funding and supporting work that is led by and for people with lived experience, and encourage other grantmakers to do the same, as well as considering how to provide access to our funding to those groups that choose not to become a UK-registered charity.

ARTS

In the last year, our arts category, which includes our Museums and Galleries Fund, inspired us with much curatorial and creative excellence and expertise – including with some very welcome in-person activity! We know that arts and culture can enrich and transform lives, and we were proud to continue funding organisations that nurture, incubate and commission those people who make and curate work.

Our 50th anniversary allowed us to unleash the protean potential of curating through Protea – our international curatorial exchange programme between South Africa and the UK, which recognises the importance of curators in preserving, promoting and presenting culture. We selected South Africa because of the second Sir John's close ties and affinity to the country. We received 46 high quality expressions of interest from curators across the UK and South Africa in February 2022, with some then invited to complete a request for proposal. In March 2022, we selected eight curators who will undertake their circa 10-day exchanges between May and June 2022. The funding will therefore be released in the 2022/23 financial year, and so referred to in our next Annual Report and Financial Accounts. We look forward to sharing more details about this ambitious and unique programme later in the year.

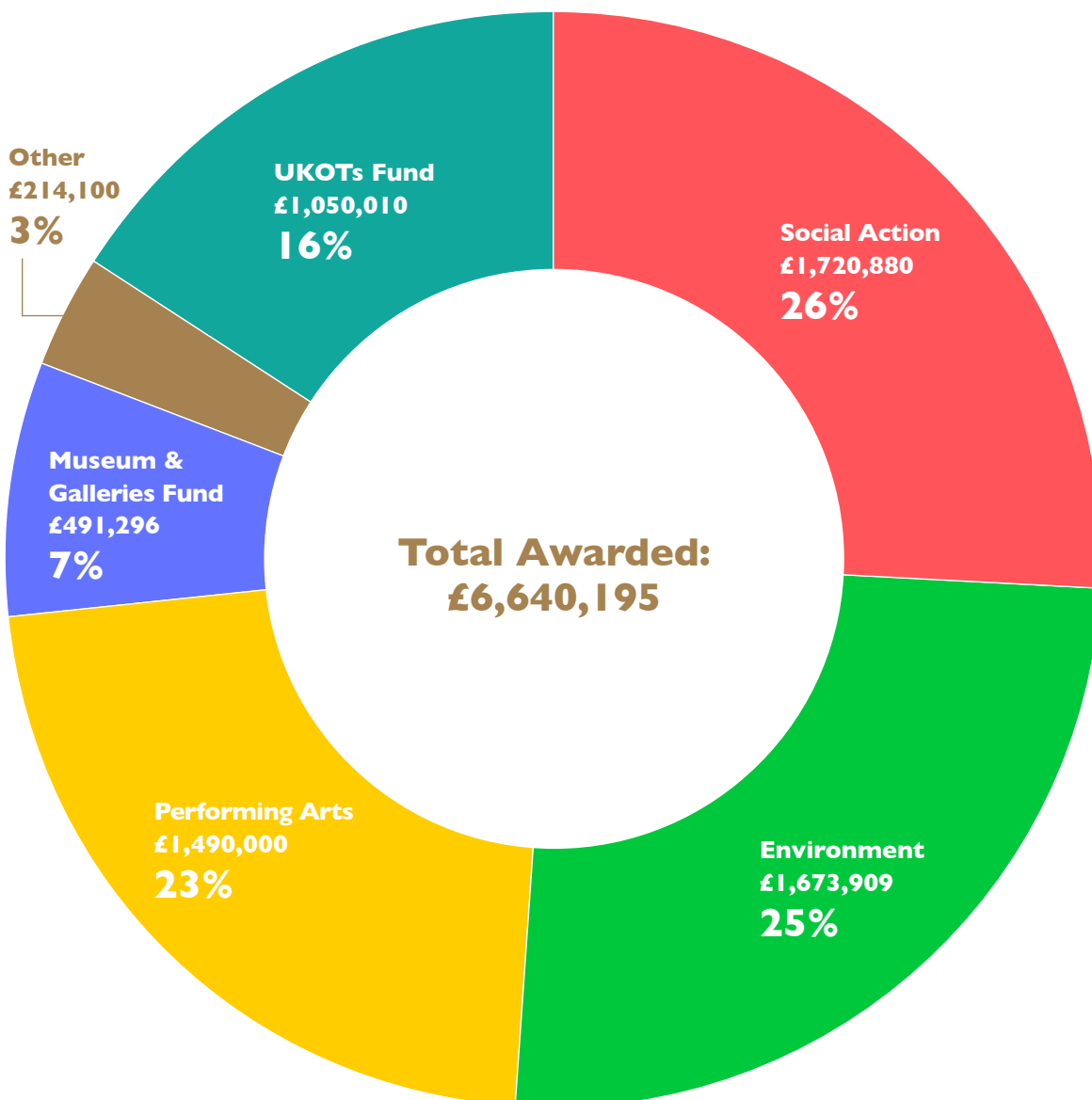


THE YEAR IN NUMBERS

This year was the third full year of operation under our current grants strategy which was launched in June 2018.

We publish details of grants approved on our website following Trustee Board meetings which take place six times a year, and our grants data is also published on 360Giving. A list for the full year is included later in this report.

Grants Awarded 2021-22



Grant numbers

72

We made 72 grants (64 last year) worth £6,640,195 and incurred a further £44,760 of grant-related expenditure.

Reflecting one of our core values, flexibility, Trustees supported the work of 11 organisations or funder collaborations which did not strictly fit with our funding criteria, but whose work is very closely aligned with our organisational aim, values and funding priorities. Two of the grants are part of our 'Funder Plus' offer, providing training and support to our grants. All 11 grants are shown as 'other' in the pie chart opposite.

Size of organisation

78%

The majority of our grants (78%) went to medium (annual income between £100k and £1m) to large (annual income between £1m and £10m) charities. This is less than last year when 94% fell in that bracket. This year 14% of grants were awarded to organisations with an income under £100k but which provided us with confidence that they would meet our minimum threshold in the near future. The remainder (8%) went to charities with an income over our maximum limit of £10m because they were deemed uniquely placed to carry out the proposed work and made a convincing case regarding funding need.

Grant size

£108,856

Not taking into account the 11 exceptional grants mentioned above, the average overall size of a grant increased again this year to £108,856 (compared to £100,727 last year).

Core funding

76%

76% of our grants (or 55 out of our 72 grants) were for core funding, while the remainder supported project costs. The latter include three grants towards land purchase in the UK Overseas Territories as part of a number of new approaches taken in the context of our collaborative UK Overseas Territories Fund. Of the 55 core grants, 37 were for restricted costs (typically a salary or a specific part of core activity) and 18 for unrestricted core costs. This represents an increase in unrestricted core grants, which is consistent with a trend seen in the last four years.

Length of grant

3 years

This year more than half of our grants were for three years (38 out of 72), with the remainder split as follows: two years (13) and one year (16). The rest of the grants differed in length, as requested by the applicants, ranging between one and three years. We actively support this flexible approach as we know that longer-term funding is more beneficial to most applicants. At the same time, we are keen to remain open to applications for shorter periods.

ACHIEVEMENTS AND PERFORMANCE

Share of grants between the different categories

The budget for the year was £5,817,592, which included an under-spend of £17,592 from the previous financial year. We also agreed an additional spend of £800,000 for the UKOTs Fund. This year Trustees again chose to remain flexible and did not allocate a share to each of the Main Grant categories at the start of the financial year.

The grant spend across the categories was spread as follows: Arts (including Museums and Galleries) received £1,981,296; Social Action received £1,720,880; and Environment received £1,673,909.

This year we ended with an under-spend of £127,407 which is being carried forward to the budget for the 2022/23 financial year.

Category breakdown

Of the 13 Performing Arts grants awarded this year, five went to theatre companies and music organisations each, whereas opera and dance companies received two and one grant(s) respectively.

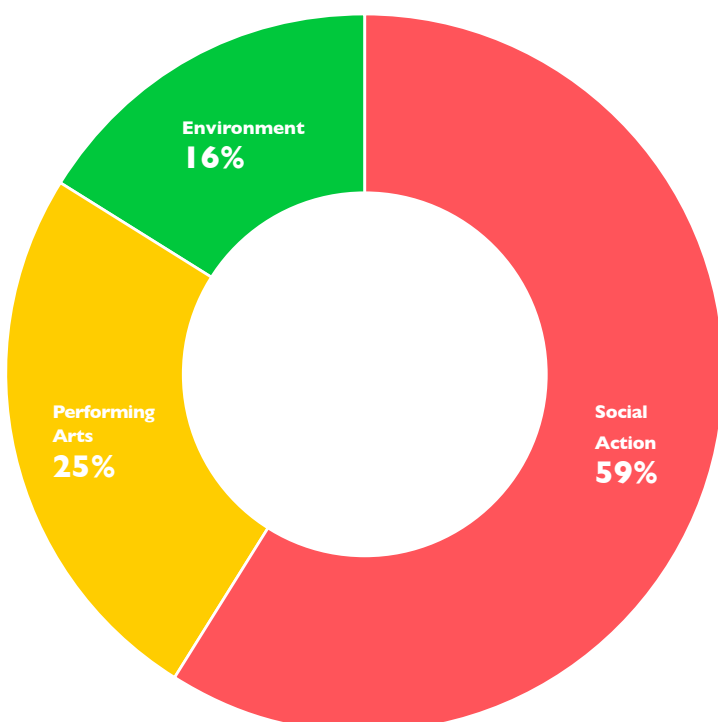
In Environment nearly half of the grants (seven out of 16) went towards either freshwater or marine-based work, whereas three grants supported land-based conservation activity. Two grants were specifically aimed at tackling climate change, and the rest went towards a range of topics including air quality, sustainability, food & agriculture and rewilding.

In our Social Action category, we supported charities working towards systemic change through policy influencing, advocacy and campaigning activities across a very broad spectrum of issues including migration & asylum, human rights, domestic abuse, racial justice, corruption and labour exploitation.

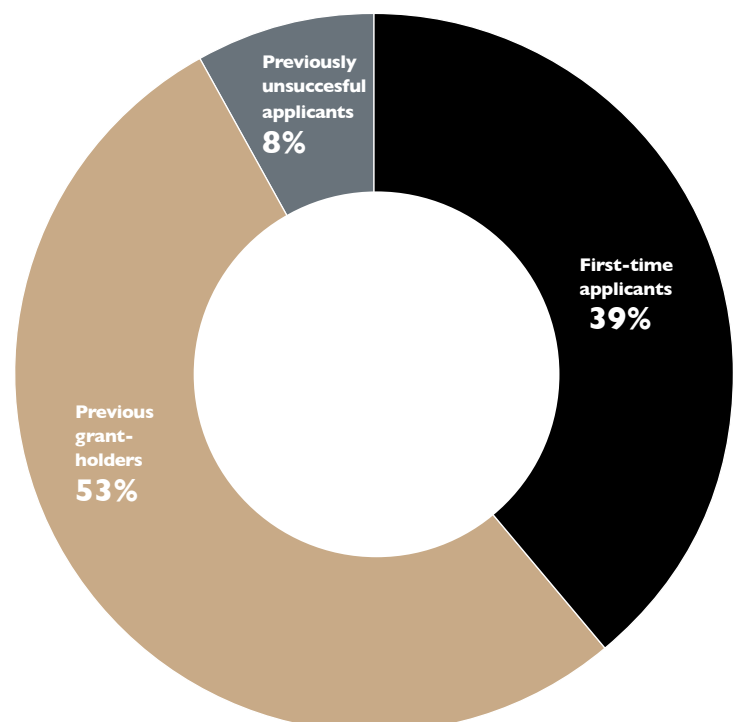
Eligibility

We received 298 first-stage applications this year. Over half of these came in under Social Action (59%) followed by Performing Arts (25%) and Environment (16%). Out of the 298 applications received under our main categories, 94 did not meet our criteria and five decided to withdraw, resulting in 199 applications (67%) being presented for

% APPLICATIONS BY CATEGORY



% SUCCESSFUL APPLICATIONS BY TYPE OF APPLICANT



review by our Trustees. By far the highest proportion of ineligible applications were again in Social Action (61%) whereas 27% and 12% of proposals received under Performing Arts and Environment respectively were deemed to be outside guidelines.

On the whole, the reason for not progressing applications related to the fact that they did not provide a sufficiently strong fit with the individual criteria of the relevant funding category. Lack of national significance, relative to competing applications, is also on the rise again as a significant rejection reason.

Applications and success rates

Of the 199 (compared to 188 last year) eligible first-stage applications assessed under our three main categories (i.e. excluding Museums and Galleries Fund, our 'other' category and UKOTs Fund), 61 resulted in a grant. This represents a success rate of 31%, which is within the range observed since we launched our current grants strategy in 2018.

Of the 69 applications presented for decision at a Trustee Board meeting under our Main Grants

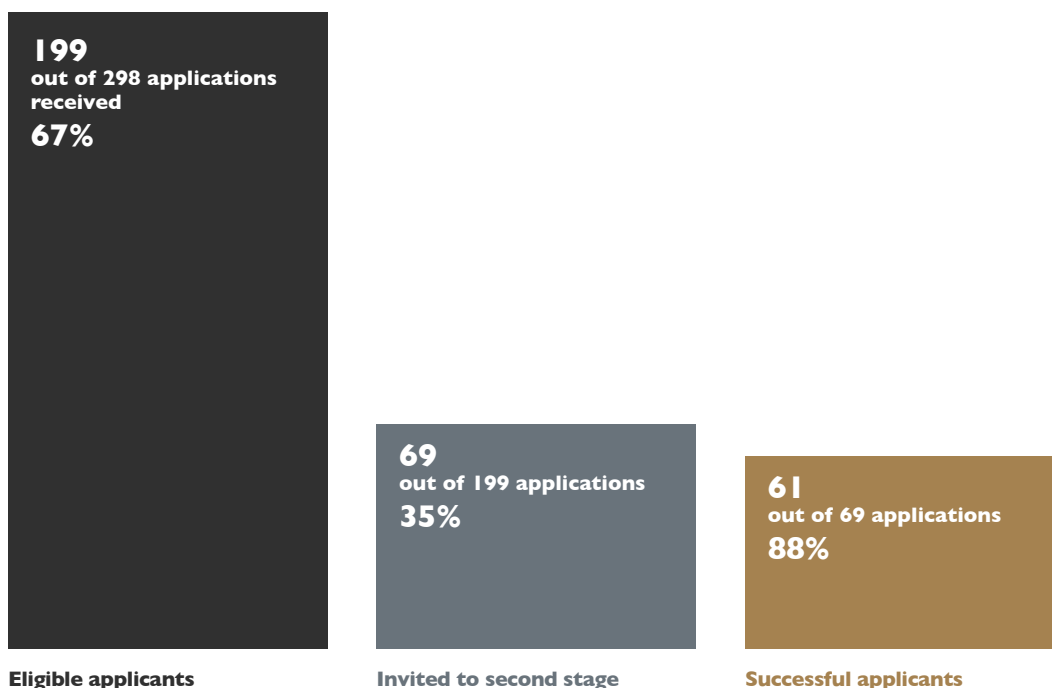
Programme this year, eight were declined. This represents a success rate of 88% at second stage, which is slightly lower than last year's success rate of 91%, but exactly the same as the year before that. This year the success rate varied significantly across the different funding streams; six second stage applications under Social Action were declined, whereas Environment and Arts each saw one application being declined.

Of the 72 grants awarded in total this year under all funding categories and funding streams, 28 (39%) went to first-time applicants and 38 (53%) were awarded to previous grant-holders. The remaining six grants (8%) were made to organisations who had applied to us unsuccessfully on previous occasions.

Grant portfolio

At the end of this financial year our live grant portfolio was made up of 189 grants managed by three members of the team. This is a slightly higher number than in recent years for several reasons; we made nine additional grants through our UK Overseas Territories Fund, we are making more

SUCCESS RATES



ACHIEVEMENTS AND PERFORMANCE

grants under our 'Other' category than before and finally, due to the Covid-19 pandemic, some of our grant-holders asked us to extend the grant period in order to make optimal use of the funding.

While many of our grant-holders took up our offer of increased flexibility in terms of reporting and payment timeframes, there were no significant alterations (such as withdrawal of grant offer or payment cancellations) to any of the live grants this year.

Our live portfolio at the end of March 2022 was spread across categories and funding streams as follows: Social Action - 54 (28%), Environment - 51 (26%), Performing Arts - 39 (20%), Museums and Galleries Fund - 21 (11%), Other - 20 (10%) and UK Overseas Territories Fund - 9 (5%).

Grants to museums and galleries

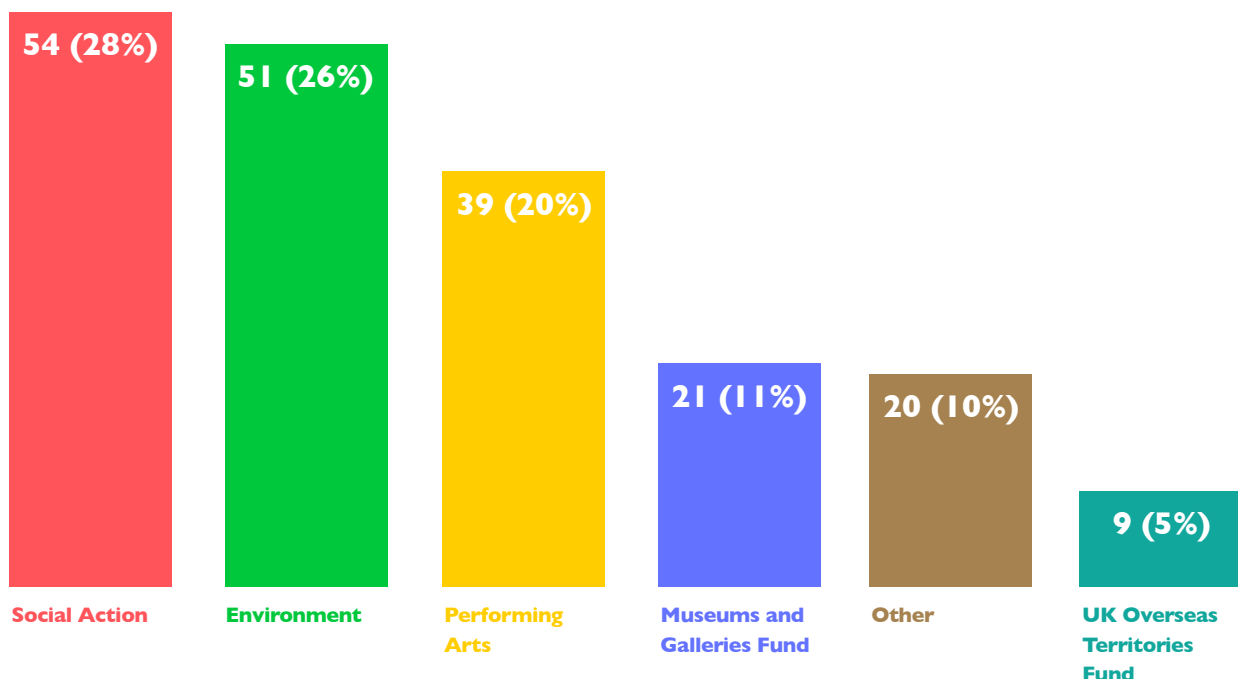
This Fund concentrates on museums and galleries outside London, with a focus on enhancing and sustaining curatorial capacity and development. In January 2022 we received 33 first stage applications, which is significantly less than last

year (61), and the previous year when we received 69 first stage proposals. This drop in numbers is likely to be the result of a combination of factors, including the impact of the Covid-19 pandemic on the capacity and focus of museums and galleries all over the UK.

The applications received were of a high quality overall, and with a limited annual budget of £550k competition in this Fund remains strong. The focus on curatorial development and the funding of existing and new curatorial posts was, as expected, a key element to many of the applications. Alongside this, there was a discernible trend among the funding requests to support efforts around digitisation, rationalisation of collections and recovery from the Covid-19 pandemic.

Trustees decided to invite six applications to second stage, with final decisions due in May 2022. As in the previous year, we signposted those applications which demonstrated a strong fit with the criteria but exceeded our available budget to a group of other funders.

LIVE PORTFOLIO AS AT 31 MARCH 2022



Case Study

Grant to JURASSIC COAST TRUST through the Museums and Galleries Fund

In May 2021, the Foundation awarded £80,000 over two years to the Jurassic Coast Trust, towards the costs of the Conservation Officer (Palaeontology) role to deliver their Jurassic Coast Collection programme. The Jurassic Coast World Heritage Site is one of only four World Heritage Sites in Europe inscribed principally for the importance of their fossils. The Jurassic Coast's fossil record spans the 185 million years of the Mesozoic Era and specimens are dispersed between local, national and international museums and universities, as well as private collections. The Trust leads and manages a complex but ambitious partnership of stakeholders, made up of experts from across the museum and academic sectors, communities and private collectors.

The Conservation Officer's role is ambitious and necessarily so, with new fossils regularly being exposed through erosion. These need to be expertly collected, prepared and curated to avoid them being lost forever. The Conservation Officer is responsible for facilitating a wide range of partnerships, training volunteers, registering specimens to expand the collection and leading a scoping study into how best to ensure important fossils can be accessed, studied and more widely enjoyed in the future.

This grant demonstrated curatorial excellence that built upon the Trust's extensive experience of working successfully in partnership with others locally, regionally, nationally and internationally.

On their experience of applying to us, Guy Kerr, Business Development Manager said: "We were very impressed by John Ellerman Foundation's grant application process. The initial application was very straightforward and enabled us



to clearly and concisely communicate the ambitions of our project. At our interview, we were impressed by the Foundation's openness towards supporting the novel concept of our project, and by their emphasis on partnership working between multiple stakeholders as a core component of the application".





FINANCIAL REVIEW

Investments

Our investment aim is to manage our funds so as to balance Trustees' desire to maintain a high level of grantmaking consistent with operating in the long term. This aim provides the underlying basis for our investment objective, which is to achieve a real return of 4% annually over the long term. The Finance and Investment Committee determined in March 2021 that we would shift to a CPIH-based measure of inflation and this is now the basis of our investment objective. Trustees have adopted a Total Return approach, which means that both income from the portfolio and the underlying capital can be used to support our activities.

Following the initial implementation of our new Investment Policy last year, 2021-22 has seen a number of positive decisions taken to put that Policy into practice. We have seven fund managers, who are responsible for all asset allocation decisions within an overarching strategic framework set by the Finance and Investment Committee. During the year, in line with values underlying our Investment Policy as well as our commitments as a signatory of the Funder Commitment on Climate Change, we continued to challenge the environment, social and governance policies and practices of the managers and funds who invest our endowment on our behalf. We also acted on last year's intention to increase our chances of achieving our target returns through actively increasing the risk exposure of the portfolio. We have asked our fund managers to look at our equity exposure on a global basis so as to address the traditional UK bias, with the result that our UK equity exposure has reduced to 10% of our equity portfolio. We have also begun a process to transfer funds out of investments that offer little expectation of delivering on our CPIH + 4% investment objective.

Investment performance

The Finance and Investment Committee monitors the performance of each fund manager. First, the managers' primary objective is to achieve a real return target of CPIH + 4% annually, net of costs. Second, a comparison with a simple benchmark of 80% UK equities and 20% UK government bonds is used to provide evidence of the benefit of running the diversified, actively managed investment structure. As we have taken our portfolio in a more global direction, we are looking at a more appropriate benchmark for this purpose.

Stanhope Consulting continues to provide us with performance measurement analysis, commentary on the managers' performance and modelling options to assist with the review and planning of the investment policy.

At 31 March 2022, our investment portfolio was valued at £158m, a 5% increase over the previous year's level of £150m. The portfolio Total Return for the financial year ending 31 March 2022 was 9.2% (2020/21: 20.5%), compared to the long-term inflation + 4% objective of 12.0% (2020/21: 5.5%) and the total return for the simple benchmark of 9.2% (2020/21: minus 19.8%).

Over the last 5 years, the portfolio total return of 6.2% per year has not kept pace with our inflation + 4% benchmark return of 7.6% per year, largely as a consequence of recent inflation rises, and our managers have, in aggregate, exceeded the simple benchmark return of 4.2% per year.

Income and expenditure

The Foundation's income derives largely from its investment portfolio. Total investment income of £3.0m (2020/21: 3.1m) was 4% below that of the previous year, with an evolving asset mix in the aftermath of the Covid-19 pandemic.

In line with our Total Return approach, we realised £2.0m during the year through sales from our portfolio to meet our projected working

capital requirements for the near future. This amount was more than required simply to cover the year's anticipated difference between income and expenditure, reflecting our response to expectations of an increasing level of market risk.

We have three significant items of expenditure: the grants that we make, the costs of managing the investment portfolio and our running expenses (of which staff costs are the major component). Total expenditure this year was £7.4m, compared to £6.3m last year, as we chose to make available an additional £1m of spending in connection with our 50th anniversary. Excluding this additional spend, Grants were £6.7m (2020/21: £5.7m); Investment Management costs at £0.55m were 2% greater than in the previous year; and our running costs of £0.7m were 8.5% (2020/21: £0.7m, 9.8%) of total expenditure (excluding direct investment costs). Trustees are mindful of the need to control running costs in order to maximise the amount available to spend on grants. We continue to monitor these closely.

Spending policy

We manage our assets and expenditure for the long term – which we define as 30 years. This time horizon is reviewed every three years and will be reviewed again in 2022. In April 2015, Trustees held a special meeting to determine an appropriate spending policy, concluding that annual expenditure would be set at 4.5% of the value of our net assets, averaged over the quarter end values of the last three calendar years. Our spending policy is reviewed each year in setting the annual expenditure budget, and this year the review took place against a background of high inflation, heightened global tension and low projected real rates of return on investment. The discussion recognised that expenditure at our historic rate was likely to erode the real value of our future spending capacity over time. Nevertheless, we concluded that expenditure next year would be set at 4.5% of the value of our net assets, averaged over the quarter end value of the last three calendar years, in part so as not to prejudice the

outcome of the review of our time horizon later in the year. The Finance and Investment Committee continues to review spending policy in February of each year, and the Committee reports its recommendations to the Trustee Board in March.

Reserves policy

Our reserves policy is inextricably linked with the spending policy. The Total Return approach means that actual income received each year will be supplemented, if necessary, from distributable capital. Given that all of our endowment funds are expendable, the Trustees have sufficient flexibility to respond to unforeseen circumstances if necessary, and therefore it is not considered appropriate to identify a level of free reserves that needs to be maintained.

Remuneration policy

Pay is reviewed annually by the Remuneration Committee, which considers external market conditions, such as inflation, cost of living awards in other sectors, and the cost as a proportion of overall expenditure, as part of its decision making. Trustee remuneration is linked to the lowest of three external benchmarks, currently RPI, CPI and CPIH, in a specified month, and as such is not determined by Trustees themselves.

Responsible investment

In 2020, for the first time, the Foundation published its Investment Policy externally on its website, as part of its commitment to being transparent, accountable and effective about the way its endowment is invested. As a responsible investor, we want to take full account of environmental, social and governance risks in our investment activities. Our Policy hopes to balance our need for financial returns to support grantmaking in the long term, with our need to address the risk that our investment policies and the investment decisions made on our behalf support corporate strategies, approaches or products that are poorly aligned to our aims and values. Our Policy focuses on how we will invest

FINANCIAL REVIEW

in a sustainable way that supports long-term environmental and societal sustainability and helps to address the climate and nature emergencies.

In 2021-22 we took steps to put into practice many of the aspirations set out in our Investment Policy. For example, we have started to review the potential of our voting power proactively rather than listen to our fund managers' decisions after the

event, a change which has been helpfully informed by ShareAction's "Resolutions to watch" strategy. We have increased our commitment to a climate change focussed fund and, where one of our major investments in a pooled fund was shown to have tobacco exposure, we shifted our portfolio out of the pooled fund to a similarly invested segregated fund where we could ensure that we would not hold investments in breach of our exclusions.

GRANTS MADE

in the Year Ended 31 March 2022

Grants are included in the Statement of Financial Activities once they have been approved by the Trustees and grant-holders informed. This is a list of the new grants awarded in 2021-22.

Arts

<p>Bristol Old Vic and Theatre Royal Trust</p> <p>Towards supporting the Ferment programme, which is centred on developing, commissioning and co-producing early to mid-career artists.</p>	<p>£120,000 over 3 years</p>
<p>Buxton International Festival</p> <p>Towards core costs, specifically to support the creation and presentation of new or rarely performed operatic repertoire.</p>	<p>£120,000 over 3 years</p>
<p>City of London Sinfonia</p> <p>Towards core costs which will enable CLS to commission new work, partner with arts centres outside London, and run a series of residencies in rural and coastal communities.</p>	<p>£90,000 over 3 years</p>
<p>Fuel Productions Limited</p> <p>Towards core salary costs that will support the development of new work.</p>	<p>£120,000 over 3 years</p>
<p>Live Theatre</p> <p>Towards the costs of their writers and theatre makers' development programme.</p>	<p>£90,000 over 3 years</p>
<p>London Sinfonietta</p> <p>Towards core costs enabling this contemporary music ensemble to explore new ways to commission and present work online.</p>	<p>£90,000 over 3 years</p>
<p>Manchester Camerata</p> <p>Towards three major new collaborative music commissions aiming to increase audience diversity, and organisational capacity and capability costs.</p>	<p>£150,000 over 3 years</p>
<p>National Theatre of Scotland</p> <p>Towards the costs of professional fees for a Digital Producer to develop a sustainable and innovative digital strand within their artistic programme.</p>	<p>£120,000 over 3 years</p>

Arts

National Theatre Wales	£120,000 over 3 years
Towards the costs of supporting a diverse range of theatre makers to enhance quality, reach and impact through the introduction of an Associate Dramaturg programme.	
Orchestra of the Swan	£150,000 over 3 years
Towards core salary costs, including Managing Director and Artistic Director posts.	
Sound UK	£50,000 over 2 years
Towards core salary costs.	
The Place	£150,000 over 3 years
Towards the costs of funding the creation of new work by three contemporary dance artists through their Production and Touring Programme.	
Welsh National Opera	£120,000 over 3 years
Towards core costs to fulfil WNO's wider strategic vision with a particular focus on the staging of new and updated works.	
Total Arts Grants	£1,490,000

Environment

British Dragonfly Society	£75,000 over 3 years
Towards the core costs of conserving and awareness raising of the environmental importance of dragonflies and their wetland habitats.	
Campaign for Better Transport	£100,000 over 2 years
Towards the core costs of campaigning for all communities to have access to high quality, sustainable transport that meets their needs, improves quality of life and protects the environment.	

Environment

ClientEarth	£100,000
Towards the costs of their UK Clean Air Programme.	over 2 years
Climate Outreach	£125,000
Towards core costs in support of the charity growing sustainably and continuing to play a crucial role in achieving a 1.5-degree world.	over 2 years
Environmental Investigation Agency UK	£150,000
Towards costs relating to EIA UK's agriplastic pollution work, in the form of campaigning, communications and salary costs.	over 3 years
Falklands Conservation	£106,050
Towards core costs enabling the launch of a community carbon offsetting scheme to encourage environmentally positive land management and a large-scale restoration project.	over 3 years
£106,050 over 3 years	
Forum for the Future	£100,000
Towards project and overhead costs relating to Forum for the Future's work, including a pilot with a major retailer, on accelerating the transition to regenerative agriculture.	over 2 years
Greenpeace Environmental Trust	£100,000
Towards the costs of their "UK Oceans Campaign" to secure a network of fully or highly protected Marine Protected Areas (MPAs), off limits to all destructive activity, across at least 30% of UK waters by 2030.	over 2 years
Institute for European Environmental Policy	£63,718
Towards the costs of a scoping study that will investigate the capacity to track and influence the next phase of UK environmental legislation.	over 1 year
Rewilding Britain	£80,000
Towards core costs, including the Policy and Campaigns Officer post.	over 2 years
Seawilding	£114,000
Core costs for the Administrator role.	over 3 years
Shropshire Wildlife Trust	£50,000
Core costs for the Communications and Development Team.	over 1 year

Environment

<p>The RSPB</p> <p>Towards project costs of tackling the urgent habitat conservation in the islands of the Tristan da Cunha archipelago.</p>	<p>£146,978 over 2 years</p>
<p>Wildlife and Countryside Link</p> <p>Towards core costs, galvanising the environment movement behind strong, shared policy ideas to influence UK law and policy.</p>	<p>£150,000 over 3 years</p>
<p>Yorkshire Wildlife Trust</p> <p>Towards the costs of their North Sea Project and associated advocacy and research staffing capacity. £75,000 over 3 years</p>	<p>£75,000 over 3 years</p>
<p>Zoological Society of London</p> <p>Towards project costs like staff travel, fieldwork and contribution to overheads relating to ZSL's work in anguillid eel conservation and science.</p>	<p>£138,163 over 3 years</p>
<p>Total Environment Grants</p>	<p>£1,673,909</p>

Social Action

<p>Advocacy After Fatal Domestic Abuse (AAFDA)</p> <p>Towards core costs, including salary costs.</p>	<p>£120,000 over 3 years</p>
<p>Asylum Support Appeals Project</p> <p>Towards core costs of their work to reduce homelessness for asylum seekers across the UK.</p>	<p>£120,000 over 3 years</p>
<p>Focus on Labour Exploitation</p> <p>Towards the salary of the CEO and Operations and Comms Assistant working towards an end to labour exploitation by challenging and transforming systems and structures that create vulnerability for workers.</p>	<p>£112,128 over 3 years</p>
<p>Hope for the Future</p> <p>Towards the costs of their Authority to Act councils project that will equip individuals to engage with their elected representatives on climate change.</p>	<p>£24,752 over 1 year</p>

Social Action

Jubilee Debt	£120,000
Towards core staffing costs.	over 3 years
Just for Kids Law	£150,000
Towards core costs to support the charity's delivery of its advice and advocacy, legal justice, policy and participation work.	over 3 years
Law Centres Network	£145,000
Towards core costs of their work as the national membership body for Law Centres.	over 3 years
My Life My Say	£120,000
Towards core costs of empowering young people in the UK to participate in democracy.	over 3 years
National Survivor User Network	£90,000
Towards core costs of running a membership network led by people with lived experience of mental health issues who support groups and initiatives and inform policy and decision makers.	over 3 years
On Road Media	£75,000
Towards the costs of their "Angles: A Different Take on Sexual and Domestic Abuse" project to improve media coverage of sexual abuse and domestic violence.	over 3 years
Pregnant Then Screwed	£114,000
Towards core costs and the costs of their campaigning work to support women who face pregnancy and maternity discrimination.	over 3 years
Spotlight on Corruption	£90,000
Towards the core costs of ensuring the UK's anti-corruption laws and enforcement of those laws are as effective as possible so that these institutions hold corruption in check and allow democracy to flourish.	over 3 years
The British Institute of Human Rights	£125,000
Towards core costs in support of their work to support communities to secure social change through the practical use of human rights standard in practice and policy.	over 3 years

Social Action

The Trust for the Bureau of Investigative Journalism	£105,000 over 3 years
Towards the costs of their reporting and engagement activities in strengthening the backbone of civil society through information, data and shared learning.	
Transform Drug Policy Foundation	£120,000 over 3 years
Towards the costs of their campaign “Anyone’s Child: Families for Safer Drug Control” to allow families whose lives have been devastated by current drug laws to campaign for legal control and regulation of the drug market in order to save lives and better protect young people.	
We Belong	£90,000 over 3 years
Towards core costs of this migrant youth-led organisation, campaigning for the rights of young migrants, developing young leaders by providing advice, support and training.	
Total Social Action Grants	£1,720,880

Other Grants

Breakthrough	£150,000 over 1 year
Towards the costs of the new Breakthrough Accelerator programme to provide campaigners with expert support from different sectors, including law, the media, government and public affairs, and community organising.	
Alliance Magazine	£10,000 over 1 year
Sponsorship of Alliance Magazine’s work.	
Centre for Knowledge Equity	£27,300 over 6 months
Fees covering the organisation of our 50th Anniversary Social Action event, “Conference of Equals”, exploring the added value and impact that a focus on lived experience has on eliciting real and lasting systems change.	
CPRE	£30,000 over 1 year
Towards the cost of the “Countryside for All” programme to support a collective of lived experience experts to highlight and challenge the barriers to countryside access in the UK.	

Other Grants

More in Common	£43,000
Funding that will make regular training sessions and webinars available to staff and Trustees at the organisations the Foundation currently funds that relates to the context that these organisations are dealing with, like Covid fatigue and anxiety, loss of public trust in democratic institutions, the Culture Wars etc.	over 1 year
New Philanthropy Capital	£20,300
Towards the core costs of running their programme of work aimed at engaging the social sector with the environmental crises.	over 1 year
Sheila McKechnie Foundation	£10,000
Towards the costs of the Defence of Civic Space in the UK project in partnership with a small consortium of funders, including Baring Foundation and the Funders' Initiative for Civil Society.	over 1 year
Sheila McKechnie Foundation	£5,000
Sponsorship of the Amplifying Voices Awards 2022 for the SMK National Campaigner Awards.	over 1 year
Smarter not Harder Foundation	£13,000
Towards the costs of the Smarter not Harder Partnership Programme, providing training to people working in the charity sector in the areas of personal productivity and employee wellbeing.	over 1 year
The Big Give	£10,500
Match funding for the second round of the Green Match Fund crowdfunding campaign.	over 1 year
Prism: The Gift Fund	£30,000
Towards the costs of evaluating the learning and development outcomes from the first phase of the Resourcing Racial Justice Fund.	over 1 year
Total Other Grants	£214,100

Museum and Galleries Fund Grants

House of Illustration	£56,250
Towards the creation of the UK's first dedicated online platform for collections-led content on the history of illustration.	over 2 years
Jurassic Coast Trust	£80,000
Towards the new Jurassic Coast Collection project, specifically the salary of the Conservation Officer - Palaeontology, as well as software for cataloguing specimens, and curatorial training for museum staff and volunteers.	over 2 years
Museums Association	£25,000
Contribution towards the costs of their "Decolonisation Skills and Confidence-building" programme, alongside Esmée Fairbairn Foundation, Art Fund and Paul Hamlyn Foundation.	1 year 6 months
Museums Sheffield	£94,500
Towards the costs of a Curator of Industry and Metalwork who will work across the Graves Gallery, Millennium Gallery and Weston Park Museum.	over 3 years
Nottingham Castle Trust	£89,990
Towards the salary of a new Assistant Curator role and guest curator fees, to work on their fine art collection.	over 2 years
Tate Gallery Liverpool	£115,556
Towards the costs of a new curatorial post to embed new models of practice and become more relevant to their local audience, particularly Liverpool's Black communities and people of colour.	over 2 years
Two Temple Place	£30,000
Towards the costs of their "Body Vessel Clay – Women Rethinking Ceramics" exhibition.	over 1 year
Total Museum and Galleries Fund Grants	£491,296

UKOTs Fund

St. Helena National Trust

Funding to support fundraising and business development work that will support the Trust to become more sustainable.

over

£91,037

over 3 years

Anguilla National Trust

Funding towards a three-year project relating to the purchase of a 0.56ha parcel of land that will help to expand and further develop the Fountain National Park (FNP), Anguilla's largest terrestrial protected area.

£150,000

over 3 years

Bermuda Zoological Society

Funding to support the work of the Hungry Bay Restoration Committee, specifically the cost of breach repair and a Government permit, which will stabilise the mangrove, allowing more food security and Blue Carbon storage for Bermuda.

£53,280

over 2 years

Blue Marine Foundation

Funding to support the marine team based within St Helena National Trust.

£149,145

over 3 years

Falklands Conservation

Funding to support the purchase of two threatened offshore islands in the Pebble Island Group.

£120,000

over 1 year

National Trust for the Cayman Islands

Funding for the role of Environmental Policy and Impact Officer, who will support the Environmental Programmes Manager and increase the organisation's capacity to create, implement and effectively monitor management plans for their eight Protected Areas.

£100,000

over 2 years

Royal Society for the Protection of Birds

Funding to support the purchase of land at the Salina Reserve Important Bird and Biodiversity Area (IBA).

£150,000

over 1 year

Turks & Caicos Reef Fund

Funding for a feasibility and pilot study to explore and trial a land-based coral nursery, in order to establish a coral species survival programme for corals affected by Stony Coral Tissue Loss Disease (a new highly fatal coral disease).

£121,837

over 2 years

UKOTs Fund

Zoological Society of London

£114,711

Funding to support the delivery of a partnership project between ZSL and the Ascension Island Government that will systematically analyse and monitor the impact of plastic on wildlife, in order to then mitigate against the risks identified.

over 18 months

UKOTs Special Fund Grant Total

£1,050,010

Additional grant-related expenditure not included in the above

£44,760

Total grants made in the year ending 31 March 2022

£6,684,955

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees, including Trustee induction

Our Trustees are listed at the end of this report. The governing document provides for a maximum of nine and a minimum of three. Trustees are appointed for five years, followed by the possibility of a further five years. A Trustee who is selected to be Chair of the Trustee Board or Chair of the Finance and Investment Committee may serve beyond the 10-year term, if this is in the best interests of the Foundation. Since the introduction of the Equalities Act 2010, there is no retirement age.

The first Trustees were personally selected by Sir John II and Lady Ellerman and had strong links with the Ellerman companies. In 2011, the last Trustee with a personal connection to Ellerman Lines retired.

Today, Trustees are recruited according to the skills, knowledge and experience required while seeking to achieve greater diversity. Each new Trustee receives a full induction, which includes meeting with staff and Trustees, and receiving a detailed information pack covering our governance, history, funding guidelines, investments and objectives. Ongoing training and skills development takes a variety of forms, depending on the role and interests of the individual Trustees, and includes attendance at seminars, conferences and other events. There is an annual appraisal by the Chair, who, in turn, is appraised by two Trustees.

Trustees are closely involved in the evaluation of applications and grants made. They review initial applications, visit those organisations invited to submit a second-stage application and provide written reports to the Board. Trustees that are appointed for their experience in one of our funding categories play a lead role in developing and monitoring the grantmaking strategy in that area, and those with investment expertise sit on the Finance and Investment Committee. All participate in occasional sub-groups to review our policies, practice and strategy.

Organisational structure

The Trustee Board meets at least six times each year. The Trustee Board approves new grants and sets strategy and policy for grantmaking and financial matters.

Several Committees support our work throughout the year, and report to the Trustee Board:

The Finance and Investment Committee is responsible for financial and investment matters. The Committee's role includes developing an appropriate investment strategy and policy, overseeing its implementation and monitoring investment performance. It also reviews and recommends to the Board the annual budget and spending policy, and monitors expenditure. It meets at least four times a year.

The Remuneration Committee is responsible for reviewing all remuneration and benefits for staff and Trustees. It meets at least once a year.

The Risk and Audit Committee is responsible for reviewing the systems in place to manage risks within the organisation and ensure that adequate internal financial controls and procedures are in place. It also supports the compilation of our annual report and accounts. It meets at least once a year.

The Nominations Committee is responsible for the recruitment of Trustees as delegated by the Board. It is not a permanent Committee but is convened when a new Trustee is being appointed.

The day-to-day management of our organisational affairs is delegated by the Trustees to the Director and staff team. They are responsible for ensuring that the Trustees' decisions are implemented in accordance with existing policy and within budget, and for briefing Trustees on current trends in the charitable sector and advising on how these may affect policy.

Risk statement

The Trustees are responsible for the management of the risks we face organisationally. These fall into four areas: governance and management, operational, grantmaking and finance.

The Director and Head of Finance and Resources work with the team to identify and assess major risks, their likelihood of occurrence, the significance of the risk, mitigating controls that are in place, and recommends any additional actions and resources required to reduce and manage those risks. These are compiled as a Risk Register that the Risk and Audit Committee reviews and approves this Register, which is also considered by the Trustee Board.

Our investment activities represent our main financial risk. This risk is managed, with the support of an investment consultant, by regularly reviewing investment policies and objectives, employing external managers to achieve a well-diversified portfolio, and closely monitoring their performance relative to the investment objective and investment policy. Our investment activities also risk diverging from our charitable purpose and aim, and this is why environmental, social and governance factors are a key focus of our new Investment Policy.

Applications for grants are assessed carefully to ensure that the Board understands any risks associated with a particular organisation or programme of work, and appropriate conditions are agreed. Once a grant is approved, monitoring and reporting processes are in place to ensure grants are well managed and evaluated.

All relevant policies and procedures are included in the Foundation Handbook. The Handbook is updated regularly and reviewed annually, with the Risk and Audit Committee maintaining oversight of its contents and delegated responsibilities. A Business Continuity Plan and Health and Safety Review form part of the annual risk assessment and are detailed in the Handbook. Trustees confirm that they are satisfied with the current systems and internal controls.

Conflicts of interest

Trustees and staff are expected to conduct the business of the Foundation with integrity at all times. A Conflict of Interest Policy is in place to ensure that there is no personal gain from our work, and to prevent any conflict, actual or perceived, between an individual's duty to the Charity and a duty or loyalty to another organisation or person. The Policy was updated and approved by the Risk and Audit Committee in June 2021.

All staff and Trustees complete an annual register of interests form. At Trustee Board Meetings each Trustee completes a declaration of interest form that lists all applications to be discussed. Staff and Trustees are expected to alert those present to any interests and may be asked to withdraw from the meeting during the relevant decision-making process. Any relevant gift or hospitality received by Trustees and staff is also recorded on the Register of Interests. A note to the financial accounts lists grants made to any organisation during the year with which a Trustee has a close relationship.

Good governance

Trustees recognise the importance of good governance in ensuring the ongoing success of the Foundation. To support with this, Trustees adhere to the guidance set out in our Scheme, which is our governing document, the Charity Commission's guidance in 'The Essential Trustee', and the Charity Governance Code.

The Trustee Board applies great care, attention and skill in order to ensure that our resources are used responsibly and for the public benefit. Trustees are deeply committed to operating in a way that is transparent, accountable and effective, and are keen to champion diversity, equity and inclusion across all areas of our work. In October 2021, we completed a skills and diversity audit of our current Trustee Board (made up of eight Trustees). The diversity audit results are shared below:

Ethnicity	1 – Asian/Asian British – Bangladeshi, 5 – British, 1 British – Welsh, and 1 – Prefer not to say
Gender	4 – Male, 3 – Female, and 1 – Prefer not to say
Age	Range from 35 years and 2 months to 72 years
Sexual Orientation	6 – Heterosexual/Straight, and 2 – Prefer not to say
Disability	5 – Not disabled, 2 – Disabled, and 1 – Prefer not to say
Gender reassignment	7 – Not gender reassigned, and 1 – Prefer not to say
Marriage/Civil Partnership	3 – Married, 1 – Civil Partnership, 1 – Single, 1 – Co-habiting and 2 – Prefer not to say

Our skills audit revealed that we have less proficiency on the Trustee Board in relation to health and safety, procurement of goods or services and building management. We are not concerned by this, as these activities do not form a significant part of our day-to-day operations and we have access to robust external support for these three things, as well as some expertise in each of these areas within the staff team. The Trustee Board demonstrated a strong skill-set and proficiency in the grantmaking and charitable sectors, our funding categories, governance, charity and company law and compliance, finance and finance-related activities (including investing, accounting and auditing), strategic planning and business development, communications and marketing, public policy and influencing, research and development (including outcomes-based monitoring frameworks, impact and learning), IT and digital knowledge and HR and people management. There was also a strong commitment shown to diversity, equity and inclusion, as well as a good understanding of this.

These audit findings will be used when making future appointments. Our next known retirement from the Trustee Board is scheduled for February 2024.

STATEMENT OF RESPONSIBILITIES OF THE BOARD OF TRUSTEES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS102 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 Charity will continue in business; and
- state whether a SORP applies and has been followed, subject to any material departures which are explained in the financial statements.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deeds. They are also responsible for safeguarding the assets of the Charity, including taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Peter Kyle OBE

Chair

Gary Steinberg

Chair, Finance and Investment Committee

Date:

INDEPENDENT AUDITORS' REPORT

to the Trustees of John Ellerman Foundation Charity

Opinion

We have audited the financial statements of John Ellerman Foundation for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, and the Cash Flow Statement 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, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022, and of its incoming resources and application of resources, 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity 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 required for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 18, the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees 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 any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP, Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

Date:

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES

for the Year Ended 31 March 2022

	Notes	Total Unrestricted Funds 2022 £'000	Total Unrestricted Funds 2021 £'000
Income			
Income from investments	3	3,020	3,136
Other income		151	20
Total income		3,171	3,156
Expenditure			
Expenditure on raising funds		640	607
Expenditure on Charitable Activities			
Grants to charities		6,685	5,710
Grants cancelled in the year		-	(30)
Costs in support of grantmaking	5	673	618
Total charitable activities	5	7,358	6,298
Net gains (losses) on investments			
Gains (Losses) on investment assets	9	10,750	24,609
Net income/(expenditure)		5,923	20,86
Net movement in funds		5,923	20,860
Reconciliation of funds			
Total funds bought forward		149,713	128,853
Total funds at 31 March		155,636	149,713

All the above figures relate to continuing operations. There are no recognised gains or losses other than those disclosed.

BALANCE SHEET

at 31 March 2022

	Notes	2022 £'000	2021 £'000
FIXED ASSETS			
Tangible Fixed Assets	8	1,425	1,460
Investments	9	157,729	150,330
Social Investment	9	8	42
Total Fixed Assets		159,162	151,832
CURRENT ASSETS			
Debtors	10	844	812
Cash at bank and in hand		3,470	3,936
Total Current Assets		4,314	4,748
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	11	(5,954)	(4,935)
NET CURRENT (LIABILITIES)/ASSETS		(1,640)	(187)
TOTAL ASSETS LESS CURRENT LIABILITIES			
Creditors: amounts falling due after more than one year	12	(1,886)	(1,932)
NET ASSETS		155,636	149,713
FUNDS			
Expendable Endowment Capital		155,636	149,713
TOTAL FUNDS		155,636	149,713

The financial statements were approved by the Trustees on DATE MONTH 2022 and were signed on their behalf by:

Peter Kyle OBE
Chair

Gary Steinberg
Chair, Finance and Investment Committee

STATEMENT OF CASH FLOWS

for the Year Ended 31 March 2022

Notes	2022 £'000	2021 £'000
Net cash provided by/(used in) operating activities I 5	(7,020)	(6,881)
Cash flows from investing activities		
Interest received	1	5
Investment income received	3,170	3,156
Purchase of fixed assets	(2)	(9)
Movements in investments cash balance	(780)	1,340
(Loss)/gain on foreign exchange	(54)	138
Sale of investments	91,883	65,326
Purchase of investments	(87,698)	(63,417)
Purchase of social investment	-	-
Redemption of social investment	34	12
	6,554	6,551
Increase/(decrease) in cash	(466)	(330)
Cash and cash equivalents at the beginning of the reporting period	3,936	4,266
Cash and cash equivalents at the end of the reporting period	3,470	3,936

NOTES TO THE FINANCIAL ACCOUNTS

for the Year Ended 31 March 2022

1 Charitable status

John Ellerman Foundation is a charity registered under the Charities Act 1960, No. 263207; all the income has been agreed as being charitable and therefore no UK taxation is payable.

2 Accounting policies

I. BASIS OF PREPARATION

These financial statements are prepared on a going concern basis, under the historical cost convention, with the exception that investments are valued 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 Charity is a public benefit entity for the purposes of FRS 102 and therefore the Charity 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 including update bulletin 2) and the Charities Act 2011.

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern including the impact of COVID-19. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Trustees have considered the Charity's forecasts and projections and have taken account of pressures on investment income. After making enquiries, 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. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

The financial statements have been prepared in sterling which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest thousand.

NOTES TO THE FINANCIAL ACCOUNTS

II. FINANCIAL INSTRUMENTS

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the SOFA, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

III. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

In the view of the Trustees in applying the accounting policies adopted, no 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.

A summary of the more important accounting policies, which have been applied consistently, is set out below:

(a) Bank deposit interest has been included on the accruals basis.

Investment income is recognised as follows: for the segregated accounts, income has been accrued as applicable; where shares are issued in lieu of income, the market value of these shares has been included in income.

(b) Grants are fully accounted for in the year the grant is approved. Payments falling due in later years are provided for as a liability on the balance sheet.

(c) Expenditure has been accounted for on the accruals basis. Costs of raising funds include investment management, custody, consultancy and a proportion of staff and trustee costs. Employee costs and trustee remuneration have been apportioned between costs of raising funds, charitable activities and governance costs, on the basis of the proportion of time spent by each employee or trustee in contributing to each category. Governance costs include audit fees, legal fees and a proportion of staff and trustee costs associated with trustee meetings, strategy, Away Days and compliance with statutory requirements. The remaining expenses of the Foundation have been apportioned on the same basis as staff costs and trustee remuneration. All expenditure is recorded inclusive of irrecoverable VAT.

(d) Pension contributions are made for all employees and recorded as they fall due. These are defined contributions paid to approved private pension schemes for each employee. Details are provided in note 7.

(e) At 1 April 2014, the Trustees valued the property of the Foundation's offices at Aria House, held on a 999 year lease from 1990, at £1,250,000, based on a chartered surveyor's valuation report. This value was recorded in the year of transition and will be held as the carrying value in future years, following the transitional provisions of FRS 102 (paragraph 35.10c) which allow the property to be valued at fair value on transition and to use that value as deemed cost going forward, with no on-going requirement to carry out further revaluations. The residual value of the leasehold property is considered to be at least equal to the carrying value and therefore no depreciation has been provided as this would be immaterial. Annual impairment reviews are carried out. The same principle and review

(f) policy applies to the carrying value of a portrait of a member of the Ellerman family. All fixed assets are held for the Foundation's charitable use.

(g) Furniture, fittings and equipment have been depreciated to write off the cost less the estimated residual value, on a straight line basis over the expected useful economic life. The annual rate used for this purpose is 33% for computer and office equipment and 10% for other assets. A capitalisation limit has been set such that purchases of £250 and over are capitalised and items below this level are treated as an expense in the year of purchase.

(h) Profit or loss on realisations of investments has been taken to the Expendable Endowment.

(i) Investments have been stated at market value in accordance with SORP. Net investment gains and losses are disclosed in note 9.

Social Investments represents a limited partnership interest with a maximum commitment of £250,000 in Shared Lives Investments L.P. to support the growth of Shared Lives provision.

(j) Monetary assets and liabilities denominated in foreign currencies are translated at the year end exchange rate. Transactions denominated in foreign currencies are translated at rates prevailing at the transaction date. Exchange differences are taken into account in arriving at the movement of funds for the year.

(k) The Foundation has adopted a Spending Policy which the Trustees believe to be currently sustainable. The Total Return approach means that actual income received each year will be supplemented, if necessary, from distributable capital. It follows that the reserves policy is to retain the appropriate capital value in the investment portfolio to be able to continue to support charities over the long-term.

3 Investment income

	2022	2021
	£'000	£'000
Investment income from assets in the UK	2,293	1,724
Investment income from assets outside the UK	726	1,407
Interest on cash deposits	1	5
Total investment income	3,020	3,136

Investment income received during the year relates to investments, which are listed on recognised stock exchanges. Dividend income and interest is treated in accordance with the accounting policy 2(a) above.

4 Grants to charities

	2022	2021
	£'000	£'000
Grants awarded in the year	6,685	5,710
Grants cancelled in the year	-	(30)
Total Grants to Charities (note 5)	6,685	5,680

A list of grants awarded during the year ended 31 March 2022 is shown in the Annual Report.

Grants awarded in the year:

	2022	2021
	£'000	£'000
Grants paid in the year	1,967	1,830
Grants payable within one year	2,834	2,134
Grants payable after more than one year	1,884	1,746
Grants cancelled in the year	-	(30)
Total Grants to Charities (note 5)	6,685	5,680

Trustees include in the notes to the Financial Accounts, for transparency reasons, any grant made to an organisation with which a Trustee of the Foundation has a conflict of interest. In accordance with the Foundation's policy, Trustees withdraw from the (virtual) room for these decisions.

In the financial year 2021-22 there was 1 such occurrence. A Trustee of Hugh Raven's family Trust is the lead contact for the Institute of European Environmental Policy which received a grant of £63,718.

In addition, Sufina Ahmad declared her position as a Trustee of We Belong and Just for Kids Law accordingly, and while not having formal voting rights, excluded herself from the relevant part of the Board meetings at which a grant of £90,000 was awarded to We Belong, and a grant of £150,000 was awarded to Just for Kids Law respectively.

5 Analysis of total expenditure

	Costs of Raising Funds £'000	Charitable Activities £'000	2022 Total £'000	Costs of Raising Funds £'000	Charitable Activities £'000	2021 Total £'000
Investment fees	566		566	533		533
Grants to Charities (note 4)		6,685	6,685		5,680	5,680
<i>Support costs:</i>						
Staff costs (note 7)	50	378	428	50	358	408
Trustee costs (note 6)	9	99	108	9	91	100
Audit fees	-	14	14	-	14	14
Legal fees	-	4	4	-	7	7
Depreciation	3	34	37	3	34	37
Monitoring & Evaluation	-	12	12	-	11	11
General expenses	12	132	144	12	103	115
	74	673	747	74	618	692
Total expenditure	640	7,358	7,998	607	6,298	6,905

Support costs include governance costs of £60,000 (2021: £60,000). Support costs are allocated on the basis of an estimate of time apportioned to Charitable Activities and to managing the endowment investments.

6 Trustees' remuneration

Trustees receive remuneration in accordance with the authority in the Scheme (clause 12). In carrying out their duties, including visits to applicant charities, eight Trustees incurred travelling and related expenses totalling £886 (2021: £611), which have been included under Monitoring and Evaluation.

	2022	2021
	£'000	£'000
Remuneration paid to Trustees during the year:		
Gary Steinberg, Chair of the Finance and Investment Committee	11	11
Peter Kyle OBE, Chair of the Risk and Audit Committee	12	11
Hugh Raven, Chair (until 31 December 2021)	12	16
Geraldine Blake	11	11
Keith Shepherd	11	11
Annika Small	11	11
Tufyal Choudhury	11	11
Rebecca Bunce	11	11
Jonny Hughes	12	-
Brian Hurwitz (until 30 April 2020)	0	1
Total remuneration	103	96
Social Security costs	4	3
Pension provision	1	1
Total remuneration and Social Security costs	108	100

7 Employees

	2022	2021
	£'000	£'000
Wages and salaries	340	332
Employer's National Insurance costs	40	39
Pension costs	30	33
Temporary staff	19	4
Total staff costs	429	408

The average number of employees during the year ended 31 March 2022 was 6 (2021: 6). The average full-time equivalent number of employees analysed by function was:

	2022	2021
	£'000	£'000
Generating funds	0.2	0.2
Charitable activities	5.6	5.6
Total full-time equivalent staff	5.8	5.8

For each employee, the Foundation contributes to an approved private pension scheme. The total pension cost for the Foundation was £34,480 (2021: £34,108).

The numbers of employees who received emoluments (including taxable benefits in kind) in the following ranges were:

	2022	2021
	Number	Number
£60,001 - £70,000	-	-
£70,001 - £80,000	-	-
£80,001 - £90,000	2	2
£90,001 - £100,000	1	1
£100,001 - £110,000	-	-

For these employees, the Foundation made contributions to their approved private pension schemes totalling £19,686 (2021: £21,520) during the year.

The Charity considers its key management personnel to comprise the Trustees, the Director and the Heads of Grants and Finance. The total remuneration (salaries and employee benefits) including employer pension contributions of the key management personnel was £397,205 (2021: £381,228). Key management personnel are defined as persons having authority and responsibility for planning, directing and controlling the activities of the entity, including directors and senior management personnel to whom the Trustees have delegated significant authority or responsibility in the day-to-day running of the entity's affairs.

8 Tangible fixed assets

	Leasehold property £'000	Furniture, Fittings and Equipment £'000	Total £'000
Cost or valuation			
At 1 April 2021	1,250	414	1,664
Purchases during year	-	2	2
At 31 March 2022	1,250	416	1,666
Depreciation			
At 1 April 2021	-	204	204
Charge for the year	-	37	37
At 31 March 2022	-	241	241
Net book value at 31 March 2021	1,250	210	1,460
Net book value at 31 March 2022	1,250	175	1,425

As at 1 April 2014, the Trustees valued the property of the Foundation's offices at Aria House, held on a 999 year lease from 1990, at £1,250,000, based on a valuation report by Aston Rose chartered surveyors. This external valuation was made on an existing value basis and prepared in accordance with RICS Valuation Standards, published by the RICS. As stated in note 2(f), this valuation is being treated as deemed cost in accordance with the transitional provisions of FRS 102.

9 Investments

	31 March 2022 £'000	31 March 2021 £'000
Investment assets in the UK	72,162	67,924
Investment assets outside the UK	83,947	81,548
Total investments, excluding cash	156,109	149,490
Investment cash accounts in the UK	1,619	839
Total investments at 31 March	157,729	150,330

The historical cost of the investments (including cash) held at 31 March 2022 was 140,663,726 (31 March 2021: £122,629,000).
The movement during the year of the total investments, excluding cash, was:

	2022 £'000	2021 £'000
At 1 April	149,490	126,928
Purchases at cost	87,698	63,417
Disposal proceeds	(91,833)	(65,326)
Net investment gains	10,804	(24,471)
At 31 March	156,109	149,490

Investments are listed on recognised stock exchanges and valued at the middle market prices ruling at the period end.
During the year, £2.0m (2021: £3.0m) was withdrawn from the investment portfolios to provide working capital.
The movement during the year of social investments was:

	2022 £'000	2021 £'000
At 1 April	42	54
Purchases at cost	-	-
Redemption proceeds	(33)	(12)
Impairment charge	-	-
At 31 March	9	42

Gains on revaluations and disposals of investments:

	2022 £'000	2021 £'000
Net investment gains/(losses)	10,804	(24,471)
Realised gains/(losses) on foreign currency	(54)	138
Total gains/(losses) on revaluations and disposals of investments	10,750	24,609

NOTES TO THE FINANCIAL ACCOUNTS

10 Debtors

	31 March 2022 £'000	31 March 2021 £'000
Accrued income and prepayments	843	809
Other debtors	1	3
Total Debtors	844	812

11 Creditors: amounts falling due within one year

	31 March 2022 £'000	31 March 2021 £'000
Accrued expenditure	167	180
Other creditors	43	10
Grants payable	5,728	4,729
Other taxation and social security	16	16
Total Creditors due within one year	5,954	4,935

Included within accrued expenditure is an amount of £14,061 (2021: £14,061) due to pension schemes.

12 Creditors: amounts falling due after more than one year

	31 March 2022 £'000	31 March 2021 £'000
Grants payable between 1 to 2 years	1,886	1,932
Total Creditors falling due after more than one year	1,886	1,932

14 Lease commitments

At 31 March the Foundation had total future commitments under operating leases as follows:

	31 March 2022 £'000	31 March 2021 £'000
Within one year	1	1
Between one and five years	-	-
Total lease commitments	1	1

15 Reconciliation of net income/(expenditure) to net cash outflow from operating activities

	31 March 2022 £'000	31 March 2021 £'000
Net income/(expenditure) for the reporting period	5,923	20,860
Depreciation charges	37	37
Bank interest received	(1)	(5)
Investment income	(3,170)	(3,156)
Loss/(profit) on foreign exchange	54	(138)
(Profit)/ Loss on revaluation of investments	(10,804)	(24,471)
(Increase)/decrease in debtors	(32)	68
Increase/(decrease) in creditors	973	(76)
Net cash provided by (used in) operating activities	(7,020)	(6,881)

16 Analysis of changes in net debt/cash

The movement during the year of net debt/cash balances was:

	2022 £'000	2021 £'000
Cash balance as at 1 April	3,936	4,266
Cash Flows during the year	(466)	(330)
Cash balance as at 31 March	3,470	3,936

TRUSTEES, STAFF AND REGISTERED OFFICE OF THE FOUNDATION

Board of Trustees

Hugh Raven (Chair until 31 December 2021)
Geraldine Blake
Rebecca Bunce
Tufyal Choudhury
Jonathan Hughes
Peter Kyle (Appointed Chair from 1 January 2022)
Keith Shepherd
Annika Small OBE
Gary Steinberg

The following Trustees are members of or served on Committees at 31 March 2022:

FINANCE AND INVESTMENT COMMITTEE:

Gary Steinberg (Chair), Keith Shepherd and Annika Small

REMUNERATION COMMITTEE:

Peter Kyle OBE (Chair), Gary Steinberg, Geraldine Blake and Keith Shepherd

RISK AND AUDIT COMMITTEE:

Keith Shepherd (Chair), Rebecca Bunce and Peter Kyle OBE

Members of Staff

Sufina Ahmad MBE	<i>Director</i>
Matthew Whittell	<i>Head of Finance and Resources</i>
Dorothee Irving	<i>Head of Grants</i>
Gareth Clayton	<i>Grants Manager</i>
Philee Ang-Chen	<i>Grants Assistant (until 28 December 2021)</i>
Rian Trim	<i>Office Manager and Executive Assistant</i>

Registered address of the Foundation

Aria House
23 Craven Street
London WC2N 5NS

Telephone: 020 7930 8566
Email address: enquiries@ellerman.org.uk
Website: www.ellerman.org.uk

Registered Charity Number

263207

ADVISERS TO THE FOUNDATION

Auditors

Moore Kingston Smith LLP, 9 Appold Street, London EC2A 2AP

Solicitors

Bates Wells, 10 Queen Street Place, London EC4R 1BE

Investment Advisers

Stanhope Consulting, 35 Portman Square, London W1H 6LR

Investment Managers at 31 March 2022

CCLA, Senator House, 85 Queen Victoria Street, London EC4V 4ET

Charities Property Fund, Cordea Savills, 33 Margaret Street, London W1G 0JD

Fulcrum Asset Management, Marble Arch House, 66 Seymour Street, London W1H 5BT

GMO UK Limited, No. 1 London Bridge, London SE1 9BG

Investec Wealth & Investment Limited, 30 Gresham Street, London EC2V 7QN

Newton Investment Management Limited, 160 Queen Victoria Street, London EC4V 4LA

Ruffer LLP, 80 Victoria Street, London SW1E 5JL

Bankers

COIF Charities Deposit Fund, Senator House, 85 Queen Victoria Street, London EC4V 4ET

Coutts & Co., 440 Strand, London WC2R 0QS

Museums and Galleries Fund Adviser

Dr Virginia Tandy OBE

Protea – International Curatorial Exchange Adviser

Mark Irving

John Ellerman Foundation

Registered Charity Number 263207

www.ellerman.org.uk

JOHN ELLERMAN FOUNDATION

England & Wales - Charity number 263207

Accounts



John Ellerman Foundation

1 April 2020 – 31 March 2021

Annual Report and Financial Accounts

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John Ellerman Foundation

1 April 2020 – 31 March 2021

Annual Report and Financial Accounts

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Northern Stage – Rumpelstiltskin © Bill Cooper

Chair's Introduction

Welcome to our annual report for 2020-21. Thank you for your interest in what we do.

There's little doubt that the year covered by this report will have been the most peculiar of the Foundation's existence. None of us could have been prepared for what struck just before the financial year began. Inevitably it took time to adjust to new norms, and crucially to consider the most constructive role a Foundation like ours could fulfil.

I'm proud of how we responded – and of our excellent staff team in particular. The transition to home working and online meetings was smooth and professional. Grantmaking continued with the habitual care and rigour.

In other areas we made great progress, developing for the first time an investment policy as a public statement, consolidating previous moves towards digital working, and stepping up our commitment to promote diversity, equity and inclusion.

We were thrilled when partly in recognition of these achievements our Director Sufina Ahmad – who now also represents us on the board of the Association of Charitable Foundations – was recognised with an MBE in the 2020 Queen's Birthday Honours.

We saw two significant changes on the Trustee Board. With the departure Dr Brian Hurwitz MD, the Foundation's long-term focus on medicine and health came formally to an end. But while Brian was appointed partly for his skills as a medical doctor, he is so much else besides – an academic expert in medicine and the arts, highly knowledgeable on social policy, and passionate about the condition of the planet. We knew we would miss him, and we do.

Since I too am coming to the end of my term, we needed to find my successor as environment specialist Trustee. From an amazingly talented field, I'm delighted we selected Jonny Hughes – a practical field ecologist with a national and international reputation, an experienced grantmaker and a natural historian with expert professional knowledge of the science.

2021 sees us turn fifty, and to mark our anniversary we have plans.

In common with many others we're increasingly conscious of the origins of our endowment. So we plan to commission and, when it is available, publish some research into the history of the Ellerman family and companies.

Our museums and galleries programme will initiate an international dimension as we develop a one-off small curatorial exchange programme. We plan to celebrate too our special interest in the UK's priceless environmental assets in the Overseas Territories through a fiftieth anniversary fund.

After eleven years as a Trustee, the last three as Chair, it's high time I moved on. Since this is my final Chair's report, I can say some things that I otherwise might not.

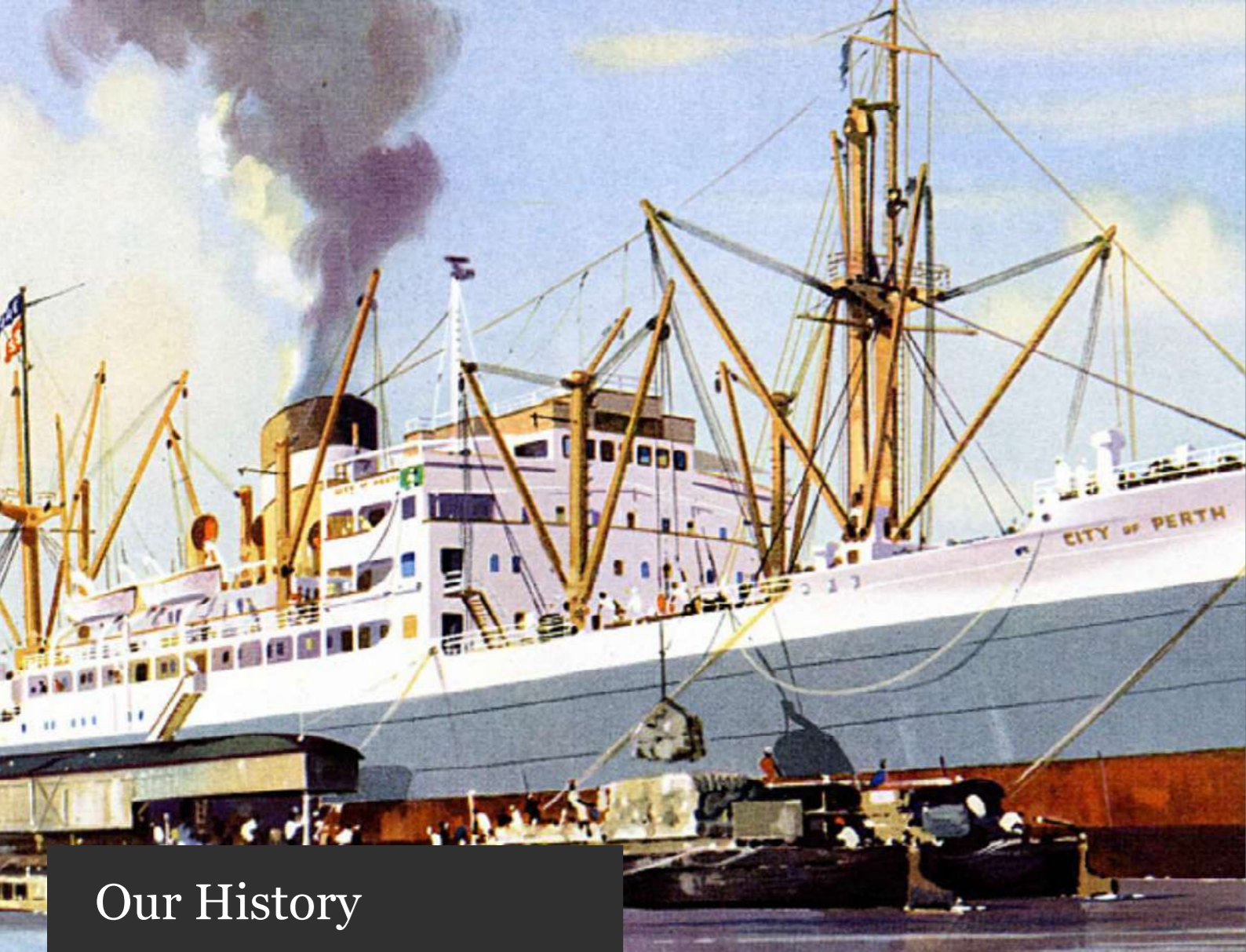
While our ethos and modus operandi would be recognisable to our predecessors, the profile of our grant funding has evolved over that time.

Two changes that have particularly delighted me are the increase in support we're able to offer to environmental causes – reflecting much higher general recognition of the planetary crisis. For that we owe thanks to every member of the Board and staff, and in particular to the other specialist Trustees, whose generosity in allowing environmental grants now to make up almost a third of our grant spending inevitably takes its toll on what is available for the funding areas they hold most dear.

The other bittersweet change is that we've become the leading foundation funder of environmental work in the Overseas Territories. Wonderful though that is, perhaps we could have done more to get others to join the campaign. Great work is underway to bring that about. With the extra time I shall have when I step down from this role, that is how I plan to spend it.

With warmest thanks to colleagues both present and past, I'll sign off.

**Hugh Raven
Chair**



Our History

John Ellerman Foundation was created from a combination of the wealth and generosity of a father and son. Both were publicity-shy and very little is known about them. 2021 marks 50 years since our formation, and as a result of this milestone, later this year we will commission further research to explore our history. It is our intention to share our findings publicly as this research becomes available.

The first Sir John Ellerman (1862-1933) had built up from scratch an empire of shipping and other businesses in the early part of the 20th century. At the age of 23, his son, also called John, inherited his father's baronetcy and very considerable fortune. Although in charge of the family firm, the second Sir John's real interests lay elsewhere.

He became a distinguished zoologist and world expert in the study of rodents. In 1971, two years before his death, he donated the funds from the Ellerman Lines business to form the original Foundation.

The current Foundation is governed by a Scheme, approved by the Charity Commissioners for England and Wales in March 2002.

The previous Scheme brought together the funds originally donated in 1971, with a smaller trust fund set up under the first Sir John's will, and the Trustees were granted incorporation under the Charities Act 1993 as the Trustees of The John Ellerman Foundation. The Scheme provides wide powers for the Trustees to carry out their duties.

Aims and Objectives

The Foundation's aim is to advance the wellbeing of people, society and the natural world. The main ways in which we achieve this are by:



Funding charities for work that has national significance in the fields of the arts, environment and social action (our funding categories). We believe these areas can make an important contribution to wellbeing.



Investing and managing our funds in such a way that balances the desire to maintain grantmaking capacity, operating in the long-term, and addressing the risk that our investments are poorly aligned to our aim and values.

Our strategy and policies are reviewed at our Board meetings throughout the year, and through the annual objectives that are set for staff on governance, management, grantmaking and our wider operations, finance and personal development. Away Days provide a forum for deeper reflection, and to consider our future direction and role. Our last Away Day took place in October 2019. Short virtual Away Day sessions are scheduled for June 2021, followed by an in person gathering later in the year.

Public benefit

This flows from the Foundation making grants to charities engaged in activities in pursuit of their agreed vision and mission. We offer funding towards the core costs of delivering an organisation's work, reflecting our belief in empowering organisations to deliver their work as flexibly and as effectively as they can.

Our Trustees confirm they have referred to the Charity Commission's guidance on public benefit when reviewing our objectives and aims, and our grantmaking-related strategy and policy.

Achievements and Performance

The Covid-19 pandemic

In the Foundation's Annual Report and Financial Accounts for 2019-20, we described the year as one of transition, due to significant personnel changes between December 2019 and March 2020, including the appointment of our new Director, Sufina Ahmad, in January 2020.

When we closed our office on 16 March 2020, in response to the first wave of the Covid-19 pandemic, we had very little understanding of the level of organisational change that this would cause.

The pandemic has exposed and caused a myriad of inequities and harms at a societal, economic and environmental level.

Through our social action work, we have learned first-hand of the disproportionate negative impact the pandemic has had on individuals and communities from black and minority ethnic backgrounds, disabled people, older people, those shielding and with underlying, chronic and complex health conditions, children and young people, those in precarious, low pay or frontline work, and women, especially those experiencing domestic abuse.

We have heard consistently from our applicants and grantees in the performing arts and museums and galleries about the loss of income and their inability to deliver much of their work. We have shared in the disappointment of another year passing by with insufficient progress, especially legislatively, on the climate and biodiversity crises we face globally.

There are some positives too.

Organisations that we fund, such as the Relationships Project, have shown us the power of community and connection that the pandemic has unleashed. Greenpeace UK, the Environmental Funders Network, Bright Blue and Green Alliance, who we also fund, have provided us with thought leadership on the ways in which we can build back, or forward, better through their research and policy influencing on green and resilient recoveries.

In the wake of George Floyd's murder on 25 May 2020, the charity sector has been reflecting and acting upon race, racism, and the Black Lives Matter movement more meaningfully.

Our Director has contributed ideas and reflections, including as a guest on ACEVO's podcast episode discussing the '[Home Truths: Undoing racism and delivering real diversity in the charity sector](#)' report that was developed and written by Dr Sanjiv Lingayah, Kristiana Wrixon and Masie Hulbert, for Voice for Change England and the Association of Chief Executives for Voluntary Organisations, and as a panellist at the Green Alliance event titled '[Racism in the environment sector: why we must change and how we can do it](#)'.

Alongside Esmée Fairbairn Foundation and the Joseph Rowntree Charitable Trust, we have also funded Wildlife and Countryside Link to commission research into diversity and inclusion in the conservation sector.



© Resourcing Racial Justice

Case Study

Resourcing Racial Justice

In June 2020, the Foundation contributed £50,000 over 12 months to the operating costs for [Resourcing Racial Justice \(RRJ\)](#).

We were introduced to this opportunity through a fellow funder, Thirty Percy Foundation. RRJ was set up by a coalition of people of colour innovators, changemakers, activists, artists and social leaders dedicated to social change.

Through contributions from a range of funders (£1m) and crowdfunding (£100k), RRJ established a pooled fund to support individuals and communities working across the UK towards racial justice. Having received over 1,400 applications, they awarded 52 grants from the £1m that was raised from funders. We committed to this initiative in recognition of the pandemic's

disproportionate impact on black and minority ethnic (BME) communities, and the need to support BME-led organisations that have been more likely to retract and collapse as a result of the pandemic.

Supporting RRJ also provided us with a learning opportunity, as our operating models are not compatible with supporting many of the successful RRJ grantees, which includes individuals and groups that are not UK-registered charities.

RRJ is labelled as a grant made under our 'other' category, and demonstrates our commitment to being a flexible and responsive grantmaker. However, RRJ's work does support our belief, as expressed in our social action funding guidelines, that systems improve through policy, advocacy and campaigning work that actively involves those with personal experience of the issues tackled.

Diversity, equity and inclusion

The Foundation recognises that the failure to prioritise and improve diversity, equity and inclusion (DEI) practices within charitable funding and the wider charity sector has led to the inequitable distribution of funding.

As funders, this failure manifests itself primarily through our non-diverse staff teams and Boards, and the ways in which our funding practices, processes and cultures disproportionately disadvantage marginalised groups – the very groups we seek to support through our funding in the first place.

In January 2021, we approved a DEI Accountability Plan, which builds on our previous thinking and work, and includes the insights and learning on race, social justice and DEI more widely shared by our membership bodies, the Association of Charitable Funders, the Environmental Funders Network and London Funders.

The Plan aims to deliver greater equity and improved funding practices through developing and embedding a shared organisation-wide understanding of DEI, and applying this throughout our operations. This includes: the management of our underlying endowment; our grantmaking; the recruitment, retention and progression of our staff and Trustees; our internal and external communications; and research into the derivation of our wealth.

Our Director is responsible for the delivery of our Plan, and Becca Bunce is the Trustee lead for this work.

Business as unusual

The team and Trustee Board have all worked remotely in the last 12 months, and the Foundation's office has been used infrequently. We have not made any staff redundant or used the employee furloughing scheme. We did, however, say goodbye to long-serving Trustee, Dr Brian Hurwitz MD in April 2020. Following an open and competitive recruitment process, we welcomed Jonny Hughes to the Trustee Board as our Trustee with a specialist interest in environmental issues in March 2021.

The team and Trustees have managed these new ways of working effectively and remain connected and collegial.

We are proud to have worked alongside our grantees, applicants and other funders in response to the pandemic. As signatories to the 'We stand with the sector' and the 'Still standing with the sector' pledges, coordinated by London Funders on behalf of charitable funders, we have remained open to new applications for nationally significant work in the arts, social action and environment, and have made 64 grants worth £5,682,408 this year.

We have offered our grantees more flexibility and support through altering reporting requirements, moving payments, changing core funding towards specific core costs to completely unrestricted grants, and keeping in touch more regularly. We also agreed that grantees and former grantees do not need to wait for a year to reapply to us for a grant.

We have been inspired by the resilience and commitment shown by applicants and grantees throughout this period.

The changes made to our grantmaking in the last year have been welcomed by grantees and applicants. To reinforce our support during the pandemic and beyond, we signed up to the community of Flexible Funders, hosted by the Institute of Voluntary Action Research. This commits us to: not waste time; ask relevant questions; accept risk; act with urgency; be open; enable flexibility; communicate with purpose; and be proportionate.

We have also contributed actively to strategic discussions and groups relating to the pandemic, this includes the funder group supporting Resourcing Racial Justice work, and the Arts Funders Group, set up in April 2020 and Chaired by Moira Sinclair OBE, Chief Executive at Paul Hamlyn Foundation, which is attended by circa 25 independent arts and culture funders to discuss opportunities for collaboration and share insights.

Our Director sits on the Strategy Group for the Funders' Collaborative Hub, which aims to increase understanding, alignment and opportunities for funder collaboration in response to Covid-19.

Over the last year, we have been guided by **our values** to inform our ways of working. We have tried to deliver a Covid-19 response, alongside our other areas of work, that is **responsive, discerning** and **flexible**. Despite working remotely, we have sought to offer a **personal touch** and remain **connected** with those we work with, including through increased external communications.

We introduced monthly updates from the team to our website from August 2020, increased our use of Twitter, began offering virtual visits in place of our usual in-person visits at second stage, and made the Grants Assistant role permanent in order to increase our capacity to deal with queries and issues grantees and applicants may be experiencing.

Our Values



Responsive



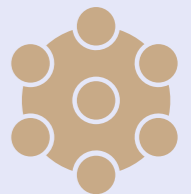
Discerning



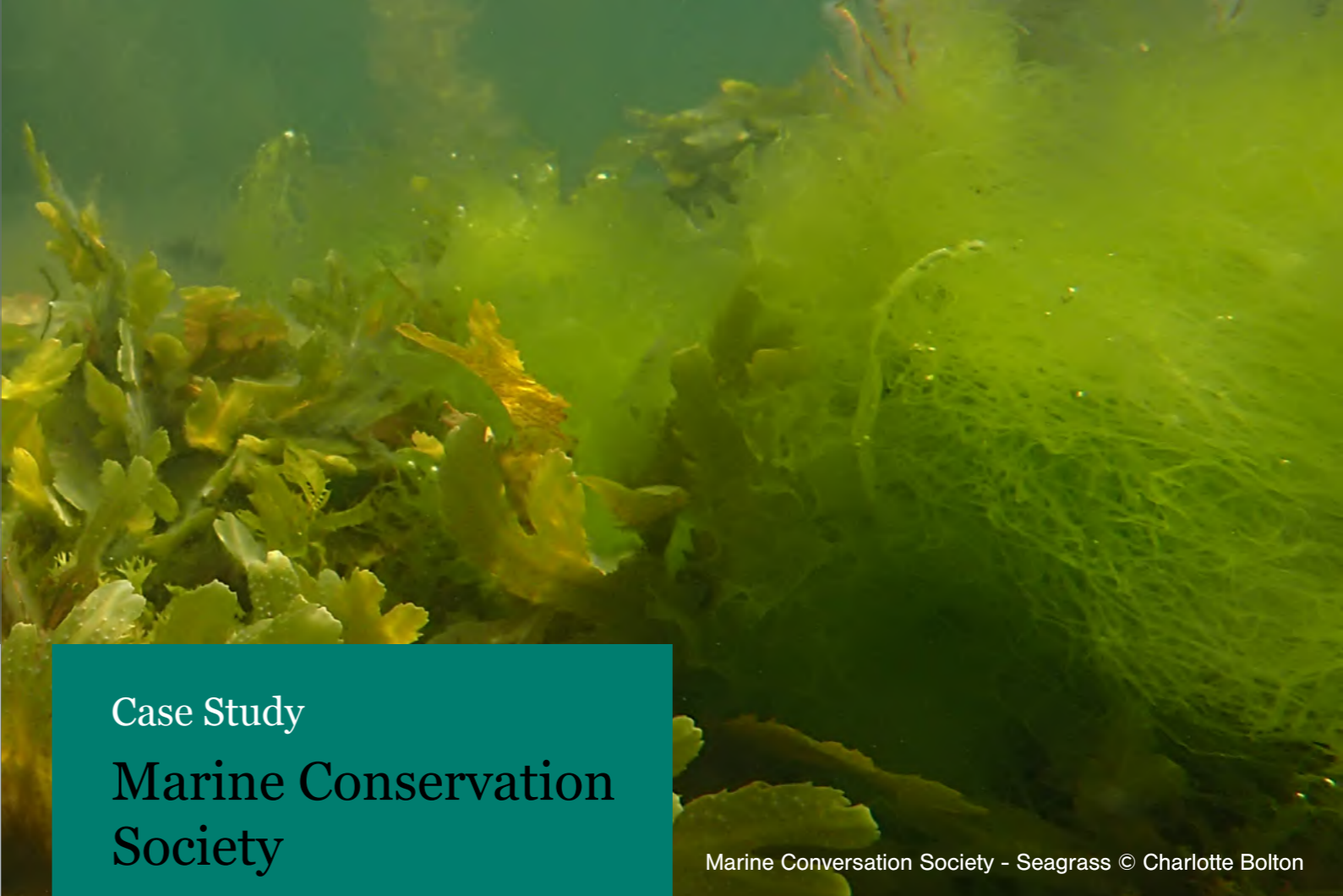
Flexible



Personal touch



Connected



Environment

From the perspective of our environment category, in the last 12 months we have continued to focus our efforts on supporting work that contributes to greater harmony between people and planet, supporting work that protects the seas and creates richer more sustainable places on land. We continue to fund practical conservation work, alongside policymaking and campaigning work. We retain our keen interest in and support for work in the UK's Overseas Territories too.

As signatories of the [Funder Commitment on Climate Change](#), we are committed to addressing the climate emergency through: education and learning; committing resources; integrating climate into our work; stewarding our investments for a post-carbon future; and decarbonising our operations. We have published our progress against each commitment on our website and shared it with other signatories. Our progress included making clearer references to our support for climate change related work in our

funding guidelines and online application form, developing a new Investment Policy that better enables us to support a post-carbon future, reducing our travel and paper usage, and moving some of our grantmaking processes online permanently.

19 of our 65 current environmental grants support climate change work. As an environmental funder and a signatory of the Funder Commitment on Climate Change, we recognise that COP26 (the 26th United Nations Climate Change Conference) taking place in November 2021 in Glasgow presents an important opportunity for us to highlight our support of and commitment to UK-registered charities that are seeking solutions to the climate and biodiversity emergencies.

Consequently, in March 2021, we made three grants to Stop Climate Chaos Scotland, Climate Outreach's Public Engagement Communications Lab, and the Big Give's Green Match Fund, which we hope will facilitate public and civil society engagement with the COP26 conference.

Case Study

Marine Conservation Society

Marine Conversation Society - Seagrass © Charlotte Bolton

In January 2021, the Foundation contributed £135,000 over three years to [Marine Conservation Society \(MCS\)](#). MCS is the UK's leading charity working solely to protect our seas. Their vision is for seas full of life, where nature flourishes and people thrive.

The funding will go towards a Blue Carbon Economist. 'Blue carbon' relates to the carbon that is emitted through fishing and aqua-cultural farming, as well as the carbon that is naturally stored in the marine and coastal environment (i.e. salt marshes, sea grass meadows, kelp forests and seabed sediments). Blue carbon represents an additional vital tool through which we can mitigate climate change. If the UK is to achieve its carbon net-zero strategy, then it needs to recover and protect our blue carbon stores.

MCS's Blue Carbon Economist will help to develop a strategy for blue carbon restoration, providing expertise on the financial costs and benefits, and innovation opportunities of sustainable marine management and blue growth. MCS will establish baseline knowledge on the economics of UK blue carbon and form costed strategies for the management of the Marine Protection Area network for carbon capture, as well as the recovery of unprotected blue carbon habitats.

We committed to this grant because it was an ambitious, well thought through and timely proposal that can contribute to shaping policies that will significantly impact environmental policy and bolster marine conservation, including at COP26.

Social Action

Social action remains a popular funding category, receiving 165 applications from April 2020 to March 2021.

In the last year, we have supported policy, advocacy and campaigning work that helps create a society where all can thrive, by supporting organisations that are generating positive changes at a systemic level.

We try hard to back causes and ideas that may traditionally struggle to receive multi-year core funding.

Social action is a newer part of our funding portfolio, which we are very committed to, especially in light of the findings from the latest annual survey of campaigners from one of our grantees, the Sheila McKechnie Foundation. Their survey found that 90% of UK campaigners felt their freedom to speak out or protest is under threat, with two thirds reporting that they believed politicians were becoming increasingly negative towards charities and campaigns.



CEO Dr Nicola Sharp-Jeffs OBE speaking at SEA's Banking on Change Conference

Case Study

Surviving Economic Abuse

In July 2020, the Foundation provided Surviving Economic Abuse (SEA) with £120,000 of unrestricted core funding over three years.

SEA is the only UK charity dedicated to raising awareness of economic abuse and transforming responses to it. Our grant will support SEA to deliver its mission through work that increases public understanding of economic abuse, and equips professionals across a range of sectors with the knowledge, skills, resources and confidence to respond effectively.

SEA is dedicated to working with industry partners to identify and correct the systemic flaws that inadvertently facilitate economic abuse and undermine responses to it.

By working across sectors and building meaningful partnerships throughout the UK, and actively involving those with lived experience, SEA is creating the conditions for victim-survivors of economic abuse to rebuild their lives and thrive.

SEA's approach has leveraged major and meaningful policy change, including, for example ensuring economic abuse was included in the Domestic Abuse Bill and that post-separation abuse is criminalised.

Providing core funding offers stability to SEA as they continue to grow and expand, in terms of their annual turnover, their staff team and their service offer and approach.



Soloist Jerome Anthony Barnes behind the scenes of Scottish Ballet's The Secret Theatre
Credit: Andy Ross

The Arts

In the last year, our arts category, which includes our Museums and Galleries Fund (MGF), has provided us with a chance to escape from lockdown life and explore the fascinating and inspiring work of creators and curators throughout the UK.

Though our grantmaking, we have witnessed the extraordinary resilience and creativity of organisations that are making the highest quality art and collections available to all, by prioritising the creative and curatorial process – despite the many ways this has been curtailed by the pandemic.

Most of the work we support through our creators in the performing arts relates to dance, music, opera and theatre. Through our museums and galleries funding, we continue to support a wide range of collection types, providing they are nationally significant. We prioritise organisations that are based outside of London – however, we recognise that the pandemic has resulted in funding imbalances and constraints throughout the UK. After much deliberation internally, and with support from colleagues within the Arts Funder Group, we decided to launch a new round of our MGF in October 2020, and we were pleased that the programme remained popular, with a total of 61 applications received in January 2021.

Case Study

Scottish Ballet

In January 2021, the Foundation awarded £120,000 to Scottish Ballet – Scotland's national dance company which, since 1969, has toured award-winning work throughout Scotland and globally. Their mission is to inspire on stage and beyond, showcase Scotland's creativity, and bring ballet to the widest possible audience.

Scottish Ballet is implementing its five-year strategy from 2021. This includes a free membership programme, through which they hope to attract one million members worldwide by 2025, that are engaged, diverse and likely to form a lifelong connection with the Company. Our grant will go towards embedding digital activity into Scottish Ballet's core operation through organisational change, creative skills development and newly commissioned work.

This grant was an excellent match with our criteria and represented an opportunity to support Scottish Ballet at an exciting stage of its development.

Our commitment to learning and transparency

In the last year, the Foundation has tried to balance the need to respond to the pandemic with other organisational priorities.

One such priority has been to operate with increased transparency, which we have delivered through the publication of our grants data to 360Giving, increased attendance and participation in external events and discussion panels, and by sharing articles, blogs, research and organisational policies externally and on our own website.

In April 2020, we commissioned nfpSynergy to complete a confidential and anonymous survey with all our unsuccessful grantees, applicants and former grantees from the last two years.

This is the first time we have undertaken an audit of this nature, and the results are published in full on our [website](#). We received 361 (out of a possible 629) responses to our first stage survey, followed by in-depth interviews with six grantees and four unsuccessful applicants.

The level of engagement with both surveys was high. We were considered an approachable, human, flexible and professional funder that supports causes that others may miss, and our offer of core funding was highly valued.

Our application process was considered excellent or very good by 52% of respondents, and 89% felt the application was reasonable for the size of grant they were applying for.

In response to the feedback, we have made changes to our grantmaking processes, which includes: making the decision times for our two-stage application process clearer on our website; offering written and verbal pre-application advice more consistently; providing feedback to all unsuccessful applicants; and offering more contact and support to our grantees that would like this. We remain committed to ongoing improvement across our grantmaking processes, and will continue to refine our approach based on feedback received.

In the last year, we also developed a new approach for categorising our grants and applications.

This work allows us to discern geographic and thematic clusters of grants that are forming within our grants portfolio, and consider how we may be able to support these more strategically. It also means that we can identify any trends in the types of organisations that apply to us successfully and unsuccessfully. This allows us to determine unrealised biases or issues within our processes that result in certain groups being rejected more often, which is important to understand in our commitment to diversity, equity and inclusion.

Our new investment policy

A significant achievement in the last year was the development of the Foundation's new Investment Policy, which we published externally to our [website](#) for the first time, and publicised further through speaking engagements, a blog on our website and writing an article for Trust and Foundation News, which is published by the Association of Charitable Foundations.

Our new Policy presents a roadmap to doing good with 100% of our assets.

To date, our primary focus has been to manage the endowment in a way that prioritised financial returns, while balancing the desire to maintain our grantmaking capacity with operating in the long term.

Through our new Policy we hope to better manage our endowment in support of our organisational aim, which in practice means that we want to:

- reduce the risk that investment decisions made on our behalf support activities that are poorly aligned to our aims and values;
- invest in a sustainable way i.e. to support long-term environmental and societal sustainability and to help address the climate and nature emergency;

- be a responsible investor i.e. to take full account of environmental, social and governance risks in our investment activities;
- be transparent, accountable and effective;
- work with the trust and foundations sector in the transformation of systems and institutions for managing endowments; and
- achieve the above in such a way that any positive non-financial impact from our investments exceeds any financial returns foregone to achieve them.

We continue to spend approximately 4.5% of the value of the investment portfolio smoothed over three years.

As a single investor, we remain more effective when joined with others, and so we continue to be part of CRIN (the Charities Responsible Investment Network, convened by ShareAction) and FIRM (the Finance Investment and Resources Management group, convened by the Association of Charitable Foundations).

Our Head of Finance and Resources, Matthew Whittell, was appointed to the Steering Group for FIRM from June 2020.

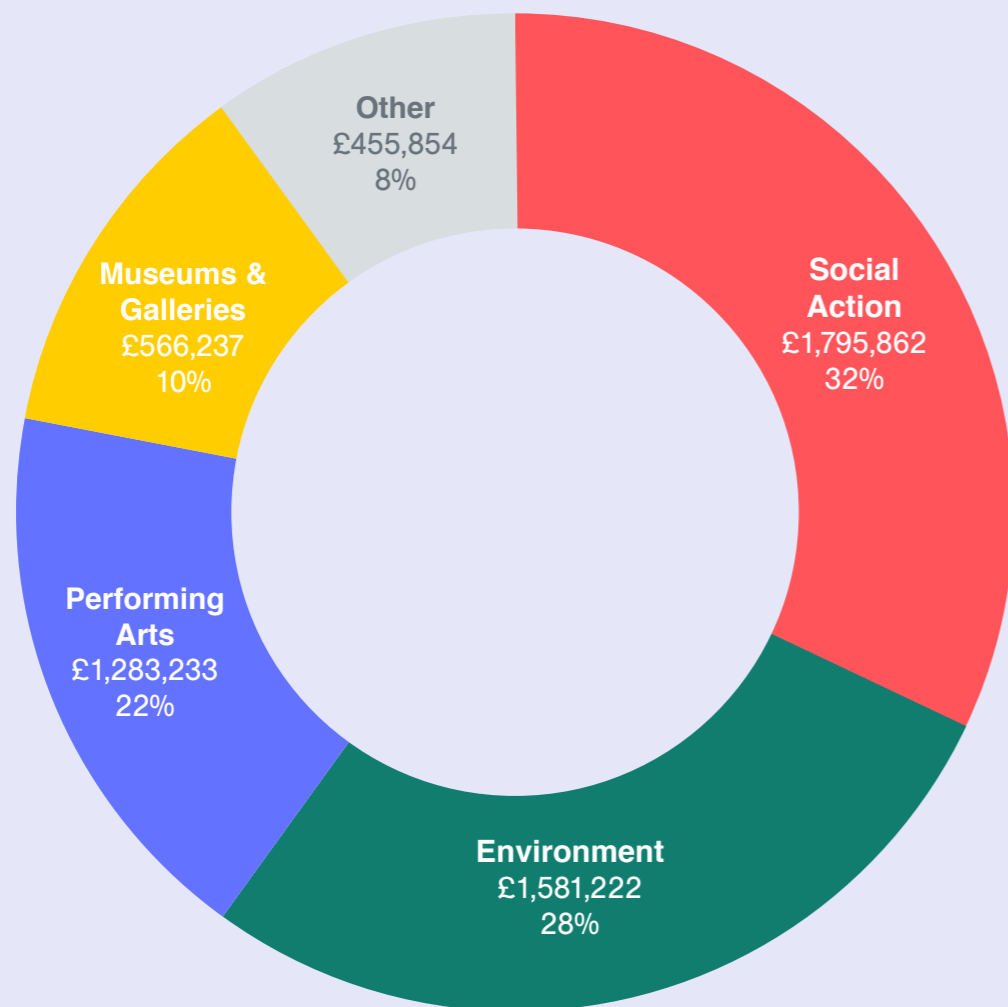
Our year in numbers

This year was the second full year of operation under the Foundation's current grants strategy, launched in June 2018. Guidance to applicants is reviewed on an annual basis, and an updated version, with feedback incorporated from the nfpSynergy Perception Audit, was published to our website in September 2020.

We publish details of grants approved on our website following Board meetings which take place six times a year, and our grants data is also published on 360Giving. A list for the full year is included later in this report.

Grants Awarded 2020-21

Total Awarded: £5,682,408



Some core data

64

Grant numbers

We made 64 grants (57 in 2019/20) worth £5,682,408 and incurred a further £27,402 of grant-related expenditure.

Reflecting one of our core values, flexibility, Trustees supported the work of 11 organisations or funder collaborations which did not strictly fit with our funding criteria, but whose work is very closely aligned with our organisational aim, values and funding priorities. These grants are shown as 'other' in the pie chart to the left.

£100,727

Grant size

Not taking into account the 11 exceptional grants mentioned to the left, the average overall size of a grant increased again this year to £100,727 (compared to £99,942 last year).

82%

Core Funding

53 of our 64 grants were for core funding, representing 82%, while the remainder supported project costs.

Of the 53 core grants, 38 were for restricted costs (typically a salary or a specific part of core activity) and 15 for unrestricted core costs. This represents an increase in unrestricted core grants, which is consistent with a trend seen in the previous three years.

3 years

Length of grant

This year more than half of our grants were for three years (33 out of 64), with the remainder split as follows: two years (14); one year (4). The rest of the grants differed in length, as requested by the applicants, ranging between 1 and 3 years.

We actively support this flexible approach as we know that longer-term funding is more beneficial to the majority of applicants; but at the same time, we are keen to remain flexible in those cases where applicants request funding for shorter periods.

94%

Size of organisation

94% of our grants went to medium (£100k - £1m) to large (£1m - £10m) charities.

The rest were awarded to organisations with an income under £100k, but which provided us with confidence that they would meet our minimum threshold in the near future.

1

In year alteration to existing grants

One outstanding payment of £30,000 to Nuffield Southampton Theatres was withdrawn as the organisation closed down in July 2020.

Share of grants between categories

The budget for the year was £5,800,000. This year the Trustees again chose to remain flexible and did not allocate a share to each category at the start of the financial year.

This year the grant spend across the categories was spread as follows: Arts (including Museums and Galleries) received £1,849,470; Social Action received £1,795,862; and Environment received £1,581,222.

This year we had an under-spend of £117,592 which is being carried forward to the budget for the 2021/22 financial year.

Eligibility

We received 251 first-stage applications this year. Just over half came in under Social Action (54%) followed by Environment (25%) and Arts (21%). Out of the 251 applications received under our main categories, 83 were ineligible. This is in line with figures seen in previous years. By far the highest proportion of ineligible applications were in Social Action (64%) whereas 19% and 17% of proposals received under Environment and Arts respectively were deemed to be outside guidelines.

On the whole the reason for not progressing applications related to the fact that they did not provide a sufficiently strong fit with the individual criteria of the relevant funding category. Lack of national significance continues to be a factor but significantly less so than under the previous grants strategy, when it was consistently the main reason for rejecting applications.

Category breakdown

The Creators strand in Arts showed a fairly even split between different art forms, with 38% of the grants awarded going to theatre companies, while dance and music (including opera) received 31% each.

In Environment 41% of the funding went towards marine-based work and a quarter (24%) supported climate-related activity.

In our Social Action category, we supported charities working towards systemic change through policy influencing, advocacy and campaigning activities relating to issues such as domestic abuse, employment support, race inequality, disability rights, refugees and migration, LGBT+ and modern slavery.

Applications and success rates

This year we received 168 eligible general applications under our three main categories (i.e. excluding Museums and Galleries Fund) and 70 were invited to submit a second stage application. This represents a success rate of 42%, significantly higher than last year (30%).

Of the 70 applications presented for decision at a Board meeting this year, six were declined. This represents a success rate of 91% at second stage, which is slightly higher than last year's success rate of 88%. This year the success rate varied less significantly across the different funding streams; three second stage applications under Social Action were declined, whereas Environment and Arts saw one and two applications being declined respectively.

Of the 64 grants awarded this year, about a third (21) went to first-time applicants and half (32) to previous grantees. The remaining 11 grants were made to organisations who had applied to us unsuccessfully on previous occasions.

% Applications by category



- 54% Social Action applications
- 25% Environment applications
- 21% Performing Arts (this does not include the Museums and Galleries Fund)

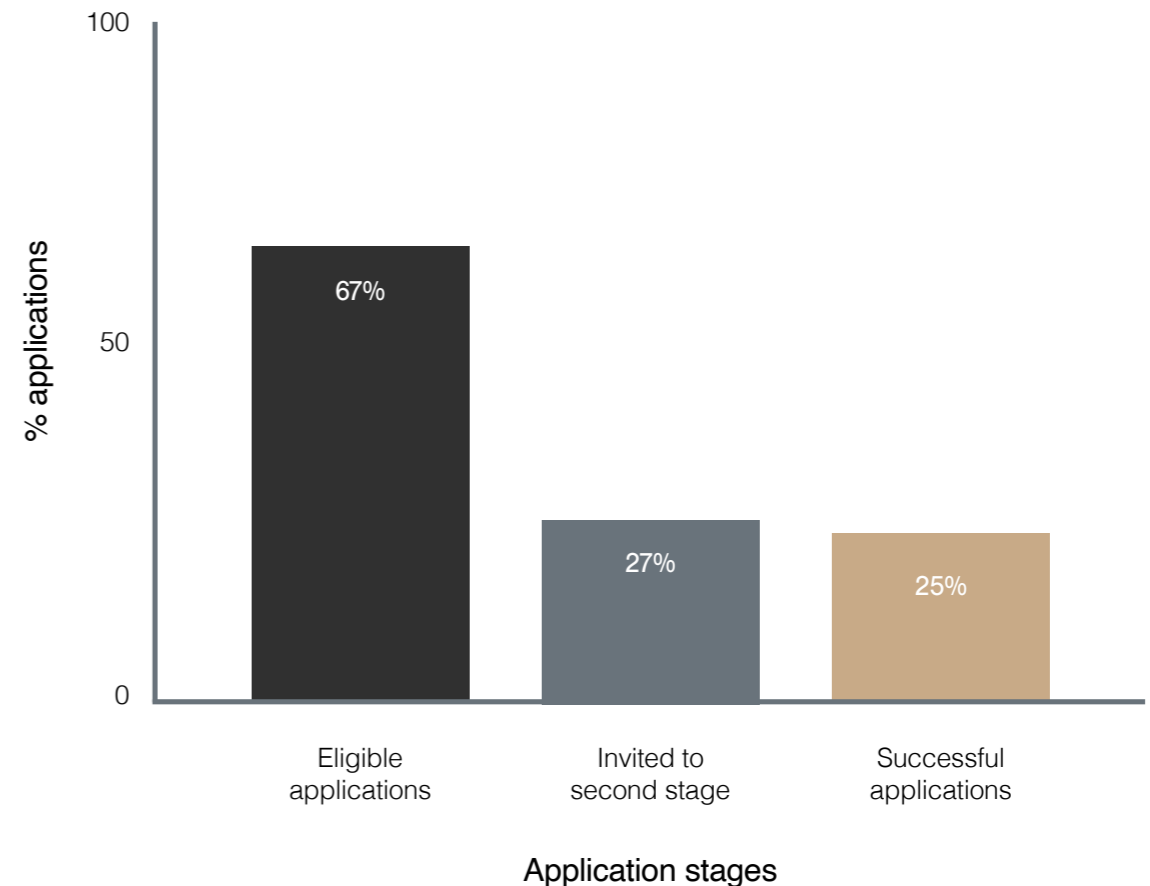
% Successful applications by type of applicant



- 50% of successful applications from previous grantees
- 33% of successful applications from first time applicants
- 17% of successful applications from previously unsuccessful applicants

Success Rates

(Based on a total of 251 applications received)





Carved tusk, c.1750, on display in Manchester Museum. The tusk was looted by British soldiers during the bloody 1897 Benin Expedition which destroyed Benin City and exiled Oba Ovonramwen, the ruler of the Edo people. Manchester Museum has opened conversations with the Legacy Restoration Trust around its repatriation.

Case Study Manchester Museum

Grants to museums and galleries

This Fund concentrates on museums and galleries outside London, with a focus on enhancing and sustaining curatorial capacity and development. In January 2021 we received 61 first stage applications, which is slightly less than last year (69), and the previous year when we received 65 first stage proposals.

The overall quality of the applications remains high, with just one application falling outside of our guidelines, resulting in a highly competitive field. The focus on curatorial development and the funding of existing and new curatorial posts was, as expected, a key element to many of the applications received.

Alongside this, and in light of the Black Lives Matter protests of 2020, museums and galleries, some of which have deep ties to colonialism and British imperialism, are clearly looking to reconcile themselves to their complex and sometimes uncomfortable histories.

Trustees decided to invite seven applications to second stage, with final decisions due in May 2021. We convened a meeting with other funders that allowed us to signpost applications to them that we were unable to fund.

In May 2020, the Foundation contributed £101,850 over two years to Manchester Museum, one of the country's leading university museums and part of The University of Manchester.

The grant will support a two year programme of work locally, nationally and globally involving a network of partners in Manchester, Australia and Canada to create new understandings and narratives for its collections, and provide the curatorial team with unparalleled direct experience of working with source and Indigenous communities that will shape the Museum's future work.

Our grant will support the appointment of a Curator of Indigenous Perspectives based within the Museum, and some learning costs in the form of an international symposium and a public facing speaker series that is paired with internal workshops. Manchester Museum is in the midst of a transformational £13.5m capital development, with the vision of creating

the UK's most inclusive, imaginative and caring museum. By funding this project, we are supporting Manchester Museum as it seeks to reimagine a new ethics of care for museums that extends beyond collections to people, ideas, beliefs and relationships, and to consider what this vision means for the future of curatorial practice.

This project also builds on the Museum's previous experience of curating in partnership with other groups and communities, including being the first museum in Europe to repatriate secret, sacred and ceremonial objects in collaboration with the Australian Institute of Aboriginal and Torres Strait Islander Studies, and work on habitat restoration with Indigenous communities in Panama.

This grant demonstrated curatorial excellence that built upon Manchester Museum's expertise and that of its partners, to deliver an exciting and timely project that will pioneer new approaches and understanding relating to Indigenisation and the legacies of colonialism and post-colonialism within curatorial practice.

Financial Review

Investments

The Foundation's investment aim is to manage its funds so as to balance Trustees' desire to maintain a high level of grantmaking consistent with operating in the long term. This aim provides the underlying basis for our investment objective, which is to achieve a real return of 4% per annum above RPI inflation over the long term, although the Finance and Investment Committee determined in March 2021 that we will shift to a CPI-based measure of inflation at an appropriate point. Trustees have adopted a Total Return approach, which means that both income from the portfolio and the underlying capital can be used to support our activities.

The highlight of the year to 31 March 2021 has been the initial implementation of our new Investment Policy. We now have seven fund managers, having appointed two new fund managers in June 2020 with stronger ESG credentials, one of which is a fund explicitly focussed on climate change. Our fund managers have responsibility for all asset allocation decisions within an overarching strategic framework set by the Finance and Investment Committee. During the year, in line with values underlying our new Investment Policy as well as our commitments as a signatory of the Funder Commitment on Climate Change, we embarked on a process to understand better the ESG policies and practices of the managers and funds who invest our endowment on our behalf. We continue to ask for information about the carbon footprint of our portfolio and are looking at how this information can be used appropriately to reduce the environmental impact of our assets.

Investment performance

The Finance and Investment Committee monitors the performance of each fund manager. First, the managers' primary objective is to achieve a real return target of RPI + 4% per annum net of costs. Second, a comparison with a simple benchmark of 80% UK equities and 20% UK government bonds is used to provide evidence of the benefit of running the diversified, actively managed investment structure.

Stanhope Consulting continues to provide the Foundation with performance measurement analysis, commentary on the managers' performance and modelling options to assist with the review and planning of the investment policy.

At 31 March 2021, our investment portfolio was valued at £150m, a 16.3% increase over the previous year's level of £129m. The portfolio Total Return for the financial year ending 31 March 2021 was 20.5% (2019/20: minus 6.5%), compared to the long-term RPI + 4% objective of 5.5% (2019/20: 6.7%) and the total return for the simple benchmark of 19.8% (2019/20: minus 12.5%).

Since the start of our current investment strategy in 2013/14, the portfolio total return of 6.8% per year has marginally exceeded our RPI + 4% benchmark return of 6.7% per year, and our managers have, in aggregate, exceeded the simple benchmark return of 6.0% per year.

Income and expenditure

The Foundation's income derives largely from its investment portfolio. Total investment income of £3.1m (2019/20: £3.8m) was 24% below that of the previous year largely as a consequence of the impact of COVID-19 on corporate distributions. In line with our Total Return approach, we realised £3.0m during the year through sales from our portfolio to meet our projected working capital requirements for the near future. This amount was more than required simply to cover the year's anticipated difference between income and expenditure, reflecting an increasing level of market risk.

We have three significant items of expenditure: the grants that we make, the costs of managing the investment portfolio and our running expenses (of which staff costs are the major component). Total expenditure this year was £6.9m, compared to £6.9m last year, mainly as a consequence of higher grants spending than the previous financial year, even with our underspend. Grants were £5.7m (2019/20: £5.6m), excluding the value of grants cancelled; Investment Management costs at £0.5m were 20% lower than in the previous year; and our running costs of £0.6m were 9.8% (2019/20: £0.7m, 10.8%) of total expenditure (excluding investment costs).

Trustees are mindful of the need to control running costs in order to maximise the amount available to spend on grants. We continue to monitor these closely.

Spending policy

The Foundation manages its assets and expenditure for the long term – which we define as 30 years. This time horizon is reviewed every three years and will be reviewed again in 2022.

In April 2015, Trustees held a special meeting to determine an appropriate spending policy, concluding that annual expenditure would be set at 4.5% of the value of our net assets, averaged over the quarter end values of the last three calendar years.

This year, with the development of our new Investment Policy, and in light of Covid-19 and projections for prospective low real rates of return on investment, the spending policy was again reviewed. We concluded, as in the recent past, that expenditure next year would be set at 4.5% of the value of our net assets, averaged over the quarter end value of the last three calendar years. However, we also determined that, in order to increase the likelihood that future investment returns are sufficient to meet this continuing level of expenditure, we should take certain considered steps to increase the overall portfolio risk adjusted returns.

The Finance and Investment Committee continues to review this in February of each year, and the Committee reports its recommendations to Trustees in March.

Grants Made in the Year Ended 31 March 2021

Reserves policy

For the Foundation, the reserves policy is inextricably linked with the spending policy. The Total Return approach means that actual income received each year will be supplemented, if necessary, from distributable capital. Given that all of our endowment funds are expendable, the Trustees have sufficient flexibility to respond to unforeseen circumstances if necessary, and therefore it is not considered appropriate to identify a level of free reserves that needs to be maintained.

Remuneration policy

Pay is reviewed annually by the Remuneration Committee, which considers external market conditions, such as inflation, cost of living awards in other sectors, and the cost as a proportion of overall expenditure, as part of its decision making. Trustee remuneration is linked to the lowest of three external benchmarks, currently RPI, CPI and CPIH, in a specified month, and as such is not determined by Trustees themselves.

Responsible investment

In 2020, for the first time, the Foundation published our Investment Policy externally on our website, as part of our commitment to being transparent, accountable and effective about the way its endowment is invested. As a responsible investor, we want to take full account of environmental, social and governance risks in our investment activities.

Our new Policy hopes to balance our need for financial returns that allow us to maintain our grantmaking capacity in the long term, and our need to address the risk that our investment policies and the investment decisions made on our behalf support corporate strategies, approaches or products that are poorly aligned to our aims and values. Our new Policy also focuses on how we will invest in a sustainable way that supports long-term environmental and societal sustainability and helps to address the climate and nature emergencies.

Arts

20 Stories High Towards core costs associated with commissioning new work.	£50,000 over 18 months
Hofesh Shechter Company Towards the costs of their biennial Shechter II programme which creates exceptional new work for the next generation of 18-25 year old dancers.	£120,000 over three years
Manchester Collective Towards core salaries of the Head of Development and Senior Producer roles.	£150,000 over three years
National Youth Theatre Towards the costs of 30 new national freelance employment opportunities for a cohort of diverse young professional creatives.	£150,000 over three years
New Vic Theatre Towards artistic core costs enabling continued investment in developing new productions and touring nationally.	£90,000 over three years
Northern Ballet Towards core costs associated with the creation and production of new work.	£90,000 over two years
Opera Rara Towards the costs of their artistic programme to rediscover neglected operatic masterpieces for contemporary audiences to enjoy.	£120,000 over three years
Pleasance Theatre Trust Towards expanding their National Partnerships Programme.	£88,233 over three years
Royal Scottish National Orchestra Towards "SCOTCH SNAPS", a series of short musical pieces by contemporary composers.	£35,000 over one year
Russell Maliphant Dance Company Towards the salary costs of the Artistic Director and Executive Director, underpinning the creation of two new cross art form works.	£90,000 over three years
Scottish Ballet Towards the costs of embedding digital activity into their core operation through organisational change, creative skills development and new and original work.	£120,000 over three years
Tamasha Theatre Company Towards the costs of a new Digital Producer role and facilitate regionally-based creative projects.	£105,000 over three years
The Marian Consort Towards commissioning costs of new work and salary costs of the General Manager and Artistic Director.	£75,000 over three years
Total Arts Grants	£1,283,233

Environment

Beaver Trust Towards core costs in restoring beaver wetlands across Britain.	£100,000 over three years
Blue Marine Foundation Towards core costs of their work on Marine Protected Areas in parts of the UK and the UK's Overseas Territories, and the protection of Britain's inshore waters.	£150,000 over three years
Bright Blue Towards staffing and projects costs of a programme to tackle climate change and biodiversity decline through nature-based solutions.	£110,000 over two years
Caplor Horizons Towards the costs of 'The Commitment' project which aims to influence and enable political leaders to accelerate action on biodiversity loss and climate change.	£60,000 over two years
CHEM Trust Towards core costs of achieving protective chemicals policy at both EU and UK levels whilst raising awareness amongst UK consumers of the harm they can do to health, wildlife and the environment.	£100,000 over three years
Green Alliance Towards the costs of their Natural Environment Programme which seeks to curb the long-term decline in the health of the UK's natural environment.	£100,000 over three years
Marine Conservation Society Towards costs of a new Blue Carbon Economist post to deliver a portfolio of ocean-based climate solutions and empower communities in blue carbon recovery action.	£135,000 over three years
North West Wildlife Trusts Towards core costs and policy work to secure better managed Marine Protected Areas in the Irish Sea.	£90,000 over three years
Salmon & Trout Conservation Towards the costs of a new fundraiser bringing in additional funding to deliver their work to protect wild fish and their habitats in fresh and marine waters.	£60,000 over two years
Scottish Environment Link Towards the salaries of a Marine Policy & Engagement Officer and Campaigns Officer who will work towards their Ocean Recovery Plan.	£150,000 over three years
South Atlantic Environmental Research Institute Towards the costs of a new Marine and Coastal Programme Coordinator who will be pivotal for the long-term sustainability of marine and coastal programmes on the Falklands.	£120,472 over three years

The Organic Research Centre Towards core costs and expanding their fundraising capacity.	£120,750 over three years
The Rivers Trust Towards the costs of a new Commercial Director and Director of Communications and Partnerships to help build partnerships at a national, regional and local scale to deliver improvements to rivers and their catchment areas.	£120,000 over three years
University of Oxford Towards the costs of their Penguin Watch and Seabird Watch projects to monitor seabirds in the UK and the UK's Overseas Territories.	£65,000 over one year
Whale and Dolphin Conservation Society Towards the costs of by-catch audits for five UK supermarket chains or major seafood brands to reduce the destructive impacts of commercial fishing.	£100,000 over two years
Total Environment Grants	£1,581,222

Social Action

Birthrights Towards the salaries of the CEO, policy and support staff.	£100,000 over two years
Campaign Bootcamp Towards core costs of their training programmes to support people in marginalised communities to run campaigns which challenge disadvantage, division and inequality.	£120,000 over three years
Carers UK Towards core costs.	£100,000 over two years
Children England Towards core costs.	£90,000 over two years
Citizens UK Towards the salary costs for the Living Wage for Key Workers Campaign co-ordinator post.	£119,129 over three years
Contact Towards core campaigning costs to drive social change and tackle disadvantage and inequality with and for families with disabled children.	£105,000 over three years
Friends, Families & Travellers Towards the costs of policy work on access to health and care services in Gypsy, Roma and Traveller communities.	£149,943 over three years
Heart n Soul Towards core costs and the Associate Director salary to support their programmes aimed at increasing the voice and representation of those with learning disabilities within and beyond the arts.	£90,000 over three years
Human Trafficking Foundation Towards core costs and policy change in the modern slavery sector on a local and national level.	£120,000 over three years
LGBT Foundation Towards project costs related to their policy and influencing work in relation to health inequalities faced by members of the LGBT community.	£95,790 over two years
Local Trust Towards the costs of a campaigning team to support and grow the Community Wealth Fund Alliance.	£25,000 over two years
Refugee Action Towards the design, delivery and evaluation of their campaigning work.	£150,000 over three years

Sheila McKechnie Foundation Towards the costs of sponsoring their 2021 Amplifying Voices Award.	£5,000 over one year
Surviving Economic Abuse Towards core costs of their work raising awareness of economic abuse and transforming responses to it.	£120,000 over three years
The Equality Trust Towards the costs of joining up their research, policy and communications functions in relation to their work on reducing socio-economic inequality in the UK.	£70,000 over two years
The Foyer Federation Towards core costs of producing strength-based solutions to youth unemployment and youth homelessness.	£96,000 over three years
The Relationships Project Towards core costs.	£120,000 over three years
Working Families Towards the costs of their Head of Policy and Influencing post to work to “Build Back Better” for the UK’s working parents post-pandemic, and influencing permanent labour market and employment rights reform.	£120,000 over three years
Total Social Action Grants	£1,795,862

Other

Civil Exchange Towards "The Better Way Network Project".	£60,000 over three years
Climate Outreach Towards the costs of their public engagement communications lab to support UK climate campaigning and the UK climate movement.	£5,000 over one year
Environmental Funders Network Towards the costs of "Safeguarding the environments of the British Overseas Territories", a joint EFN/RSPB project to increase funding sources for the UKOTs.	£29,854 over one year
Friends Provident Foundation Towards the Index of Foundation Diversity, Transparency and Accountability, where information on the governance and reporting practices of trusts and foundations will be made publicly available.	£30,000 over three years
Full Fact Towards the costs of working alongside those with personal experience of the harm caused by bad information and supporting everyone to demand a better quality of public debate.	£50,000 over one year
Rachel Swart Fund Towards core costs of their support for people living with physical disabilities in South Africa.	£98,500 over three years
Stop Climate Chaos Scotland Towards the costs of convening environmental charities around their engagement with COP26.	£33,000 over one year
The Access to Justice Foundation Towards the Community Justice Fund, a pooled fund created in response to the pandemic to enable a more fair and equal society where everyone can get the legal support they need to access their rights and prevent injustice.	£74,000 over one year
The Big Give Towards their new green match fund for environmental charities in support of their work on climate change, natural resources, biodiversity, conservation, pollution and waste in the UK or overseas.	£10,500 over one year
Thirty Percy Foundation Towards the Resourcing Racial Justice Fund, a pooled fund established to support individuals and communities working towards racial justice.	£50,000 over one year
Wildlife and Countryside Link Contribution towards the costs of a joint project by Wildlife and Countryside Link and Natural England to improve diversity in the Conservation Sector, with match-funding provided by Joseph Rowntree Charitable Trust and Esmée Fairbairn Foundation.	£15,000 over one year
Total Other Grants	£455,854

Museums and Galleries Fund

Art UK Towards increased curatorial capacity of "Art Detective", an online forum for specialists and others interested in resolving questions about the artworks held by UK public collections.	£81,425 over two years
Bluecoat Towards costs of a Project Curator to explore the links between contemporary art practice and the history and politics of postcolonial legacies, diversity, cultural identity and race.	£99,579 over two years
British Glass Foundation Towards the salary of a Projects Curator and associated costs.	£60,000 over 2 years
Dovecot Studios Towards new curatorial posts.	£81,960 over two years
Glasgow Women's Library Towards the "Curating in Partnership Project".	£81,423 over two years
Manchester Museum Towards the "Indigenising Manchester Museum" Project.	£101,850 over two years
Outside In Towards their "Curating Collections Course".	£60,000 over 3 years
Total Museums and Galleries Grants	£566,237
Additional grant-related expenditure not included in the above	£27,402

Total grants made in the year ending 31 March 2021 **£5,709,810**

Structure, Governance and Management

Trustees

The Foundation's nine Trustees are listed at the end of this report. The governing document provides for a maximum of nine and a minimum of three. Trustees are appointed for five years, followed by the possibility of a further five years. A Trustee who is selected to be Chair of the Board or Chair of the Finance and Investment Committee may serve beyond the 10-year term, if this is in the best interests of the Foundation. Since the introduction of the Equalities Act 2010, there is no retirement age.

The first Trustees were personally selected by Sir John II and Lady Ellerman and had strong links with the Ellerman companies. In 2011, the last Trustee with a personal connection to Ellerman Lines retired.

Today, Trustees are recruited according to the skills, knowledge and experience required while seeking to achieve greater diversity. In December 2020, we launched an open recruitment campaign for a new Trustee with a specialist interest in environmental issues. We received 85 applications and interviewed five candidates, before offering the role to the successful candidate in February 2021.

Each new Trustee receives a full induction, which includes meeting with staff and Trustees, and receiving a detailed information pack covering our governance, history, funding guidelines, investments and objectives. Ongoing training and skills development takes a variety of forms, depending on the role and interests of the individual Trustees, and includes attendance at seminars, conferences and other events. There is an annual appraisal by the Chair, who, in turn, is appraised by two Trustees.

Trustees are closely involved in the evaluation of applications and grants made. They review initial applications, visit those organisations invited to submit a second-stage application and provide written reports to the Board. Trustees that are appointed for their experience in one of our funding categories play a lead role in developing and monitoring the grantmaking strategy in that area, and those with investment expertise sit on the Finance and Investment Committee. All participate in occasional sub-groups to review our policies, practice and strategy.

Organisational structure

The Trustee Board meets at least six times each year. This financial year we held an extra meeting in June 2020 to support our Covid-19 related decision making. The Board approves new grants and sets strategy and policy for grantmaking and financial matters.

Several Committees support the Foundation's work throughout the year, and report to the Trustee Board:

- The **Finance and Investment Committee** is responsible for financial and investment matters. The Committee's role includes developing an appropriate investment strategy and policy, overseeing its implementation and monitoring investment performance. It also reviews and recommends to the Board the annual budget and spending policy, and monitors expenditure. It meets at least four times a year.
- The **Remuneration Committee** is responsible for reviewing all remuneration and benefits for staff and Trustees. It meets at least once a year.
- The **Risk and Audit Committee** is responsible for reviewing the systems in place to manage risks within the organisation and ensure that adequate internal financial controls and procedures are in place. It also supports the compilation of our annual report and accounts. It meets at least two times a year.
- The **Nominations Committee** is responsible for the recruitment of Trustees as delegated by the Board. It is not a permanent Committee but is convened when a new Trustee is being appointed.

The day-to-day management of our organisational affairs is delegated by the Trustees to the Director and staff team. They are responsible for ensuring that the Trustees' decisions are implemented in accordance with existing policy and within budget, and for briefing Trustees on current trends in the charitable sector and advising on how these may affect policy.

Risk statement

The Trustees are responsible for the management of the risks faced by the Foundation. These fall into four areas: governance and management, operational, grantmaking and finance.

The Risk and Audit Committee reviews all these areas and identifies the major risks, their likelihood of occurrence, the significance of the risk, mitigating controls that are in place, and recommends any additional actions and resources required to reduce and manage those risks. These are documented in a Risk Register, which is also considered by the Trustee Board.

Our investment activities represent our main financial risk. This risk is managed, with the support of an investment consultant, by regularly reviewing investment policies and objectives, employing external managers to achieve a well-diversified portfolio, and closely monitoring their performance relative to the investment objective and investment policy. Our investment activities also risk diverging from our charitable purpose and aim, and this is why environmental, social and governance factors are a key focus of our new Investment Policy.

Applications for grants are assessed carefully to ensure that the Board understands any risks associated with a particular organisation or programme of work, and appropriate conditions are agreed. Once a grant is approved, monitoring and reporting processes are in place to ensure grants are well managed and evaluated.

All relevant policies and procedures are included in the Foundation Handbook. The Handbook is updated regularly and reviewed annually by the Risk and Audit Committee. A Business Continuity Plan and Health and Safety Review form part of the annual risk assessment and are detailed in the Handbook. Trustees confirm that they are satisfied with the current systems and internal controls.

Conflicts of interest

Trustees and staff are expected to conduct the business of the Foundation with integrity at all times. A Conflict of Interest Policy is in place to ensure that there is no personal gain from our work, and to prevent any conflict, actual or perceived, between an individual's duty to the Charity and a duty or loyalty to another organisation or person.

All staff and Trustees complete an annual register of interests form. At Board Meetings each Trustee completes a declaration of interest form that lists all applications to be discussed. Staff and Trustees are expected to alert those present to any interests and may be asked to withdraw from the meeting during the relevant decision-making process. Any relevant gift or hospitality received by Trustees and staff is also recorded on the Register of Interests. A note to the financial accounts lists grants made to any organisation during the year with which a Trustee has a close relationship.

Good governance

Trustees recognise the importance of good governance in ensuring the ongoing success of the Foundation. To support with this, Trustees adhere to the guidance set out in our Scheme, which is our governing document, the Charity Commission's guidance in 'The Essential Trustee', and the Charity Governance Code.

The Trustee Board applies great care, attention and skill in order to ensure that our resources are used responsibly and for the public benefit. Trustees are deeply committed to operating in a way that is transparent, accountable and effective, and this includes recent discussions on diversity, equity and inclusion.

Statement of Responsibilities of the Board of Trustees

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS102 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 Charity will continue in business; and
- state whether a SORP applies and has been followed, subject to any material departures which are explained in the financial statements.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deeds. They are also responsible for safeguarding the assets of the Charity, including taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



Hugh Raven
Chair



Gary Steinberg
Chair, Finance and Investment Committee

Date: 29th July 2021

Independent Auditors' Report to the Trustees of John Ellerman Foundation Charity

Opinion

We have audited the financial statements of John Ellerman Foundation for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, and the Cash Flow Statement 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, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021, and of its incoming resources and application of resources, 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 Charities Act 2011.

Basis for opinion

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

We are independent of the charity 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 18, the Trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

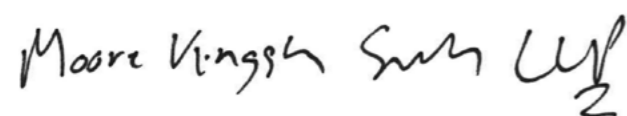
As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's Trustees 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 any party other than the charity and charity's Trustees as a body, for our audit work, for this report, or for the opinion we have formed.



Moore Kingston Smith LLP, Statutory Auditor

Date: 29th July 2021

Devonshire House
60 Goswell Road
London
EC1M 7AD

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

Statement of Financial Activities for the Year Ended 31 March 2021

	Notes	Total Unrestricted Funds 2021 £'000	Total Unrestricted Funds 2020 £'000
Income			
Income from investments	3	3,136	3,824
Other income		20	-
Total income		3,156	3,824
Expenditure			
Expenditure on raising funds		607	746
Expenditure on Charitable Activities			
Grants to charities		5,710	5,643
Grants cancelled in the year		(30)	(140)
Costs in support of grantmaking	5	618	663
Total charitable activities	5	6,298	6,166
Net gains (losses) on investments			
Gains (losses) on investment assets	9	24,609	(11,606)
Net income/(expenditure)		20,860	(14,694)
Net movement in funds			
		20,860	(14,694)
Reconciliation of funds			
Total funds brought forward		128,853	143,547
Total funds at 31 March		149,713	128,853

All the above figures relate to continuing operations. There are no recognised gains or losses other than those disclosed.

Balance Sheet at 31 March 2021

	Notes	2021 £'000	2020 £'000
Fixed Assets			
Tangible Fixed Assets	8	1,460	1,488
Investments	9	150,330	129,108
Social Investment	9	42	54
Total Fixed Assets		151,832	130,650
Current Assets			
Debtors	10	812	880
Cash at bank and in hand		3,936	4,266
Total Current Assets		4,748	5,146
Current Liabilities			
Creditors: amounts falling due within one year	11	(4,935)	(4,757)
Net Current (Liabilities)/Assets		(187)	389
Total Assets Less Current Liabilities		151,645	131,039
Creditors: amounts falling due after more than one year	12	(1,932)	(2,186)
Net Assets		149,713	128,853
FUNDS			
Expendable Endowment Capital		149,713	128,853
TOTAL FUNDS		149,713	128,853

The financial statements were approved by the Trustees on 29th July 2021 and were signed on their behalf by:



Hugh Raven
Chair



Gary Steinberg
Chair, Finance and Investment Committee

Statement of Cash Flows for the Year Ended 31 March 2021

	Notes	2021 £'000	2020 £'000
Net cash provided by/(used in) operating activities	15	(6,881)	(6,784)
Cash flows from investing activities			
Interest received		5	19
Investment income received		3,156	3,805
Purchase of fixed assets		(9)	(9)
Movements in investments cash balance		1,340	1,273
(Loss)/gain on foreign exchange		138	15
Sale of investments		65,326	21,304
Purchase of investments		(63,417)	(19,085)
Purchase of social investment		-	-
Redemption of social investment		12	21
		6,551	7,343
Increase/(decrease) in cash		(330)	559
Cash and cash equivalents at the beginning of the reporting period		4,266	3,707
Cash and cash equivalents at the end of the reporting period		3,936	4,266

Notes to the Financial Accounts for the Year Ended 31 March 2021

1. Charitable status

John Ellerman Foundation is a charity registered under the Charities Act 1960, No. 263207; all the income has been agreed as being charitable and therefore no UK taxation is payable.

2. Accounting policies

i. Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, with the exception that investments are valued 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 Charity is a public benefit entity for the purposes of FRS 102 and therefore the Charity 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 including update bulletin 2) and the Charities Act 2011.

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern including the impact of COVID-19. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Trustees have considered the Charity's forecasts and projections and have taken account of pressures on investment income. After making enquiries, 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. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

The financial statements have been prepared in sterling which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest thousand.

ii. Financial instruments

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the SOFA, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

iii. Critical accounting estimates and areas of judgement

In the view of the Trustees in applying the accounting policies adopted, no 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.

A summary of the more important accounting policies, which have been applied consistently, is set out below:

- (a) Bank deposit interest has been included on the accruals basis. Investment income is recognised as follows: for the segregated accounts, income has been accrued as applicable; where shares are issued in lieu of income, the market value of these shares has been included in income.
- (b) Grants are fully accounted for in the year the grant is approved. Payments falling due in later years are provided for as a liability on the balance sheet.
- (c) Expenditure has been accounted for on the accruals basis. Costs of raising funds include investment management, custody, consultancy and a proportion of staff and Trustee costs. Employee costs and Trustee remuneration have been apportioned between costs of raising funds, charitable activities and governance costs, on the basis of the proportion of time spent by each employee or Trustee in contributing to each category. Governance costs include audit fees, legal fees and a proportion of staff and Trustee costs associated with Trustee meetings, strategy, Away Days and compliance with statutory requirements. The remaining expenses of the Foundation have been apportioned on the same basis as staff costs and Trustee remuneration. All expenditure is recorded inclusive of irrecoverable VAT.
- (d) Pension contributions are made for all employees and recorded as they fall due. These are defined contributions paid to approved private pension schemes for each employee. Details are provided in note 7.

(e) At 1 April 2014, the Trustees valued the property of the Foundation's offices at Aria House, held on a 999 year lease from 1990, at £1,250,000, based on a chartered surveyor's valuation report. This value was recorded in the year of transition and will be held as the carrying value in future years, following the transitional provisions of FRS 102 (paragraph 35.10c) which allow the property to be valued at fair value on transition and to use that value as deemed cost going forward, with no on-going requirement to carry out further revaluations. The residual value of the leasehold property is considered to be at least equal to the carrying value and therefore no depreciation has been provided as this would be immaterial. Annual impairment reviews are carried out. The same principle and review policy applies to the carrying value of a portrait of a member of the Ellerman family. All fixed assets are held for the Foundation's charitable use.

(f) Furniture, fittings and equipment have been depreciated to write off the cost less the estimated residual value, on a straight line basis over the expected useful economic life. The annual rate used for this purpose is 33% for computer and office equipment and 10% for other assets. A capitalisation limit has been set such that purchases of £250 and over are capitalised and items below this level are treated as an expense in the year of purchase.

(g) Profit or loss on realisations of investments has been taken to the Expendable Endowment.

(h) Investments have been stated at market value in accordance with SORP. Net investment gains and losses are disclosed in note 9. Social Investments represents a limited partnership interest with a maximum commitment of £250,000 in Shared Lives Investments L.P. to support the growth of Shared Lives provision.

(i) Monetary assets and liabilities denominated in foreign currencies are translated at the year end exchange rate. Transactions denominated in foreign currencies are translated at rates prevailing at the transaction date. Exchange differences are taken into account in arriving at the movement of funds for the year.

(j) The Foundation has adopted a Spending Policy which the Trustees believe to be currently sustainable. The Total Return approach means that actual income received each year will be supplemented, if necessary, from distributable capital. It follows that the reserves policy is to retain the appropriate capital value in the investment portfolio to be able to continue to support charities over the long-term.

3. Investment income

	2021	2020
	£'000	£'000
Investment income from assets in the UK	1,724	2,771
Investment income from assets outside the UK	1,407	1,035
Interest on cash deposits	5	18
Total investment income	3,136	3,824

Investment income received during the year relates to investments, which are listed on recognised stock exchanges. Dividend income and interest is treated in accordance with the accounting policy 2(a) above.

4. Grants to charities

	2021	2020
	£'000	£'000
Grants awarded in the year	5,710	5,643
Grants cancelled in the year	(30)	(140)
Total Grants to Charities (note 5)	5,680	5,503

A list of grants awarded during the year ended 31 March 2021 is shown in the Annual Report.

Grants awarded in the year:

	2021	2020
	£'000	£'000
Grants paid in the year	1,830	1,566
Grants payable within one year	2,134	2,364
Grants payable after more than one year	1,746	1,713
Grants cancelled in the year	(30)	(140)
Total Grants to Charities	5,680	5,503

Trustees include in the notes to the Financial Accounts, for transparency reasons, any grant made to an organisation with which a Trustee of the Foundation has a conflict of interest. In accordance with the Foundation's policy, Trustees withdraw from the (virtual) room for these decisions.

In the financial year 2020-21 there were three such occurrences. Hugh Raven is Chair of the Environmental Funders Network, which received a grant of £29,854 in July 2020. Hugh Raven is the former Chair of the Marine Conservation Society, which received a grant of £135,000 in January 2021. Becca Bunce was trained by and has a friendship with the CEO of Campaign Bootcamp, which received a grant of £120,000 in November 2020. It was also noted that, in making the grant of £25,000 to Local Trust in January 2021, Geraldine Blake was a former member of the Community Wealth Fund Alliance Advisory Group.

5. Analysis of total expenditure

	2021			2020		
	Costs of Raising Funds	Charitable Activities	Total	Costs of Raising Funds	Charitable Activities	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Investment fees	533		533	666		666
Grants to Charities (note 4)		5,680	5,680		5,503	5,503
Support costs:						
Staff costs (note 7)	50	358	408	49	360	409
Trustee costs (note 6)	9	91	100	10	100	110
Audit fees	-	14	14	-	14	14
Legal fees	-	7	7	-	6	6
Depreciation	3	34	37	3	32	35
Monitoring & Evaluation	-	11	11	-	3	3
General expenses	12	103	115	18	148	166
	74	618	692	80	663	743
Total expenditure	607	6,298	6,905	746	6,166	6,912

Support costs include governance costs of £60,000 (2020: £60,000). Support costs are allocated on the basis of an estimate of time apportioned to Charitable Activities and to managing the endowment investments.

6. Trustees' remuneration

Trustees receive remuneration in accordance with the authority in the Scheme (clause 12). In carrying out their duties, including visits to applicant charities, eight Trustees incurred travelling and related expenses totalling £611 (2020: £7,127), which have been included under Monitoring and Evaluation.

	2021	2020
	£'000	£'000
Remuneration paid to Trustees during the year:		
Gary Steinberg, Chair of the Finance and Investment Committee	11	11
Brian Hurwitz (until 30 April 2020)	1	11
Peter Kyle, Chair of the Risk and Audit Committee	11	11
Hugh Raven, Chair	16	16
Geraldine Blake	11	11
Keith Shepherd	11	11
Annika Small	11	11
Tufyal Choudhury	11	11
Rebecca Bunce	11	11
Jonny Hughes (from 25 March 2021)	-	-
Total remuneration	96	104
Social Security costs	3	4
Pension provision	1	2
Total remuneration and Social Security costs	100	110

7. Employees

	2021	2020
	£'000	£'000
Wages and salaries	332	296
Employer's National Insurance costs	39	35
Pension costs	33	52
Temporary staff	4	26
Total staff costs	408	409

The average number of employees during the year ended 31 March 2021 was 6 (2019: 5). The average full-time equivalent number of employees analysed by function was:

	2021	2020
Generating funds	0.2	0.2
Charitable activities	5.6	4.6
Total full-time equivalent staff	5.8	4.8

For each employee, the Foundation contributes to an approved private pension scheme. The total pension cost for the Foundation was £34,108 (2020: £52,845).

The numbers of employees who received emoluments (including taxable benefits in kind) in the following ranges were:

	2021 Number	2020 Number
£60,001 - £70,000	-	1
£70,001 - £80,000	-	1
£80,001 - £90,000	2	-
£90,001 - £100,000	1	-
£100,001 - £110,000	-	1

For these employees, the Foundation made contributions to their approved private pension schemes totalling £21,520 (2020: £8,281) during the year.

The Charity considers its key management personnel to comprise the Trustees, the Director and the Heads of Grants and Finance. The total remuneration (salaries and employee benefits) including employer pension contributions of the key management personnel was £381,228 (2020: £404,400). Key management personnel are defined as persons having authority and responsibility for planning, directing and controlling the activities of the entity, including directors and senior management personnel to whom the Trustees have delegated significant authority or responsibility in the day-to-day running of the entity's affairs.

8. Tangible fixed assets

	Leasehold property	Furniture, Fittings and Equipment	Total
	£'000	£'000	£'000
Cost or valuation			
At 1 April 2020	1,250	405	1,655
Purchases during year	-	9	9
At 31 March 2021	1,250	414	1,664
Depreciation			
At 1 April 2020	-	167	167
Charge for the year	-	37	37
At 31 March 2021	-	203	203
Net book value at 31 March 2020	1,250	238	1,488
Net book value at 31 March 2021	1,250	210	1,460

As at 1 April 2014, the Trustees valued the property of the Foundation's offices at Aria House, held on a 999 year lease from 1990, at £1,250,000, based on a valuation report by Aston Rose chartered surveyors. This external valuation was made on an existing value basis and prepared in accordance with RICS Valuation Standards, published by the RICS. As stated in note 2(f), this valuation is being treated as deemed cost in accordance with the transitional provisions of FRS 102.

9. Investments

	31 March 2021	31 March 2020
	£'000	£'000
Investment assets in the UK	67,942	82,126
Investment assets outside the UK	81,548	44,802
Total investments, excluding cash	<u>149,490</u>	<u>126,928</u>
Investment cash accounts in the UK	839	2,180
Total investments at 31 March	<u>150,330</u>	<u>129,108</u>

The historical cost of the investments (including cash) held at 31 March 2021 was £122,629,000 (31 March 2020: £117,913,000).

The movement during the year of the total investments, excluding cash, was:

	2021	2020
	£'000	£'000
At 1 April	126,928	140,714
Purchases at cost	63,417	19,085
Disposal proceeds	(65,326)	(21,304)
Net investment gains	24,471	(11,567)
At 31 March	<u>149,490</u>	<u>126,928</u>

Investments are listed on recognised stock exchanges and valued at the middle market prices ruling at the period end. During the year, £3.0m (2020: £3.0m) was withdrawn from the investment portfolios to provide working capital.

The movement during the year of social investments was:

	2021	2020
	£'000	£'000
At 1 April	54	99
Purchases at cost	-	-
Redemption proceeds	(12)	(21)
Impairment charge	-	(24)
At 31 March	<u>42</u>	<u>54</u>

Gains on revaluations and disposals of investments:

	2021	2020
	£'000	£'000
Net investment gains/(losses)	24,471	(11,591)
Realised gains/(losses) on foreign currency	138	(15)
Total gains/(losses) on revaluations and disposals of investments	<u>24,609</u>	<u>(11,606)</u>

10. Debtors

	31 March 2021	31 March 2020
	£'000	£'000
Accrued income and prepayments	809	874
Other debtors	3	6
Total Debtors	<u>812</u>	<u>880</u>

11. Creditors: amounts falling due within one year

	31 March 2021	31 March 2020
	£'000	£'000
Accrued expenditure	180	171
Other creditors	10	20
Grants payable	4,729	4,552
Other taxation and social security	16	14
Total Creditors due within one year	<u>4,935</u>	<u>4,757</u>

Included within accrued expenditure is an amount of £14,061 (2020: £nil) due to pension schemes.

12. Creditors: amounts falling due after more than one year

	31 March 2021	31 March 2020
	£'000	£'000
Grants payable between 1 to 2 years	1,932	2,186
Total Creditors falling due after more than one year	<u>1,932</u>	<u>2,186</u>

13. Financial commitments

During the year to 31 March 2015, Trustees approved a social investment of up to £250,000 in a Fund created by Social Finance to expand the number of Shared Lives schemes in England. The first drawdown was made in April 2015. At 31 March 2020, the Foundation had provided a total of £150,000 in respect of this commitment, leaving a residual commitment of £7,000. As at 31 March 2021 there are no residual commitments.

14. Lease commitments

At 31 March the Foundation had total future commitments under operating leases as follows:

	31 March 2021	31 March 2020
	£'000	£'000
Within one year	1	1
Between one and five years	-	-
Total lease commitments	1	1

15. Reconciliation of net income/(expenditure) to net cash outflow from operating activities

	31 March 2021	31 March 2020
	£'000	£'000
Net income/(expenditure) for the reporting period	20,860	(14,694)
Depreciation charges	37	34
Bank interest received	(5)	(19)
Investment income	(3,156)	(3,805)
Loss/(profit) on foreign exchange	(138)	(15)
(Profit)/ Loss on revaluation of investments	(24,471)	11,591
(Increase)/decrease in debtors	68	(1)
Increase/(decrease) in creditors	(76)	125
Net cash provided by (used in) operating activities	(6,881)	(6,784)

16. Analysis of changes in net debt/cash

The movement during the year of net debt/cash balances was:

	2021	2020
	£'000	£'000
Cash balance as at 1 April	4,266	3,707
Cash Flows during the year	(330)	559
Cash balance as at 31 March	3,936	4,266

Trustees, Staff and Registered Office of the Foundation

Board of Trustees

Hugh Raven
Geraldine Blake
Rebecca Bunce
Tufyal Choudhury
Jonathan Hughes (from 25 March 2021)
Dr Brian Hurwitz MD (until 30 April 2020)
Peter Kyle OBE, CCMI
Keith Shepherd
Annika Small OBE
Gary Steinberg

The following Trustees are members of or served on Committees at 31 March 2021:

Finance and Investment Committee: Gary Steinberg (Chair), Keith Shepherd and Annika Small

Remuneration Committee: Hugh Raven (Chair), Gary Steinberg, Peter Kyle and Geraldine Blake

Risk and Audit Committee: Peter Kyle (Chair) and Keith Shepherd

Members of Staff

Sufina Ahmad MBE	Director
Matthew Whittell	Head of Finance and Resources
Dorothee Irving	Head of Grants
Gareth Clayton	Grants Manager
Philee Ang Chen	Grants Assistant
Lauren Williamson	Office Manager and Personal Assistant (until 15 April 2020)
Rian Trim	Office Manager and Executive Assistant

Registered Office of the Foundation

Address	Aria House, 23 Craven Street, London WC2N 5NS
Telephone	020 7930 8566
Email address	enquiries@ellerman.org.uk
Website	www.ellerman.org.uk
Registered Charity No.	263207

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Solicitors

Bates Wells, 10 Queen Street Place, London EC4R 1BE

Investment Advisers

Stanhope Consulting, 35 Portman Square, London W1H 6LR

Fund Managers at 31 March 2021

CCLA, Senator House, 85 Queen Victoria Street, London EC4V 4ET
Charities Property Fund, Cordea Savills, 33 Margaret Street, London W1G 0JD
Fulcrum Asset Management, Marble Arch House, 66 Seymour Street, London W1H 5BT
GMO UK Limited, No. 1 London Bridge, London SE1 9BG
Investec Wealth & Investment Limited, 30 Gresham Street, London EC2V 7QN
Newton Investment Management Limited, 160 Queen Victoria Street, London EC4V 4LA
Ruffer LLP, 80 Victoria Street, London SW1E 5JL

Bankers

COIF Charities Deposit Fund, Senator House, 85 Queen Victoria Street, London EC4V 4ET
Coutts & Co., 440 Strand, London WC2R 0QS

Museums and Galleries Fund Adviser

Dr Virginia Tandy OBE

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John Ellerman Foundation

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