



# 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

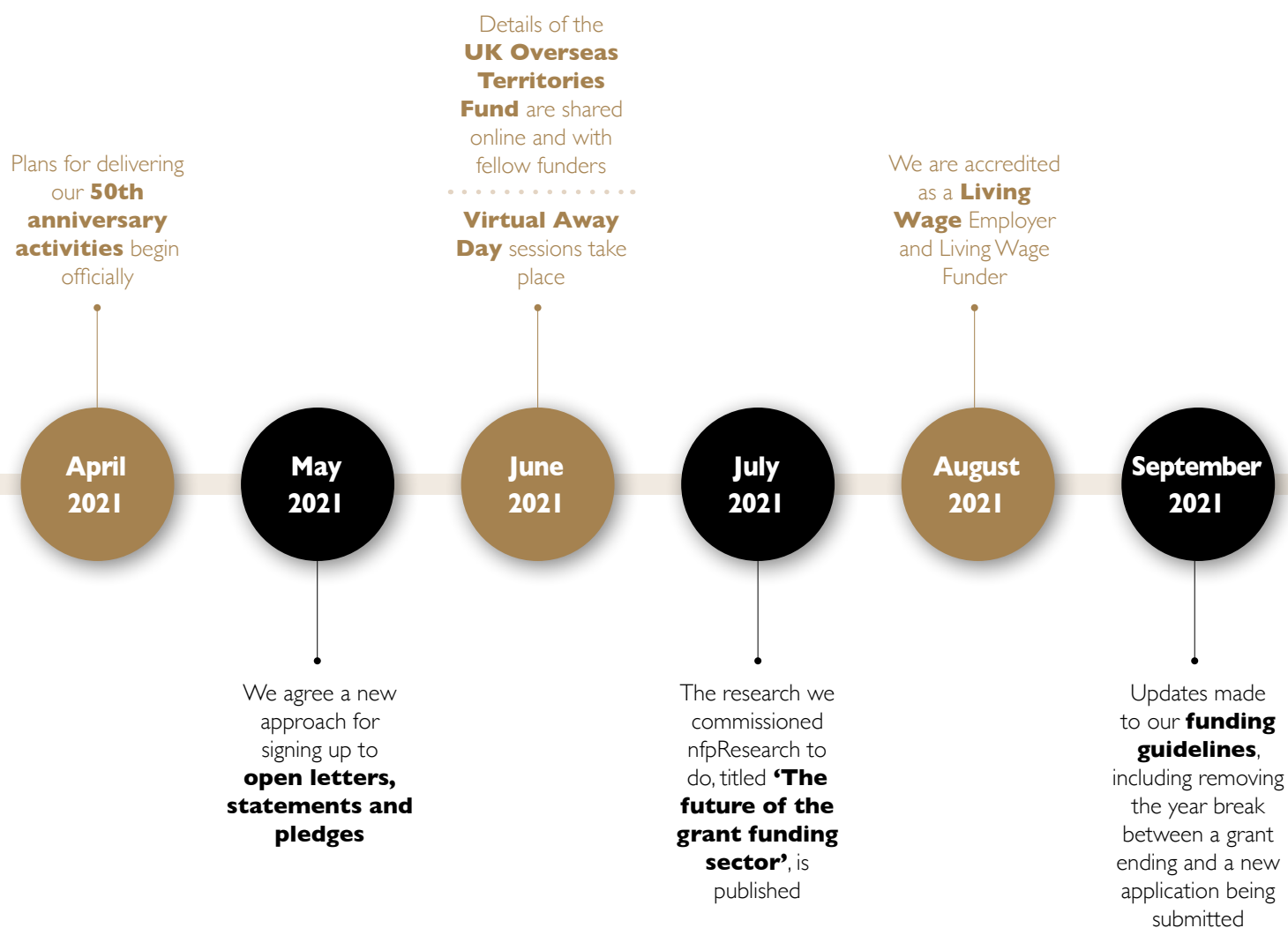
John Ellerman Foundation was created from a combination of the wealth and generosity of a father and son.

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

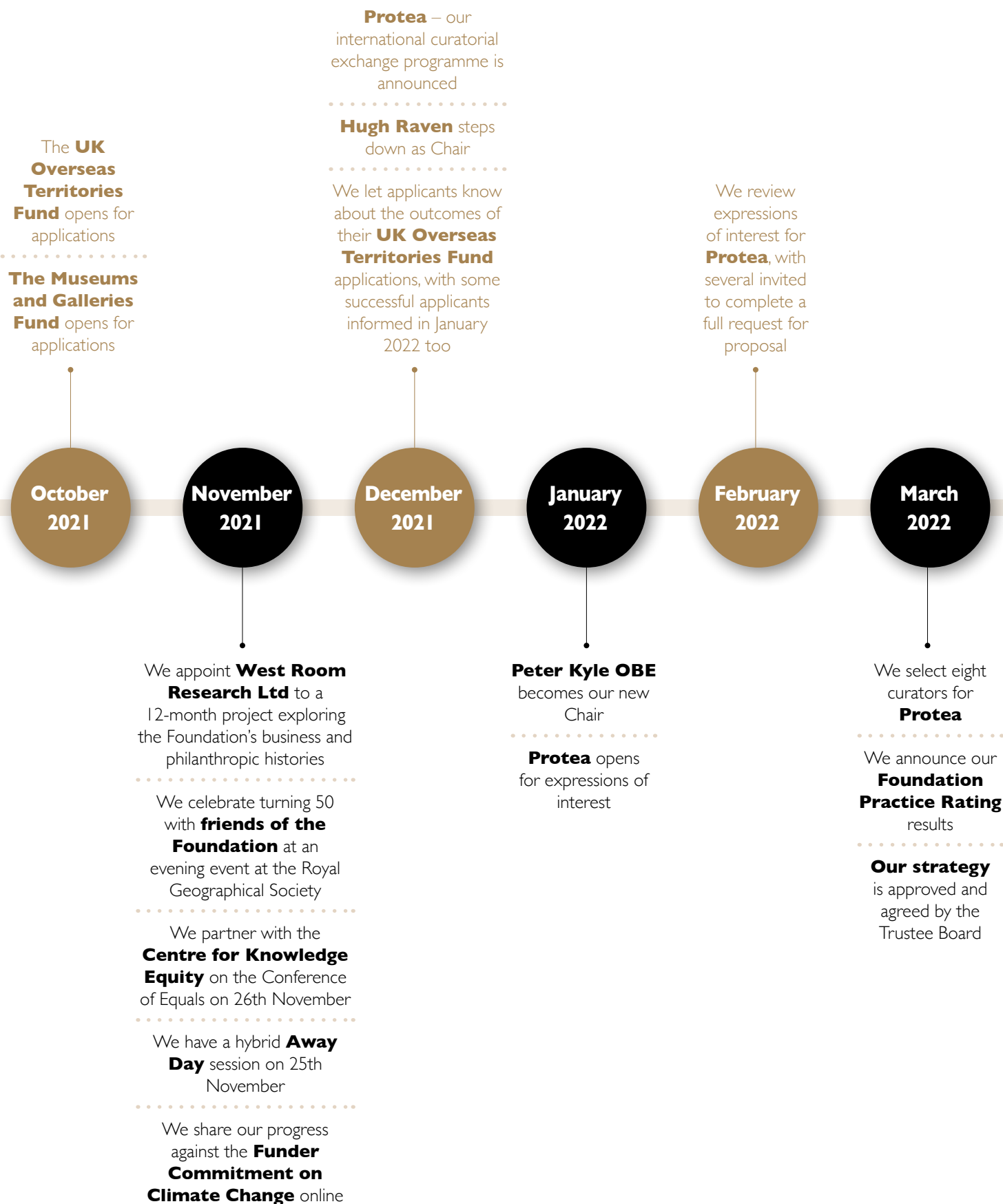
years before his death, he donated the funds from the Ellerman Lines business to form the original Foundation.

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







## 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

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 ”*



Lyme Bay © Blue Marine Foundation



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.



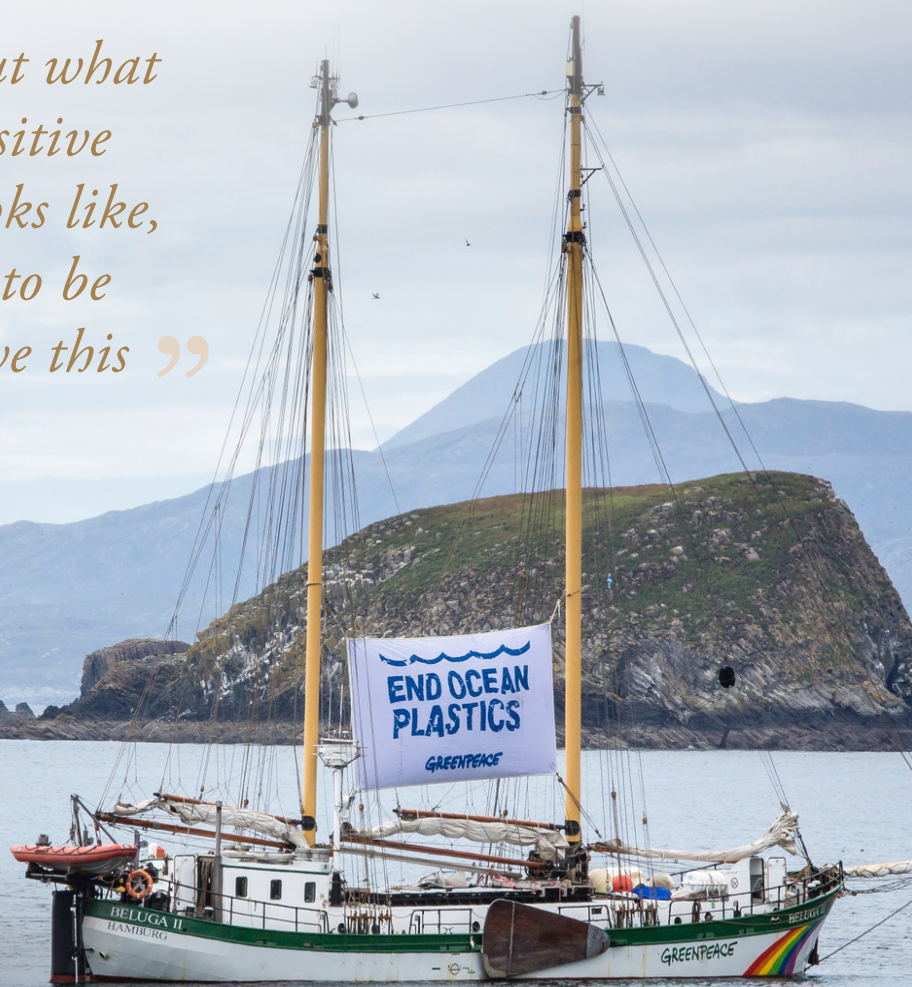
## FUNDER PLUS

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



Chris Packham © Link



The Link team © Link

## 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



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."*



*[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].*

## 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.



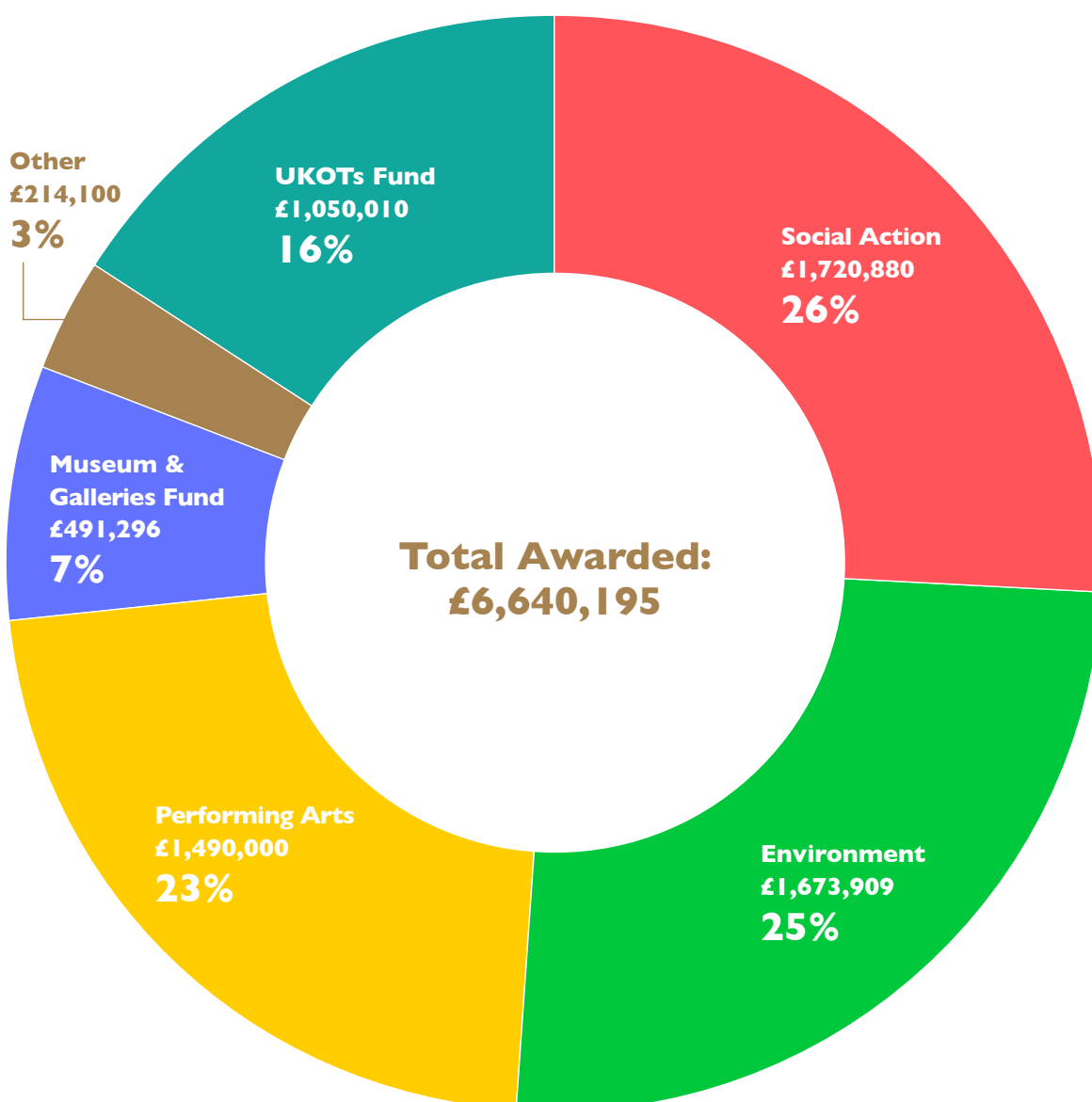


## THE YEAR IN NUMBERS

**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.

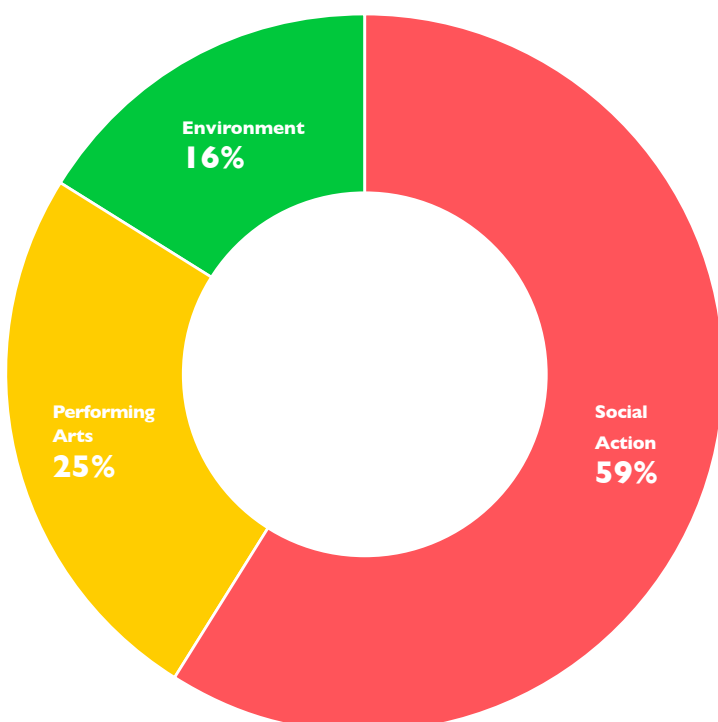
The grant spend across the categories was spread as follows: Arts (including Museums and Galleries) received £1,981,296; Social Action received £1,720,880; and Environment received £1,673,909.

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.

### % APPLICATIONS BY CATEGORY



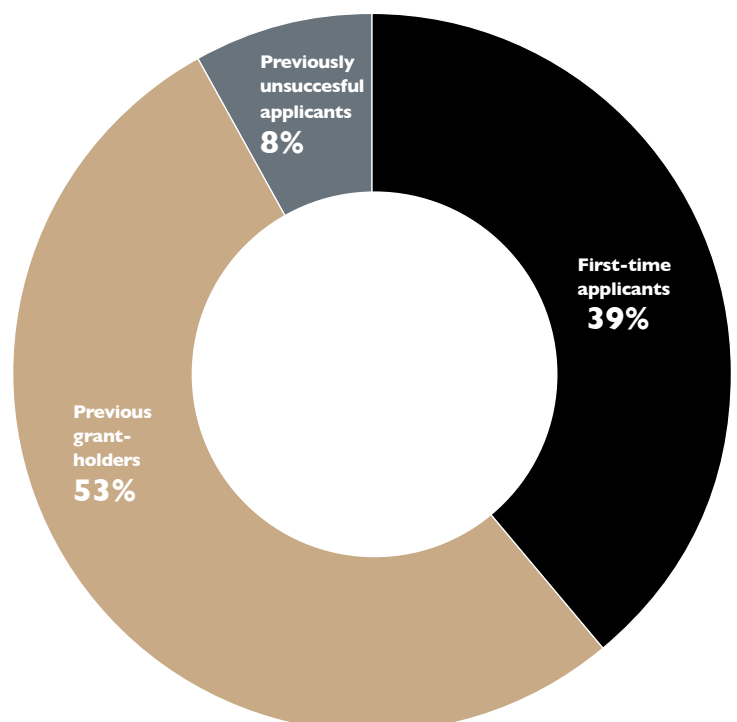
In Environment nearly half of the grants (seven out of 16) went towards either freshwater or marine-based work, whereas three grants supported land-based conservation activity. Two grants were specifically aimed at tackling climate change, and the rest went towards a range of topics including air quality, 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

### % 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

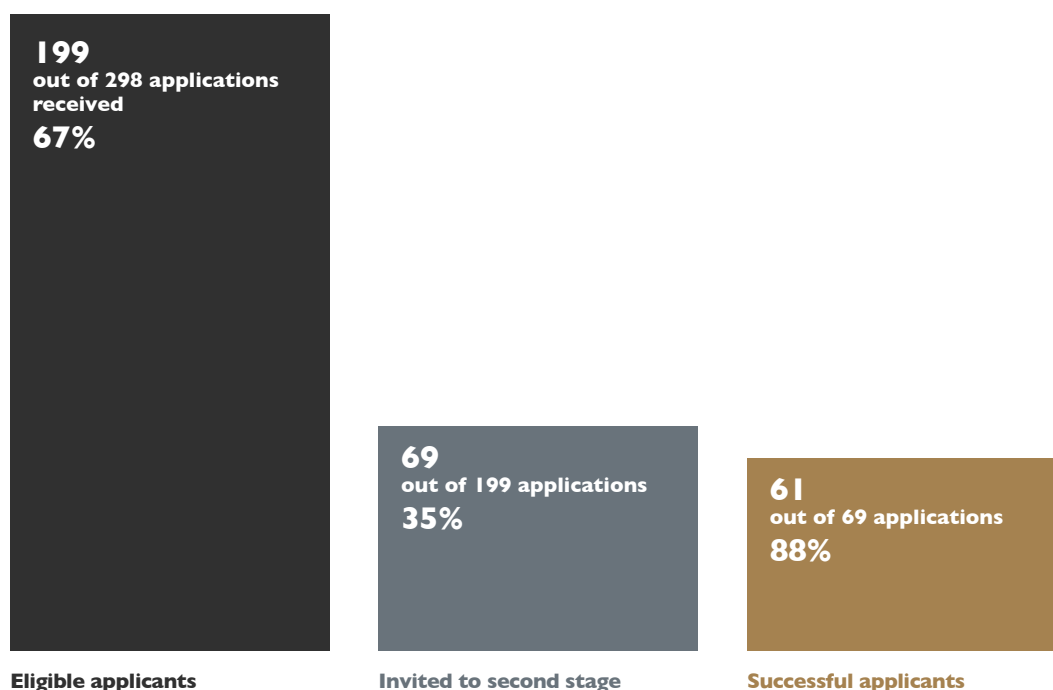
Programme this year, eight were declined. This represents a success rate of 88% at second stage, which is slightly lower than last year's success rate of 91%, but exactly the same as the year before that. This year the success rate varied significantly across the different funding streams; six second 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

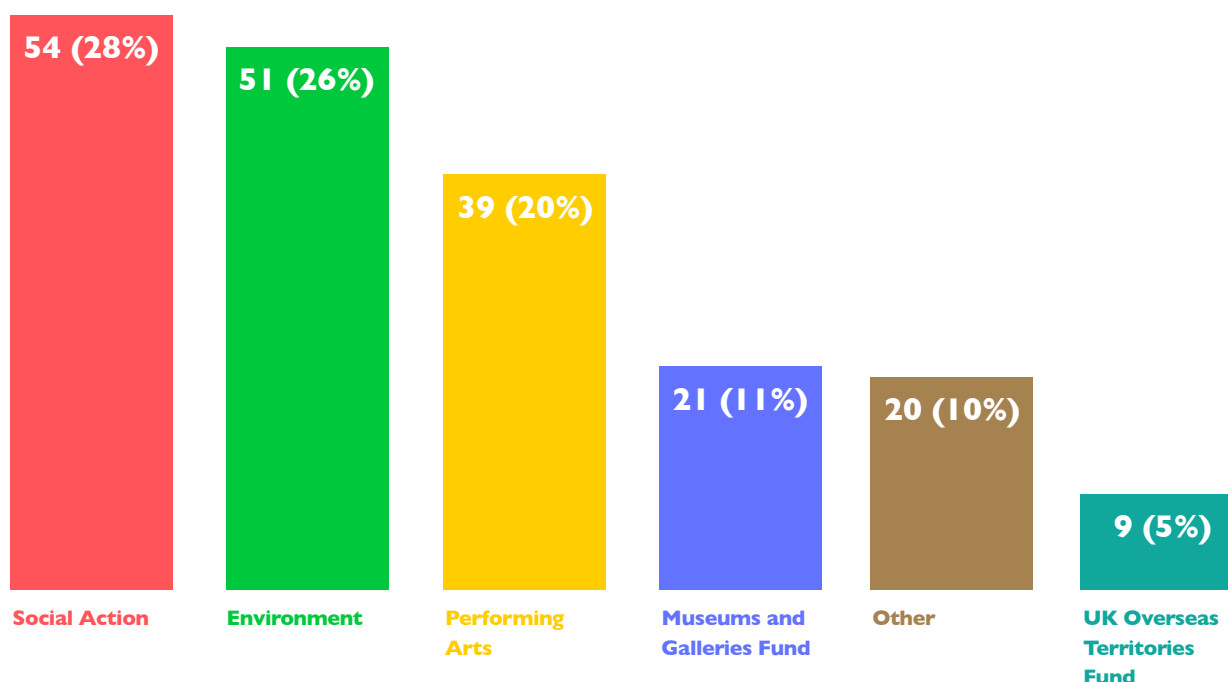
This Fund concentrates on museums and galleries outside London, with a focus on enhancing and sustaining curatorial capacity and development. In January 2022 we received 33 first stage applications, which is significantly less than last

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

<b>Bristol Old Vic and Theatre Royal Trust</b>	£120,000
Towards supporting the Ferment programme, which is centred on developing, commissioning and co-producing early to mid-career artists.	over 3 years
<b>Buxton International Festival</b>	£120,000
Towards core costs, specifically to support the creation and presentation of new or rarely performed operatic repertoire.	over 3 years
<b>City of London Sinfonia</b>	£90,000
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.	over 3 years
<b>Fuel Productions Limited</b>	£120,000
Towards core salary costs that will support the development of new work.	over 3 years
<b>Live Theatre</b>	£90,000
Towards the costs of their writers and theatre makers' development programme.	over 3 years
<b>London Sinfonietta</b>	£90,000
Towards core costs enabling this contemporary music ensemble to explore new ways to commission and present work online.	over 3 years
<b>Manchester Camerata</b>	£150,000
Towards three major new collaborative music commissions aiming to increase audience diversity, and organisational capacity and capability costs.	over 3 years
<b>National Theatre of Scotland</b>	£120,000
Towards the costs of professional fees for a Digital Producer to develop a sustainable and innovative digital strand within their artistic programme.	over 3 years

## Arts

### National Theatre Wales

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.

£120,000  
over 3 years

### Orchestra of the Swan

Towards core salary costs, including Managing Director and Artistic Director posts.

£150,000  
over 3 years

### Sound UK

Towards core salary costs.

£50,000  
over 2 years

### The Place

Towards the costs of funding the creation of new work by three contemporary dance artists through their Production and Touring Programme.

£150,000  
over 3 years

### Welsh National Opera

Towards core costs to fulfil WNO's wider strategic vision with a particular focus on the staging of new and updated works.

£120,000  
over 3 years

### Total Arts Grants

**£1,490,000**

## Environment

### British Dragonfly Society

Towards the core costs of conserving and awareness raising of the environmental importance of dragonflies and their wetland habitats.

£75,000  
over 3 years

### Campaign for Better Transport

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.

£100,000  
over 2 years



## Environment

<b>ClientEarth</b>	£100,000
Towards the costs of their UK Clean Air Programme.	over 2 years
<b>Climate Outreach</b>	£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
<b>Environmental Investigation Agency UK</b>	£150,000
Towards costs relating to EIA UK's agriplastic pollution work, in the form of campaigning, communications and salary costs.	over 3 years
<b>Falklands Conservation</b>	£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	
<b>Forum for the Future</b>	£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
<b>Greenpeace Environmental Trust</b>	£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
<b>Institute for European Environmental Policy</b>	£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
<b>Rewilding Britain</b>	£80,000
Towards core costs, including the Policy and Campaigns Officer post.	over 2 years
<b>Seawilding</b>	£114,000
Core costs for the Administrator role.	over 3 years
<b>Shropshire Wildlife Trust</b>	£50,000
Core costs for the Communications and Development Team.	over 1 year

## Environment

### The RSPB

Towards project costs of tackling the urgent habitat conservation in the islands of the Tristan da Cunha archipelago.

£146,978

over 2 years

### Wildlife and Countryside Link

Towards core costs, galvanising the environment movement behind strong, shared policy ideas to influence UK law and policy.

£150,000

over 3 years

### Yorkshire Wildlife Trust

Towards the costs of their North Sea Project and associated advocacy and research staffing capacity.

£75,000

over 3 years

£75,000 over 3 years

### Zoological Society of London

Towards project costs like staff travel, fieldwork and contribution to overheads relating to ZSL's work in anguillid eel conservation and science.

£138,163

over 3 years

### Total Environment Grants

**£1,673,909**

## Social Action

### Advocacy After Fatal Domestic Abuse (AAFDA)

Towards core costs, including salary costs.

£120,000

over 3 years

### Asylum Support Appeals Project

Towards core costs of their work to reduce homelessness for asylum seekers across the UK.

£120,000

over 3 years

### Focus on Labour Exploitation

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.

£112,128

over 3 years

### Hope for the Future

Towards the costs of their Authority to Act councils project that will equip individuals to engage with their elected representatives on climate change.

£24,752

over 1 year

## Social Action

**Jubilee Debt**

Towards core staffing costs.

£120,000

over 3 years

**Just for Kids Law**

Towards core costs to support the charity's delivery of its advice and advocacy, legal justice, policy and participation work.

£150,000

over 3 years

**Law Centres Network**

Towards core costs of their work as the national membership body for Law Centres.

£145,000

over 3 years

**My Life My Say**

Towards core costs of empowering young people in the UK to participate in democracy.

£120,000

over 3 years

**National Survivor User Network**

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.

£90,000

over 3 years

**On Road Media**

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.

£75,000

over 3 years

**Pregnant Then Screwed**

Towards core costs and the costs of their campaigning work to support women who face pregnancy and maternity discrimination.

£114,000

over 3 years

**Spotlight on Corruption**

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.

£90,000

over 3 years

**The British Institute of Human Rights**

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.

£125,000

over 3 years



## Social Action

### The Trust for the Bureau of Investigative Journalism

£105,000

Towards the costs of their reporting and engagement activities in strengthening the backbone of civil society through information, data and shared learning.

over 3 years

### Transform Drug Policy Foundation

£120,000

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.

over 3 years

### We Belong

£90,000

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.

over 3 years

### Total Social Action Grants

**£1,720,880**

## Other Grants

### Breakthrough

£150,000

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.

over 1 year

### Alliance Magazine

£10,000

Sponsorship of Alliance Magazine's work.

over 1 year

### Centre for Knowledge Equity

£27,300

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.

over 6 months

### CPRE

£30,000

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.

over 1 year

## 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 "BodyVessel Clay – Women Rethinking Ceramics" exhibition.

over 1 year

### Total Museum and Galleries Fund Grants

**£491,296**



## UKOTs Fund

**St. Helena National Trust**

£91,037

Funding to support fundraising and business development work that will support the Trust to become more sustainable.

over 3 years

over

**Anguilla National Trust**

£150,000

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.

over 3 years

**Bermuda Zoological Society**

£53,280

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.

over 2 years

**Blue Marine Foundation**

£149,145

Funding to support the marine team based within St Helena National Trust.

over 3 years

**Falklands Conservation**

£120,000

Funding to support the purchase of two threatened offshore islands in the Pebble Island Group.

over 1 year

**National Trust for the Cayman Islands**

£100,000

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.

over 2 years

**Royal Society for the Protection of Birds**

£150,000

Funding to support the purchase of land at the Salina Reserve Important Bird and Biodiversity Area (IBA).

over 1 year

**Turks & Caicos Reef Fund**

£121,837

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).

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.

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### **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.

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### **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:

<b>Ethnicity</b>	1 – Asian/Asian British – Bangladeshi, 5 – British, 1 British – Welsh, and 1 – Prefer not to say
<b>Gender</b>	4 – Male, 3 – Female, and 1 – Prefer not to say
<b>Age</b>	Range from 35 years and 2 months to 72 years
<b>Sexual Orientation</b>	6 – Heterosexual/Straight, and 2 – Prefer not to say
<b>Disability</b>	5 – Not disabled, 2 – Disabled, and 1 – Prefer not to say
<b>Gender reassignment</b>	7 – Not gender reassigned, and 1 – Prefer not to say
<b>Marriage/Civil Partnership</b>	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.

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### **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	<b>Total Unrestricted Funds 2022 £'000</b>	Total Unrestricted Funds 2021 £'000
<b>Income</b>			
Income from investments	3	<b>3,020</b>	3,136
Other income		<b>151</b>	20
<b>Total income</b>		<b>3,171</b>	3,156
<b>Expenditure</b>			
Expenditure on raising funds		<b>640</b>	607
<b>Expenditure on Charitable Activities</b>			
Grants to charities		<b>6,685</b>	5,710
Grants cancelled in the year		-	(30)
Costs in support of grantmaking	5	<b>673</b>	618
<b>Total charitable activities</b>	5	<b>7,358</b>	6,298
<b>Net gains (losses) on investments</b>			
Gains (Losses) on investment assets	9	<b>10,750</b>	24,609
<b>Net income/(expenditure)</b>		<b>5,923</b>	20,86
<b>Net movement in funds</b>		<b>5,923</b>	20,860
<b>Reconciliation of funds</b>			
Total funds brought forward		<b>149,713</b>	128,853
<b>Total funds at 31 March</b>		<b>155,636</b>	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
<b>FIXED ASSETS</b>			
Tangible Fixed Assets	8	1,425	1,460
Investments	9	157,729	150,330
Social Investment	9	8	42
<b>Total Fixed Assets</b>		<b>159,162</b>	151,832
<b>CURRENT ASSETS</b>			
Debtors	10	844	812
Cash at bank and in hand		3,470	3,936
<b>Total Current Assets</b>		<b>4,314</b>	4,748
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	11	(5,954)	(4,935)
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<b>(1,640)</b>	(187)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>157,522</b>	151,645
Creditors: amounts falling due after more than one year	12	(1,886)	(1,932)
<b>NET ASSETS</b>		<b>155,636</b>	149,713
<b>FUNDS</b>			
Expendable Endowment Capital		155,636	149,713
<b>TOTAL FUNDS</b>		<b>155,636</b>	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
<b>Net cash provided by/(used in) operating activities I 5</b>	<b>(7,020)</b>	(6,881)
<b>Cash flows from investing activities</b>		
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
	<b>6,554</b>	6,551
<b>Increase/(decrease) in cash</b>	<b>(466)</b>	(330)
Cash and cash equivalents at the beginning of the reporting period	3,936	4,266
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>3,470</b>	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

### 1. 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

	<b>2022</b> <b>£'000</b>	2021 £'000
Investment income from assets in the UK	<b>2,293</b>	1,724
Investment income from assets outside the UK	<b>726</b>	1,407
Interest on cash deposits	<b>1</b>	5
<b>Total investment income</b>	<b>3,020</b>	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

	<b>2022</b> <b>£'000</b>	2021 £'000
Grants awarded in the year	<b>6,685</b>	5,710
Grants cancelled in the year	-	(30)
<b>Total Grants to Charities (note 5)</b>	<b>6,685</b>	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:

	<b>2022</b> <b>£'000</b>	2021 £'000
Grants paid in the year	<b>1,967</b>	1,830
Grants payable within one year	<b>2,834</b>	2,134
Grants payable after more than one year	<b>1,884</b>	1,746
Grants cancelled in the year	-	(30)
<b>Total Grants to Charities (note 5)</b>	<b>6,685</b>	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

	<b>Costs of Raising Funds £'000</b>	<b>Charitable Activities £'000</b>	<b>2022 Total £'000</b>	Costs of Raising Funds £'000	Charitable Activities £'000	2021 Total £'000
Investment fees	<b>566</b>		<b>566</b>	533		533
Grants to Charities (note 4)		<b>6,685</b>	<b>6,685</b>		5,680	5,680
<i>Support costs:</i>						
Staff costs (note 7)	<b>50</b>	<b>378</b>	<b>428</b>	50	358	408
Trustee costs (note 6)	<b>9</b>	<b>99</b>	<b>108</b>	9	91	100
Audit fees	<b>-</b>	<b>14</b>	<b>14</b>	-	14	14
Legal fees	<b>-</b>	<b>4</b>	<b>4</b>	-	7	7
Depreciation	<b>3</b>	<b>34</b>	<b>37</b>	3	34	37
Monitoring & Evaluation	<b>-</b>	<b>12</b>	<b>12</b>	-	11	11
General expenses	<b>12</b>	<b>132</b>	<b>144</b>	12	103	115
	<b>74</b>	<b>673</b>	<b>747</b>	74	618	692
<b>Total expenditure</b>	<b>640</b>	<b>7,358</b>	<b>7,998</b>	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.

	<b>2022</b>	2021
	<b>£'000</b>	£'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
<b>Total remuneration</b>	<b>103</b>	96
Social Security costs	4	3
Pension provision	1	1
<b>Total remuneration and Social Security costs</b>	<b>108</b>	100

## 7 Employees

	<b>2022</b> <b>£'000</b>	2021 £'000
Wages and salaries	<b>340</b>	332
Employer's National Insurance costs	<b>40</b>	39
Pension costs	<b>30</b>	33
Temporary staff	<b>19</b>	4
<b>Total staff costs</b>	<b>429</b>	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:

	<b>2022</b> <b>£'000</b>	2021 £'000
Generating funds	<b>0.2</b>	0.2
Charitable activities	<b>5.6</b>	5.6
<b>Total full-time equivalent staff</b>	<b>5.8</b>	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:

	<b>2022</b> <b>Number</b>	2021 Number
£60,001 - £70,000	-	-
£70,001 - £80,000	-	-
£80,001 - £90,000	<b>2</b>	2
£90,001 - £100,000	<b>1</b>	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
<b>Cost or valuation</b>			
At 1 April 2021	1,250	414	1,664
Purchases during year	-	2	2
<b>At 31 March 2022</b>	<b>1,250</b>	<b>416</b>	<b>1,666</b>
<b>Depreciation</b>			
At 1 April 2021	-	204	204
Charge for the year	-	37	37
<b>At 31 March 2022</b>	<b>-</b>	<b>241</b>	<b>241</b>
Net book value at 31 March 2021	1,250	210	1,460
<b>Net book value at 31 March 2022</b>	<b>1,250</b>	<b>175</b>	<b>1,425</b>

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
<b>Investment assets in the UK</b>	<b>72,162</b>	67,924
Investment assets outside the UK	<b>83,947</b>	81,548
Total investments, excluding cash	<b>156,109</b>	149,490
Investment cash accounts in the UK	<b>1,619</b>	839
Total investments at 31 March	<b>157,729</b>	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	<b>149,490</b>	126,928
Purchases at cost	<b>87,698</b>	63,417
Disposal proceeds	<b>(91,833)</b>	(65,326)
Net investment gains	<b>10,804</b>	(24,471)
<b>At 31 March</b>	<b>156,109</b>	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	<b>42</b>	54
Purchases at cost	-	-
Redemption proceeds	<b>(33)</b>	(12)
Impairment charge	-	-
<b>At 31 March</b>	<b>9</b>	42

### Gains on revaluations and disposals of investments:

	2022 £'000	2021 £'000
Net investment gains/(losses)	<b>10,804</b>	(24,471)
Realised gains/(losses) on foreign currency	<b>(54)</b>	138
Total gains/(losses) on revaluations and disposals of investments	<b>10,750</b>	24,609

## 10 Debtors

	<b>31 March 2022</b> <b>£'000</b>	31 March 2021 £'000
Accrued income and prepayments	<b>843</b>	809
Other debtors	<b>1</b>	3
<b>Total Debtors</b>	<b>844</b>	812

## 11 Creditors: amounts falling due within one year

	<b>31 March 2022</b> <b>£'000</b>	31 March 2021 £'000
Accrued expenditure	<b>167</b>	180
Other creditors	<b>43</b>	10
Grants payable	<b>5,728</b>	4,729
Other taxation and social security	<b>16</b>	16
<b>Total Creditors due within one year</b>	<b>5,954</b>	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

	<b>31 March 2022</b> <b>£'000</b>	31 March 2021 £'000
Grants payable between 1 to 2 years	<b>1,886</b>	1,932
<b>Total Creditors falling due after more than one year</b>	<b>1,886</b>	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
<b>Net income/(expenditure) for the reporting period</b>	<b>5,923</b>	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)
<b>Net cash provided by (used in) operating activities</b>	<b>(7,020)</b>	(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)
<b>Cash balance as at 31 March</b>	<b>3,470</b>	3,936



# TRUSTEES, STAFF AND REGISTERED OFFICE OF THE FOUNDATION

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## 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

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## 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

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## 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>

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## Registered address of the Foundation

Aria House  
23 Craven Street  
London WC2N 5NS

Telephone: 020 7930 8566  
Email address: [enquiries@ellerman.org.uk](mailto:enquiries@ellerman.org.uk)  
Website: [www.ellerman.org.uk](http://www.ellerman.org.uk)

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## Registered Charity Number

263207

# ADVISERS TO THE FOUNDATION

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## **Auditors**

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

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## **Solicitors**

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

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## **Investment Advisers**

Stanhope Consulting, 35 Portman Square, London W1H 6LR

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## **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

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## **Bankers**

COIF Charities Deposit Fund, Senator House, 85 Queen Victoria Street, London EC4V 4ET

Coutts & Co., 440 Strand, London WC2R 0QS

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## **Museums and Galleries Fund Adviser**

Dr Virginia Tandy OBE

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## **Protea – International Curatorial Exchange Adviser**

Mark Irving

# John Ellerman Foundation

Registered Charity Number 263207

**[www.ellerman.org.uk](http://www.ellerman.org.uk)**