

Charity Registration No: 1156222
Company Registration No: 08702259 (England and Wales)

The CH Foundation (UK)

(a Charitable Company Limited by Guarantee)

Trustees' Report and Financial Statements
For the Year Ended 29 February 2020

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Legal and Administrative Information

Directors and Trustees	Sir Christopher Hohn Mr Matthew King
Charity Number	1156222
Company Number	08702259
Registered Office	7 Clifford Street London W1S 2FT
Banker	HSBC Bank Plc 8 Canada Square London E14 5HQ
Independent Auditor	PricewaterhouseCoopers One Spencer Dock North Wall Quay Dublin 1 Ireland

Trustees' Report

The Trustees present their report and audited financial statements for the year ended 29 February 2020.

The financial statements have been prepared in accordance with the accounting policies set out on pages 14 to 16 and comply with the current statutory requirements, the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Status

The CH Foundation (UK) (the "Foundation") was incorporated on 23 September 2013 as a charitable company limited by guarantee and registered as a charity on 17 March 2014, for exclusively charitable purposes pursuant to its Articles of Association dated 23 September 2013. The Articles of Association defines the objects and powers of the Foundation.

Foundation Objectives and Mission

The Foundation's objectives, as stated in the Articles of Association, are the holding of income and property upon trust and to apply the income for the public benefit for exclusively charitable objects and purposes in any part of the world.

In setting the Foundation's objectives and planning its activities, the Trustees (who are also directors) have considered Section 17 of the Charities Act 2011. In doing so they are satisfied that they have complied with their duty to have regard to the Public Benefit guidance published by the Charity Commission. The Foundation's activities and achievements are outlined throughout this Trustees' Report and the Trustees believe they fully demonstrate that the Foundation is providing public benefit.

The main objectives of the Foundation, as agreed by the Trustees, are to:

- 1) provide assistance to those who are in need by reason of poverty, sickness or human suffering as a result of human trafficking or other serious or organised criminal behaviour;
- 2) advance education and to promote health; and
- 3) promote such other purposes being exclusively charitable as agreed by the Trustees.

Organisation

The Board of Trustees meets to review and update the Foundation's strategy and areas of activity, including consideration of grant-making, a review of the reserves policy as well as the overall risk profile of the Foundation.

Fundraising

The Foundation does not seek to raise funds from the public and has not engaged with any professional fund-raiser or commercial participator to raise funds.

Appointment of Trustees

The Trustees who held office during the year were:

Sir Christopher Hohn
Mr Matthew King

The Trustees are selected on the basis of their skills and expertise and the contribution, in particular in the areas of business management and development, which they can make to determine the strategy and policies of the Foundation and to monitor implementation.

The Trustees are responsible for finance, development and planning. There is no formal process for training Trustees, but training is provided to individual Trustees and to the Trustees as a whole as needs arise.

All Trustees give their time freely and no Trustee remuneration was paid in the year.

Trustees' Report *(continued)*

Reserves Policy

The Trustees are committed to applying the Foundation's resources in a responsible manner for the purposes of yielding maximum benefit.

The Trustees are aware reserves are needed to bridge the gap between the spending and receiving of income. The Trustees aim to maintain free reserves in unrestricted funds at a level that will provide sufficient funds to respond to applications for grants and ensure that support and governance costs are covered.

Restricted Funds

Restricted Funds are generated when the donor stipulates how their donation may be spent. In most cases, there will be a time lag between when such funds are received and when they are expensed. The Trustees ensure that these funds are expensed in accordance with the terms under which they have been donated to the Foundation.

During the year no amounts were donated which had restrictions placed on them (2019: £nil).

Expendable Endowment

Expendable Endowment Funds include all funds received which the Trustees are authorised to spend when and if they decide to spend these funds. The funds may be used to further the specific charitable purposes the Foundation was established to support. These costs can include both direct and support costs associated with activities undertaken by the Restricted Funds within the Foundation.

Operational Reserves

Cash flow projections for income and expenditure are regularly reviewed by the Trustees to ensure that the level of disposable net assets is adequate and that the Foundation is in a position to meet all its grant-making and working capital commitments for the foreseeable future. In the event that the Trustees find themselves unable to meet the Foundation's commitments from reserves of Unrestricted Funds at their disposal, they will, draw on the Expendable Endowment to meet those commitments as necessary.

The reserves policy is reviewed annually to reassess the risks and reflect any changes to the Foundation's income, capital, financial obligations and long term plans for charitable expenditure.

The Unrestricted Funds are expendable at the discretion of the Board of Trustees in furtherance of the objects of the Foundation.

Investment Policy

Under the Articles of Association, the Foundation has the power to invest in any way the Trustees wish.

The Trustees, having regard to the liquidity requirements of the Foundation and to the reserves policy currently operate a policy of keeping available funds in an interest bearing deposit account.

Granting Policy

The Trustees meet regularly to consider what grants they will make and to review any feedback they have received. The Trustees are committed to applying the Foundation's resources in a responsible manner for the purposes of yielding maximum benefit.

Risk Statement

The Trustees are responsible for the management of the risks faced by the Foundation and have examined the major strategic, business and operational risks to which the Foundation is and may be exposed. They are satisfied that the systems and controls are in place to mitigate and manage exposure to such major risks identified by the Trustees. They continue to review current processes recognising that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Trustees' Report *(continued)*

Risk Statement *(continued)*

The Trustees acknowledge the challenges of the current market conditions and day to day working due to the COVID-19 pandemic. The 2020 calendar year to date has seen a sharp increase in the volatility of all financial markets. The Trustees are actively monitoring the situation. The Foundation and many of its service providers have evoked business continuity procedures, including remote working, to ensure the safety of staff and to enable them to operate with minimal impact. The Trustees will continue to review the situation in order to navigate the Foundation through this period of heightened

Financial Review

Total incoming resources, made up of voluntary donations, gift aid and interest received, amounted to £3,223,035 (2019: £10,257,570).

During the year to 29 February 2020, the Foundation continued to fulfil its main objects by granting £4,805,952 (2019: £1,397,410).

The asset base of the Foundation stands at £11,056,220 (2019: £12,617,670) and is predominately made up of cash at bank and an investment in an unlisted investment fund. The asset base will enable the Foundation to meet its ongoing objects.

Achievements and Performance

During the year, the Foundation granted £3,647,293 (2019: £nil) to The Children's Investment Fund Foundation (UK) ("CIFF"), a charitable company registered in England and Wales. CIFF is a philanthropy that focuses specifically on improving children's lives. The total amount granted by the Foundation to CIFF consisted of a number of grants for the following charitable purposes:

- 1) The Foundation granted \$2,000,000 (£1,601,060) to CIFF to be used in conjunction with CIFF's grant to Educate Girls Globally ("Educate Girls"), a charitable organisation registered in India. The Foundation will provide a sub-grant of up to \$5,000,000 of CIFF's total committed grant amount of \$9,500,000. The purpose of the grant is to close India's education gender gap. The aggregate grant will allow Educate Girls to:
 - a. Enroll 1.6 million of the total out-of-school girls population in India, through grades 1-10, by rapidly scaling the existing Educate Girls model, expanding to four states (Bihar, Rajasthan, Madhya Pradesh, Uttar Pradesh) over the next 5 years;
 - b. Within the school system, improve learning outcomes for over 900,000 children by implementing a remedial and a life-skills curriculum that will supplement the state curriculum; and
 - c. Strengthen the school governance system and its infrastructure.
- 2) The Foundation granted \$1,000,000 (£813,537) to CIFF to be used in conjunction with CIFF's grant to THORN, a charitable organisation registered in USA. The Foundation will provide a sub-grant of up to \$2,000,000. The purpose of the aggregate grant is to dramatically reduce the amount of time to identify victims of online child sexual abuse as well as eliminate its existence from the open web. To arrive at these goals, THORN will build or rebuild and scale current and new technology products – including without limitation SOLIS and SAFER – to arm both law enforcement and industry with the tools they need, as well as connect global data, and address new and emerging threats to children online.
- 3) The Foundation granted \$1,589,808 (£1,232,696) to CIFF to be used in conjunction with CIFF's grant to The END Fund ("END"), a charitable organisation registered in USA. The Foundation will provide a sub-grant of up to \$10,500,000. The purpose of the aggregate grant is to eliminate worm infections in Ethiopia, Kenya, Rwanda and Zimbabwe, through innovation and partnership. END's goal is to break transmission of intestinal worms and schistosomiasis through mass drug administration to an expanded population of children and at-risk adults, as well as through innovation and partnerships.

Trustees' Report *(continued)*

Achievements and Performance *(continued)*

During the year, the Foundation also granted \$1,500,000 (£1,158,659) to Association for Voluntary Action ("AVA"), a charitable organisation registered in India. The Foundation will grant up to \$3,250,000. AVA is the legal entity managing the core activities of Bachpan Bachao Andolan, a pioneering grassroots initiative since 1980, to create an empowered child friendly society, where children are protected, treated with dignity and receive free and quality education. The grant will allow AVA to expand their anti-trafficking work and extend the following services to the victims and survivors:

- a. Direct and immediate services to victims and survivors;
- b. Building capacities and immediate support to caregivers and partner organisations working on the anti-trafficking issue; and
- c. Building the capacities of the Law Enforcement Agencies and other stakeholders on the anti-trafficking work and services to be provided.

Subsequent Events and Future Plans

The Foundation has sufficient funds at the end of the financial year to allow it to increase its activities in the forthcoming years in order to meet the main objectives of the Foundation and to ensure that the application of any income for the public benefit is exclusively for charitable objects and purposes.

The Trustees acknowledge the challenges of the current market conditions due to the COVID-19 pandemic. The Trustees are of the view that COVID-19 will not have a significant impact on the Foundation's resources and operations. As all incoming resources come from a select number of donors, each donor a related party of the Foundation, the Trustees believe there will be no impact on the availability of donations from the donors for the foreseeable future. The Foundation received a donation of £796,900 from a related party following the year end. Substantially all of the Foundation's expenditure relates to discretionary donations. The Foundation has significant cash and investment balances at the year end, which means that grants can continue to be provided to specific projects for the foreseeable future.

The other key financial impact of COVID-19 is the fact that the valuation of the Foundation's investments decreased immediately before and after the year end. However, early indications show the investment performance has improved notably in recent months. As a significant element of the reserves are held in cash, the impact of COVID-19 on the Foundation's resources has not been as significant as might have been the case otherwise.

Independent Auditors

The auditors, PricewaterhouseCoopers, have expressed their willingness to remain in office for a further year.

On behalf of the Board



Matthew King

Trustee

Date: 28 July 2020

Statement of Trustees' Responsibilities

Trustees' responsibilities in relation to the financial statements

The Trustees (who are also directors of The CH Foundation (UK) (the "Foundation") for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the Foundation and of the incoming resources and application of resources, including the income and expenditure, of the Foundation for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Accounting and Reporting by Charities: Statement of Recommended Practice (1 January 2015);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Foundation's transactions and disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

By order of the Board of Trustees



Matthew King (Chair)

Trustee

Date: 28 July 2020

Independent auditors' report to the members of The CH Foundation (UK)

Report on the audit of the financial statements

Opinion

In our opinion, The CH Foundation (UK)'s financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2020 and of its net expenditure and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Trustees' Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 28 February 2020; the statement of financial activities, the statement of cash flows, and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Trustees Report and Financial Statements, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Trustees Report and Financial Statements

In our opinion, based on the work undertaken in the course of the audit, the information given in the Trustees Report and Financial Statements for the year ended 28 February 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Trustees Report and Financial Statements.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities set out on page 8, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

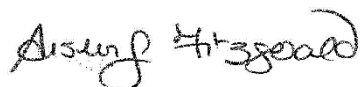
Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Aisling Fitzgerald
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
Dublin
28 July 2020

Statement of Financial Activities for the Year Ended 29 February 2020

	Note	29 February 2020 £	28 February 2019 £
Income			
Donations and legacies		3,223,035	10,257,570
Total income		<u>3,223,035</u>	<u>10,257,570</u>
Expenditure			
Expenditure on charitable activities	4	(4,808,466)	(1,525,253)
Total expenditure		<u>(4,808,466)</u>	<u>(1,525,253)</u>
Net (expenditure) / income	7	<u>(1,585,431)</u>	<u>8,732,317</u>
Gains on investments	8	23,981	434,003
Net movement in funds		<u>(1,561,450)</u>	<u>9,166,320</u>
Reconciliation of funds			
Total funds brought forward	13	12,617,670	3,451,350
Total funds carried forward		<u>11,056,220</u>	<u>12,617,670</u>

The Statement of Financial Activities has been prepared on the basis that all activities are continuing.

There are no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

The accounting policies and the notes on pages 14 to 19 form part of the Financial Statements.

Balance Sheet as at 29 February 2020

		29 February 2020	28 February 2019
	Note	£	£
Fixed Assets			
Investments	8	<u>4,372,677</u>	<u>3,261,596</u>
		4,372,677	3,261,596
Current assets			
Debtors	9	983,317	1,910,425
Cash at bank and in hand		<u>5,708,746</u>	<u>7,453,600</u>
Total current assets		6,692,063	9,364,025
Liabilities			
Creditors: amounts falling due within one year	10	<u>(8,520)</u>	<u>(7,951)</u>
Net current assets		6,683,543	9,356,074
Total net assets		<u>11,056,220</u>	<u>12,617,670</u>
The funds of the Foundation:			
Unrestricted Funds	13	<u>11,056,220</u>	<u>12,617,670</u>
Total Foundation funds		11,056,220	12,617,670

The accounting policies and the notes on pages 14 to 19 form part of the Financial Statements.

The Financial Statements were approved by the Trustees and authorised for issue on 28 July 2020 and signed on their behalf by:



Matthew King
Trustee

Statement of Cash Flows for the Year Ended 29 February 2020

	29 February 2020	28 February 2019
Note	£	£
Net cash (used in) / generated by operating activities	14 <u>(657,754)</u>	<u>8,520,759</u>
Cash flow from investing activities		
Purchase of investments	8 <u>(1,087,100)</u>	<u>(2,827,593)</u>
Net cash used in investing activities	<u>(1,087,100)</u>	<u>(2,827,593)</u>
Net (decrease) / increase in cash and cash equivalents	(1,744,854)	5,693,166
Cash and cash equivalents at the beginning of the year	7,453,600	1,760,434
Cash and cash equivalents at the end of the year	<u>5,708,746</u>	<u>7,453,600</u>
Cash and cash equivalents consists of:		
Cash at bank and in hand	<u>5,708,746</u>	<u>7,453,600</u>

The accounting policies and the notes on pages 14 to 19 form part of the Financial Statements.

Notes to the Financial Statements

1 General information

The CH Foundation (UK) (the "Foundation") is a Charitable Company limited by guarantee, registered in England and Wales. The address of its registered office is 7 Clifford Street, London, W1S 2FT.

2 Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Foundation meets the definition of a public benefit entity under FRS 102. The assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

3 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Legal status

The Foundation is a company limited by guarantee and in the event of it being wound up each member is liable to contribute a sum not exceeding £10. There are no shares of any class, either authorised or allocated.

(b) Going concern

The Foundation meets its day-to-day working capital requirements through its cash balances and investments. After reviewing the Foundation's forecasts and projections, the Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. The Trustees are of the view that COVID-19 will not have a significant impact on the Foundation's resources and operations. The Foundation therefore continues to adopt the going concern basis in preparing its financial statements.

(c) Income

Income is included in the respective line items of the Statement of Financial Activities when the Foundation is legally entitled to the income and the amount can be quantified with reasonable certainty. Income comprises of donations, recognised when received and banked, and Gift Aid, recognised when there is a valid declaration from the donor.

(d) Gifts in kind and donated services

Gifts in kind and donated services are valued and included, where material, in the financial statements. The contribution of volunteers has been excluded from the Statement of Financial Activities as the value of their contribution to the Foundation cannot be reasonably quantified in financial terms. Due to the immaterial nature of donated services and the difficulty in quantifying the financial impact of same in the current year, there were no amounts included in respect of same.

(e) Expenditure

Expenditure is accounted for on an accruals basis. Constructive obligations (including grants payable) are accounted for as liabilities where it is probable that there will be a transfer of economic benefits and the amount of the obligation can be reliably estimated and communicated to the recipient.

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs.

(f) Support and governance costs

Support costs are those costs which do not relate directly to a single activity. Governance costs are those costs incurred in the compliance with constitutional and statutory requirements including related professional fees, and are accounted for on an accruals basis. These costs are included under the heading charitable activities in the Statement of Financial Activities.

Support and governance costs have been apportioned between charitable activities on an expenditure basis, whereby the costs are allocated proportionate to the nature of the grant funded activity.

Notes to the Financial Statements *(continued)*

3 Accounting Policies *(continued)*

(g) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. All differences are taken to the Statement of Financial Activities.

(h) Funds

Unrestricted Funds comprise those funds which the Trustees are free to use in accordance with the charitable objectives of the Foundation.

Restricted Funds comprise those funds that can only be used for particular restricted purposes within the objectives of the Foundation. Restricted Funds arise when the funds are specified as such by the donor(s) or when funds are raised for particular restricted purposes.

Expendable Endowment Funds include all funds received which the Trustees are authorised to spend when and if they decide to spend these funds. The funds may be used to further the specific charitable purposes the Foundation was established to support. These costs can include both direct and support costs associated with activities undertaken by the restricted funds within the Foundation.

(i) Investments

Investments comprise a non-controlling interest in an investment fund which is measured at fair value. The fair value of the investment is determined by the net asset value of each fund as at the reporting period end date. Changes in fair value are recognised in the Statement of Financial Activities.

(j) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and bank overdrafts. Bank overdrafts, where applicable, are shown within borrowings in current liabilities.

(k) Financial instruments

The Foundation has chosen to adopt Section 11 of FRS 102 in respect of financial instruments.

(i) Financial assets and investments

Basic financial assets, including receivables, and cash and cash equivalents, are initially recognised at transaction price, 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. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Financial Activities.

Other financial assets, including investments, 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 profit or loss, 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.

(ii) 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 receipts discounted at a market rate of interest. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Notes to the Financial Statements *(continued)*

3 Accounting Policies *(continued)*

(I) Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Foundation's accounting policies.

The fair value of the investments are determined by the proportionate interest of the net asset value of each fund as at the reporting period end date. The Trustees place reliance on the accuracy of the net asset value of the investment fund, determined by the boards of the investment fund and, if applicable, appointed external valuers. The key accounting judgements and estimates in determining the net asset value of the investment funds are the fair value measurements of the financial instruments held by the investment fund.

4 Charitable activities

	Grant funded activity £	Support & governance £	29 February 2020 £	28 February 2019 £
Humanitarian aid as a result of criminal behaviour	1,972,196	1,032	1,973,228	-
Advancement of education and promotion of health	2,833,756	1,482	2,835,238	251,962
Other charitable purposes	-	-	-	1,273,291
	4,805,952	2,514	4,808,466	1,525,253

Analysis of support and governance costs

	General support £	Governance function £	29 February 2020 £	28 February 2019 £
Staff costs	-	-	-	167,374
Legal and professional fees	-	14,989	14,989	17,622
Office expenses	2,104	-	2,104	8,273
Travel expenses	-	-	-	3,998
Foreign exchange gains	(14,579)	-	(14,579)	(69,424)
	(12,475)	14,989	2,514	127,843

5 Staff costs

	29 February 2020 £	28 February 2019 £
Wages and salaries	-	147,756
Social security costs	-	19,618
	-	167,374

The Foundation had no employees during the year (2019: 1). During the year ended 28 February 2019, the remuneration of the employee fell within the £140,000 to £150,000 remuneration banding.

The Foundation considers its key management personnel to comprise of the Trustees. The Trustees were not paid, nor received any benefits, from the Foundation during the year (2019: £nil). The Trustees were not reimbursed expenses during the year (2019: £nil). No Trustee received payment for professional or other services supplied to the Foundation (2019: £nil).

6 Taxation

The Foundation is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

Notes to the Financial Statements *(continued)*

7 Net (expenditure) / income

	29 February 2020	28 February 2019
	£	£
Net (expenditure) / income is stated after (crediting) / charging:		
Gains on foreign exchange transactions	(14,579)	(69,424)
Fees payable to the Foundation's auditor for the audit of the financial statements	8,498	7,930

8 Investments

	29 February 2020	28 February 2019
	£	£
Brought forward	3,261,596	-
Additions	1,087,100	2,827,593
Gain on financial assets at fair value	23,981	434,003
Carried forward	4,372,677	3,261,596

The investment represents a subscription entered by the Foundation into an unlisted investment fund.

9 Debtors

	29 February 2020	28 February 2019
	£	£
Gift Aid receivable	642,500	1,568,750
Loan receivable	331,458	332,473
Other receivables	7,917	7,917
Prepayments	1,442	1,285
	983,317	1,910,425

10 Creditors

	29 February 2020	28 February 2019
	£	£
Trade payables	-	21
Accruals	8,520	7,930
	8,520	7,951

11 Financial instruments

	29 February 2020	28 February 2019
	£	£
Financial assets at fair value	4,372,677	3,261,596
Financial assets that are debt instruments, measured at amortised cost:		
Loans receivable	331,458	332,473
Other receivables	7,917	7,917
	339,375	340,390
Financial liabilities measured at amortised cost:		
Trade payables	-	21

Notes to the Financial Statements *(continued)*

12 Financial risk management

The Foundation's financial activities may expose it to a variety of financial risks, broadly grouped as market risk, credit risk and liquidity risk.

Market risk

The Foundation's exposure to market risk is limited to currency exchange risk and price risk. The currency exchange risk arises from the investments held in currencies other than the functional currency of the Foundation. The Foundation does not actively seek to hedge its exposure to foreign exchange risk. The price risk arises on the investments due to their exposure to fluctuations in market prices (other than currency exchange risk), whether those changes are caused by factors specific to the financial instrument or its issuers, or factors affecting all similar financial instruments traded in the market.

Credit risk

The Foundation's exposure to credit risk arises mainly through its cash balances and loan receivable. The Foundation will hold all cash with banks whom the Foundation has strong, well-established relationships and who typically have a minimum Moody's or S&P rating of investment grade. The Foundation monitors the borrower's financial performance on a quarterly basis. At the reporting date, the maximum exposure to credit risk is represented by the carrying amount in the Balance Sheet.

Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Foundation expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the Foundation has cash reserves and credit facilities available.

13 Movement in funds

	28 February 2019	Incoming Resources	Resources Expended	29 February 2020
	£	£	£	£
Unrestricted	12,617,670	3,247,016	(4,808,466)	11,056,220
	12,617,670	3,247,016	(4,808,466)	11,056,220

14 Notes to the Statement of Cash Flows

	29 February 2020	28 February 2019
	£	£
Net (expenditure) / income for the financial year	(1,561,450)	9,166,320
Adjustments for:		
Gains on investments	(23,981)	(434,003)
(Decrease) / increase in debtors	927,108	(199,321)
Increase / (decrease) in creditors	569	(12,237)
Net cash (used in) / generated by operating activities	(657,754)	8,520,759

15 Contingent liabilities and financial commitments

The Foundation had commitments at the year end of £15,332,984 (2019: £1,055,568). During the year, the Foundation entered into grant agreements with charitable organisations and made grants available as drawdown facilities over the grant terms. The commitments at the year end represent the remainder of the total committed grants that the charitable organisations did not drawdown during the year. The Foundation will fund the commitments through existing cash balances and future donations received.

The commitment at the prior year end represented a subscription entered by the Foundation into an unlisted investment fund. The Foundation paid the commitment in full during the year.

The Foundation had no contingent liabilities at 29 February 2020 (2019: £nil).

Notes to the Financial Statements *(continued)*

16 Related party transactions

During the year, the Foundation received donations without conditions of £2,570,000 (2019: £8,688,750) from related parties.

During the year, the Foundation made charitable grants to The Children's Investment Fund Foundation (UK) ("CIFF") of £3,647,293 (2019: £nil). CIFF is related due to C. Hohn being a trustee of CIFF.

17 Controlling party

The controlling party are the Trustees acting in the General Meeting.

18 Subsequent events

The Trustees acknowledge the challenges of the current market conditions and day to day working due to the COVID-19 pandemic. The 2020 calendar year to date has seen a sharp increase in the volatility of all financial markets. The Trustees are actively monitoring the situation. The Foundation and many of its service providers have evoked business continuity procedures, including remote working, to ensure the safety of staff and to enable them to operate with minimal impact. The Trustees will continue to review the situation in order to navigate the Foundation through this period of heightened uncertainty.

The COVID-19 pandemic is a non-adjusting event as at 29 February 2020 for the purposes of these financial statements. The Trustees are of the view that COVID-19 will not have a significant impact on the Foundation's resources and operations. As all incoming resources come from a select number of donors, each donor a related party of the Foundation, the Trustees believe there will be no impact on the availability of donations from the donors for the foreseeable future. The Foundation received a donation of £796,900 from a related party following the year end. Substantially all of the Foundation's expenditure relates to discretionary donations. The Foundation has significant cash and investment balances at the year end, which means that grants can continue to be provided to specific projects for the foreseeable future.

The other key financial impact of COVID-19 is the fact that the valuation of the Foundation's investments decreased immediately before and after the year end. However, early indications show the investment performance has improved notably in recent months. As a significant element of the reserves are held in cash, the impact of COVID-19 on the Foundation's resources has not been as significant as might have been the case otherwise.