



John Ellerman Foundation

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

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CHAIR'S REPORT

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

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

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

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

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

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

Peter Kyle CBE

Chair, John Ellerman Foundation



AIM AND OBJECTIVES

Our aim

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

- 1

Funding charities for work that has national significance in the fields of the Arts, Environment and Social Action (our funding categories). We believe these can make an important contribution to wellbeing; and
- 2

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

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

Public benefit

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

OUR HISTORY

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

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

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

John Reeves Ellerman I
© Yale, Bryher Papers



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

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

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

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

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

ACHIEVEMENTS AND PERFORMANCE

Implementing our strategy

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

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

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

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

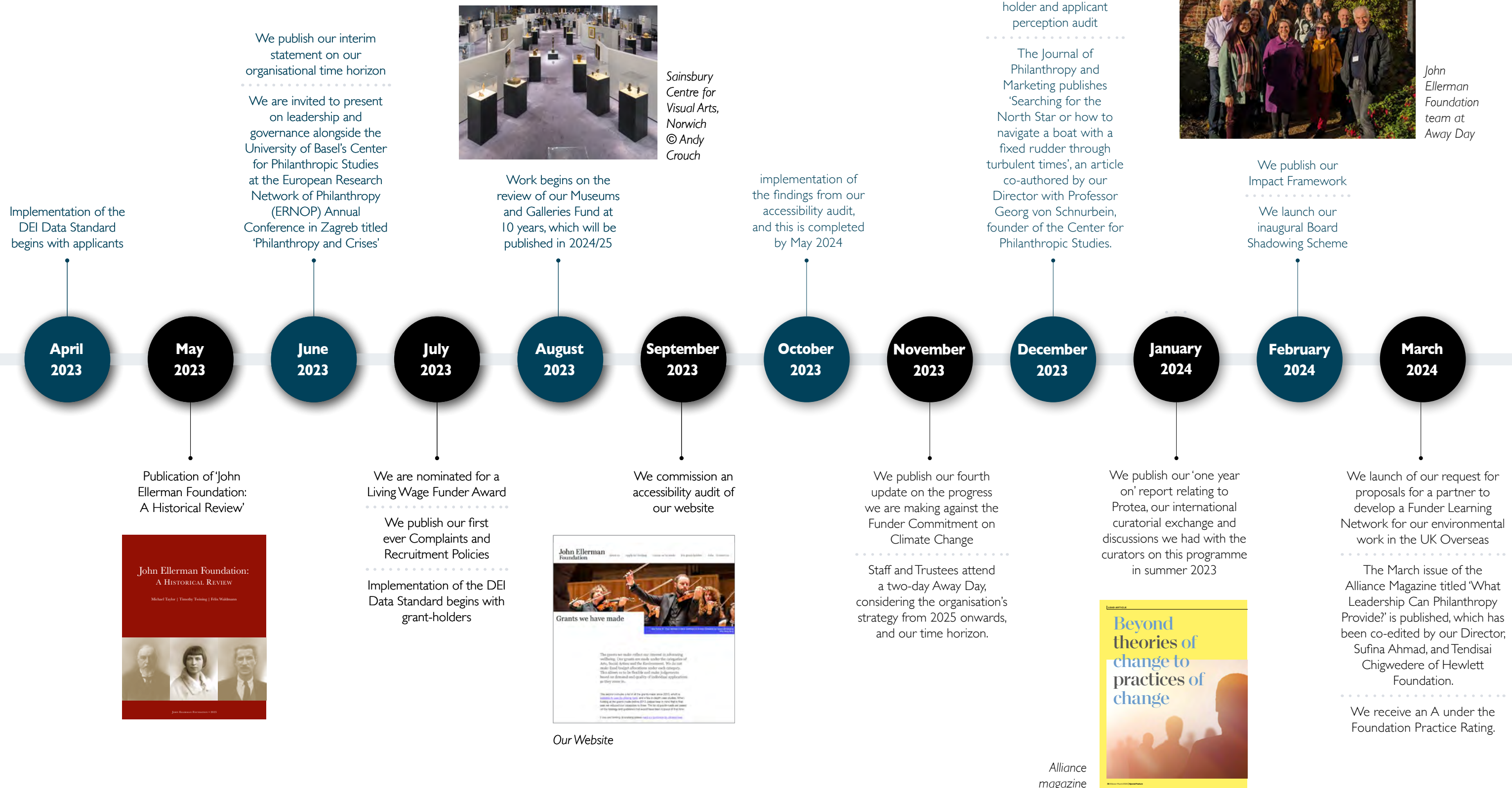
Our commitment to accountability, ensuring that we make further progress on diversity, equity and inclusion, transparency and impact and learning.

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



SNAPSHOT OF THE YEAR

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



STAFF AND GOVERNANCE UPDATES

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

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

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

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

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

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

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

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

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

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

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

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

PILLAR ONE

OUR FUNDING OFFER

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

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

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

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

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

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

Case Study

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



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

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

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


THE BOWES
MUSEUM

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

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

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

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

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

Case Study

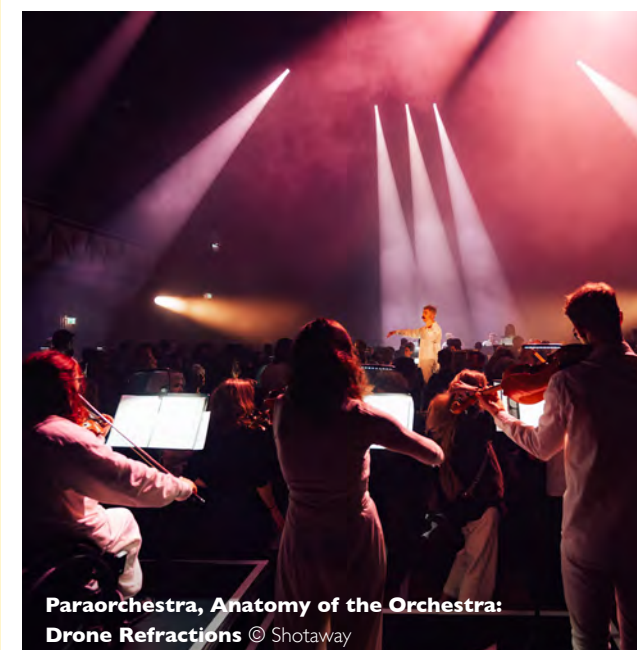
Grant to PARAORCHESTRA through our Arts funding category

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

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

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

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



Case Study

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

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

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

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



Take Back the City Design Competition winners © PPR



New Script Campaigners present findings to MLAs at Stormont © PPR



Celebrating Iftar at a Kind Economy Meal © Mal McCann

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

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

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

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

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



Case Study

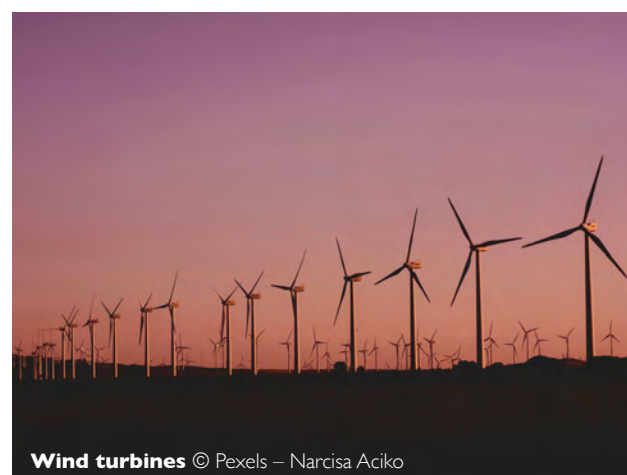
Grant to SHAREACTION through our Environment funding category

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

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

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

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



ShareAction»

PILLAR TWO

OUR INVESTMENT POLICY

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

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

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

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

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

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

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

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

Our time horizon

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

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

PILLAR THREE

OUR WORK WITH OTHERS

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

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

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

Case Study

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



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

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

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



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

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

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

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

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

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

PILLAR FOUR
OUR COMMITMENT TO ACCOUNTABILITY

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

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

1. Community

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



2 Access

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



3. Sustainability

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



4. Equity

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



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

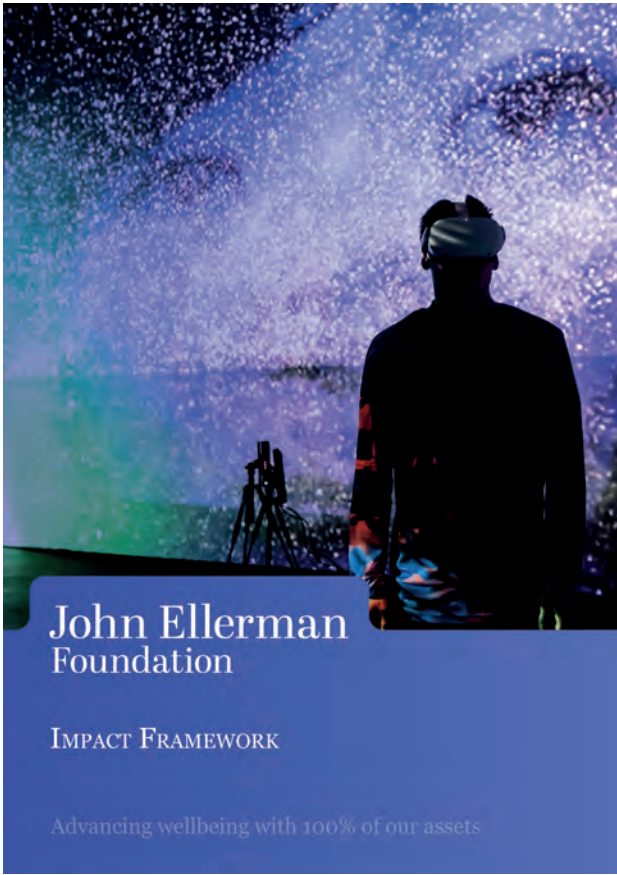
We were very pleased to achieve for the second year running an A rating (B, A, A for diversity, accountability and transparency respectively) in the 2024 Foundation Practice Rating results. Our numerical scores in all three areas improved from the year before, and some of the changes we have made as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

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

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

DEI Data Standard – Results from the pilot year of implementation

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



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

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

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

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

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

- 27% (98) out of the 361 *first stage applicants* that were counted in the dataset were led by people from a specific group or community. Of these, the three most common groups were women and girls, communities experiencing racial inequity and LGBT+ people. However, there were no applications from organisations that were counted as being led by older people, children and young people, migrants or Disabled People.

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

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

Our work in the UK Overseas Territories

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

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

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

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

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

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

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

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

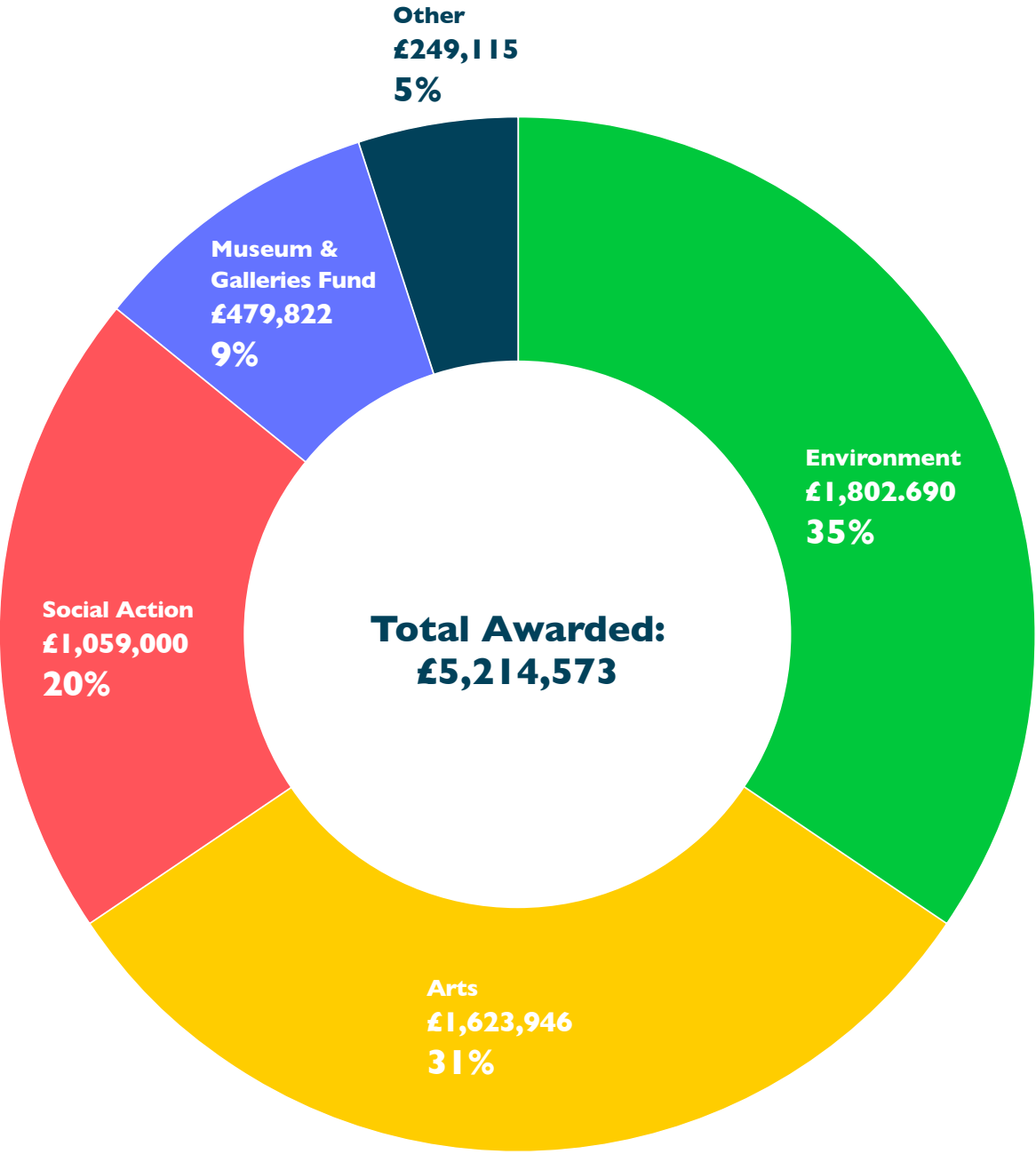
“ We remain committed to our leadership role in environmental philanthropy in the UK Overseas Territories (UKOTs). ”

THE YEAR IN NUMBERS

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

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

Grants Awarded 2023-24



Grant numbers

58

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

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

Grant size

£101,336

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

Core funding

83%

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

Size of organisation

50%

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

Length of grant

3 years

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

Share of grants between the different categories

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

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

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

Category breakdown

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

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

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

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

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

Eligibility

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

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

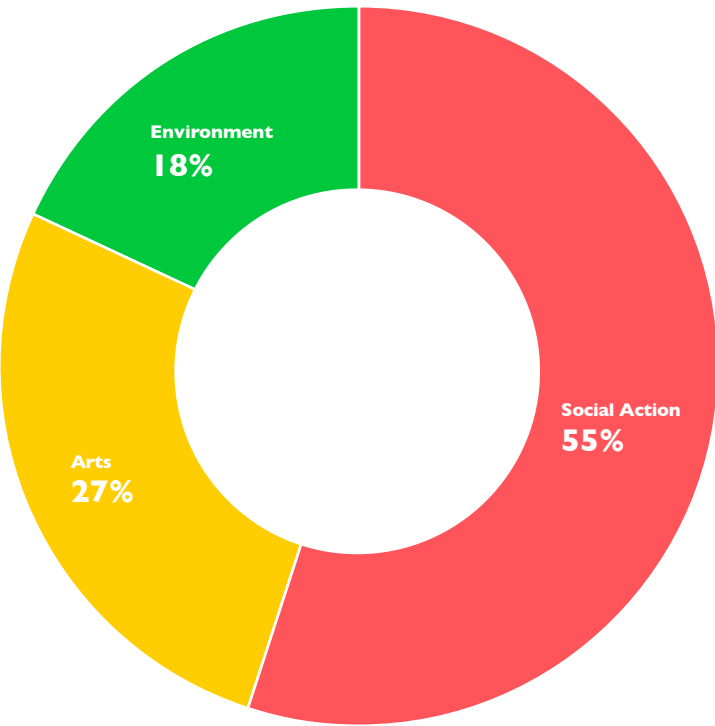
were for our Arts category and there were 83 (18%) in Environment. Of these applications, 153 (33%) did not meet our criteria, resulting in 309 (67%) applications being presented for review by our Trustees. Broken down by category, 45% of applications received under Social Action were deemed ineligible,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

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

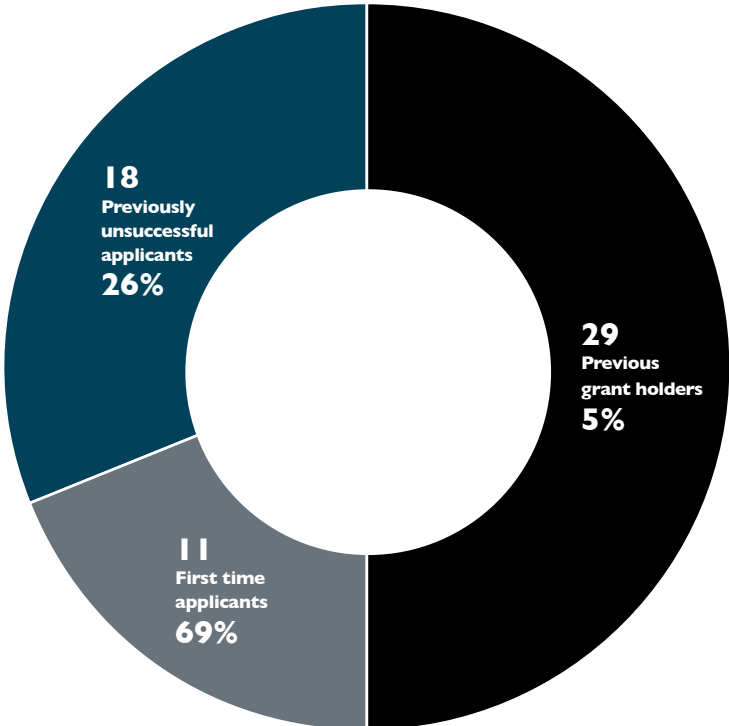
Applications and success rates

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

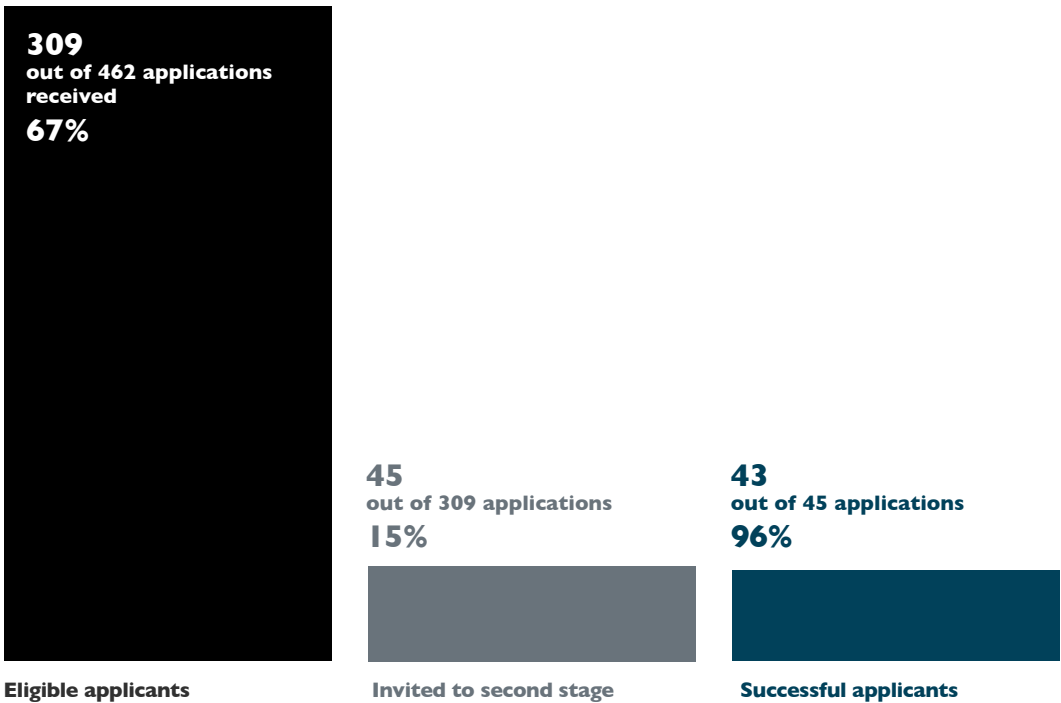
APPLICATIONS BY CATEGORY



% SUCCESSFUL APPLICATIONS BY TYPE OF APPLICANT



SUCCESS RATES



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

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

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

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

Grant portfolio

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

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

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

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

Grants to museums and galleries

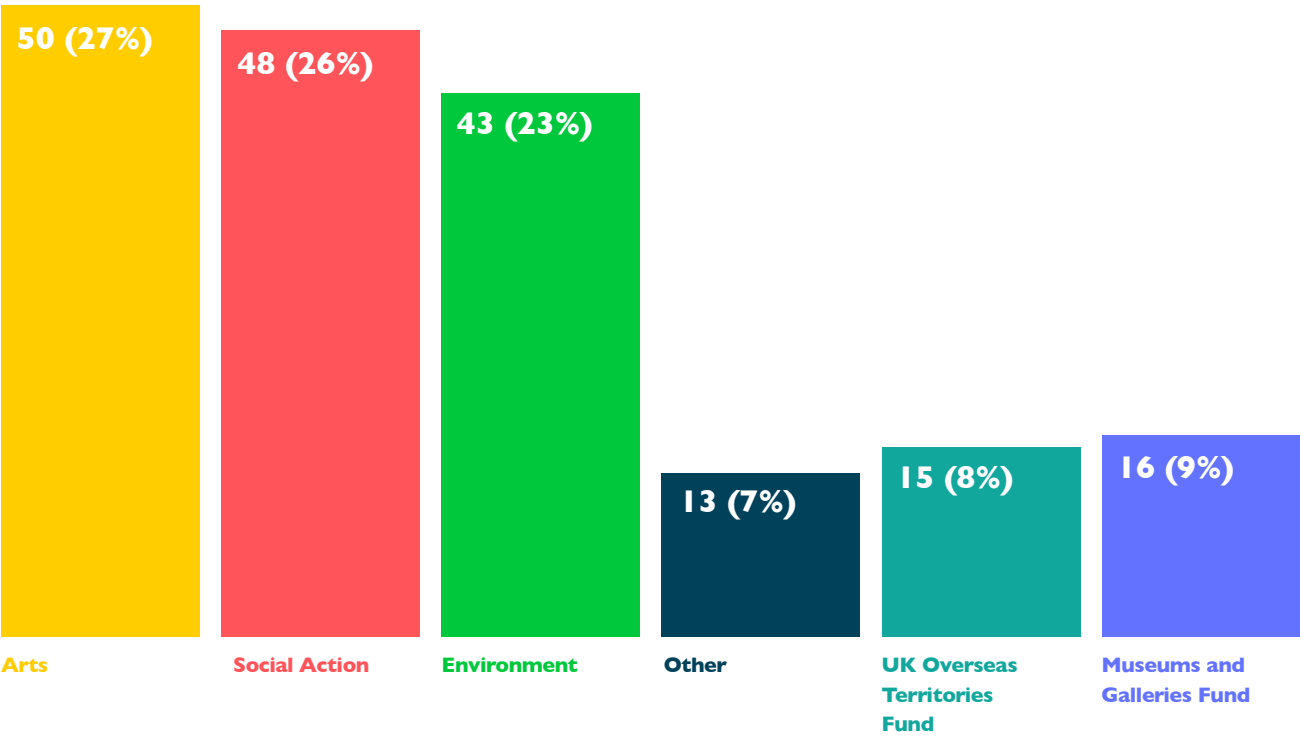
This Fund concentrates on museums and galleries having impact or based outside London, with a focus on enhancing and sustaining curatorial capacity and development. Between October and December of 2023, we offered nine online question and answer sessions for potential applicants to learn about the Fund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

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

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

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

LIVE PORTFOLIO AS AT 31 MARCH 2023



Lyme Regis Museum Fossil Walks © Jurassic Coast Trust

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

FINANCIAL REVIEW

Investments

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

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

Investment performance

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

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

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

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

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

Income and expenditure

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

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

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

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

Spending policy

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

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

Reserves policy

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

Remuneration policy

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

GRANTS MADE

in the Year Ended 31 March 2024

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

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

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

Environment

Action for Conservation	£100,000
Towards core costs to support young people taking action in the environmental sector	over 3 years
Bat Conservation Trust	£100,000
Towards core costs of policy and advocacy work supporting bat species recovery	over 3 years
Campaign for Better Transport	£100,000
Towards core costs of campaigning and policy work around sustainable transport	over 2 years
Campaign for National Parks	£95,000
Towards core costs to deliver their strategy for healthier ecosystems, land and freshwater in National Parks in England and Wales	over 3 years
Caring for God’s Acre	£128,500
Towards core costs to support growth in impact	over 3 years
Environmental Funders Network	£90,000
Towards core costs of expanding and improving the effectiveness of environmental philanthropy	over 3 years
Hubbub	£90,000
Towards core costs for their communications team	over 3 years
Institute for Public Policy Research	£100,000
Towards core costs associated with their transport programme and public engagement	over 2 years
National Biodiversity Network Trust	£120,00
Towards core costs including the salary of a Senior Software Developer	over 3 years
Plantlife International	£100,000
Towards the costs of Plantlife’s Temperate Rainforest Advisor Network	over 2 years
Radnorshire Wildlife Trust	£115,000
Towards core costs including the salary of their Campaigns and Advocacy Officer	over 3 years

Environment

ShareAction	£150,00
Towards core costs of expanding their work to promote change in the investment industry	over 3 years
The Open University	£149,190
Towards salary costs for core staff and travel costs to floodplain meadow restoration sites	over 3 years
The Organic Research Centre	£95,000
Towards core costs of the Impact Delivery team, to promote the Organic Research Centre’s work amongst the farming community	over 3 years
The Sustainable Soils Alliance	£75,000
Towards core costs of campaigning around sustainably managed soils	over 3 years
Trees for Cities	£75,000
Towards core costs supporting the creation of a UK-wide community engagement strategy	over 2 years
Watershed Investigations	£120,000
Towards core costs of an environmental investigative journalism unit focusing on all aspects of the water crisis	over 3 years
Total Environment Grants	£1,802,690

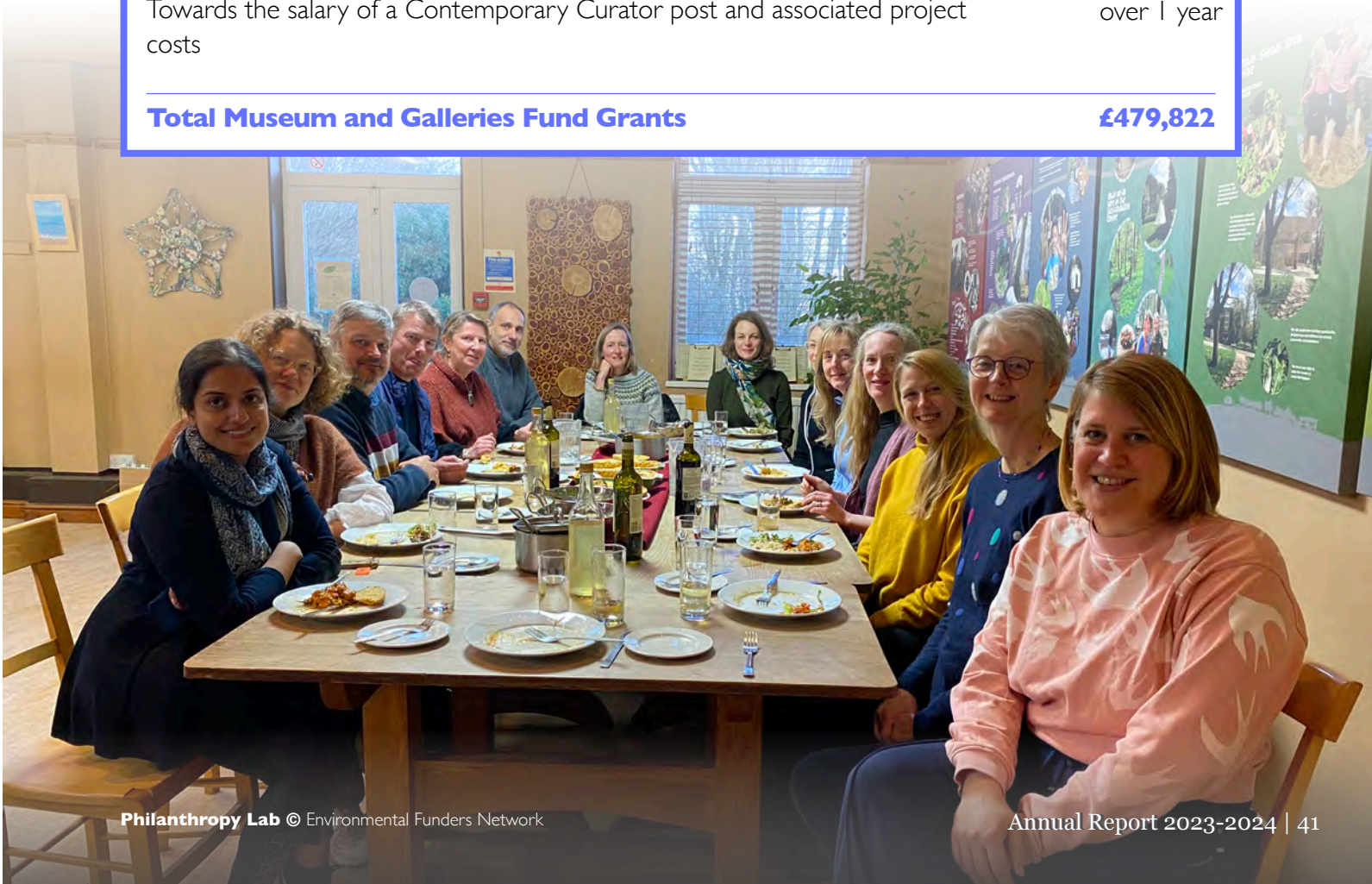


Social Action

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

Museum and Galleries Fund Grants

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



Other Grants

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

UK Overseas Territories funding carried forward to 2024/25	£50,000
Total grants made in the year ending 31 March 2024	£5,214,573
Additional grant-related expenditure not included in the above	£78,918.60

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



STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees, including Trustee induction

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

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

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

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

Organisational structure

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

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

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

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

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

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

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

Risk statement

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

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

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

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

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

Conflicts of interest

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

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

Good governance

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

STATEMENT OF RESPONSIBILITIES
OF THE BOARD OF TRUSTEES

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

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

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

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

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



Peter Kyle CBE
Chair



Keith Shepherd
Chair, Finance and Investment Committee

Date: 25 July 2024

INDEPENDENT AUDITORS' REPORT

to the Trustees of John Ellerman Foundation Charity

Opinion

We have audited the financial statements of John Ellerman Foundation for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, and the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not

cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 47, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement

when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

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

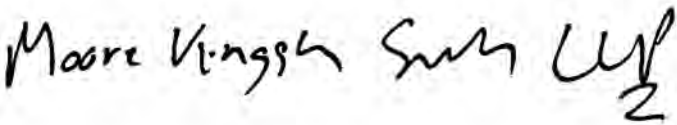
Our approach was as follows:

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.



Moore Kingston Smith LLP, Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

Date: 27 July 2023

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

STATEMENT OF FINANCIAL ACTIVITIES

for the Year Ended 31 March 2024

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

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

BALANCE SHEET

at 31 March 2024

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

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

Peter Kyle CBE
Chair

Keith Shepherd
Chair, Finance and Investment Committee

STATEMENT OF CASH FLOWS

for the Year Ended 31 March 2024

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

NOTES TO THE FINANCIAL ACCOUNTS

for the Year Ended 31 March 2024

I Charitable status

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

2 Accounting policies

I. BASIS OF PREPARATION

These financial statements are prepared on a going concern basis, under the historical cost convention, with the exception that investments are valued at market value.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charity is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP including update bulletin 2) and the Charities Act 2011.

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

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

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

II. FINANCIAL INSTRUMENTS

Basic financial assets

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

Other financial assets

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

Basic financial liabilities

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

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

III. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

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

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

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

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

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

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

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

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

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

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

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

3 Investment income

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

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

4 Grants to charities

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

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

Grants awarded in the year:

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

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

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

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

5 Analysis of total expenditure

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

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

6 Trustees’ remuneration

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

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

7 Employees

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

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

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

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

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

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

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

8 Tangible fixed assets

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

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

9 Investments

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

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

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

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

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

Gains on revaluations and disposals of investments:

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

10 Debtors

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

11 Creditors: amounts falling due within one year

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

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

12 Creditors: amounts falling due after more than one year

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

13 Financial commitments

There are no financial commitments.

14 Lease commitments

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

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

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

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

16 Analysis of changes in net debt/cash

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

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

TRUSTEES, STAFF AND REGISTERED OFFICE OF THE FOUNDATION

Board of Trustees

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

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

FINANCE AND INVESTMENT COMMITTEE:
Keith Shepherd (Chair), Geraldine Blake and Lily Tomson
REMUNERATION COMMITTEE:
Peter Kyle CBE (Chair), Geraldine Blake and Keith Shepherd
RISK AND AUDIT COMMITTEE:
Tufyal Choudhury (Chair), Rebecca Bunce and Annika Small

Members of Staff

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

Registered address of the Foundation

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

Registered Charity Number

263207

ADVISERS TO THE FOUNDATION AT 31 MARCH 2024

Auditors

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

Solicitors

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

Investment Advisers

Stanhope Consulting, 35 Portman Square, London W1H 6LR

Investment Managers at 31 March 2024

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

Bankers

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

Museums and Galleries Fund Adviser

Dr Virginia Tandy OBE

UKOTs – UK Overseas Territories Fund Adviser

Jonathan Hall

John Ellerman Foundation

Registered Charity Number 263207

www.ellerman.org.uk