

Registered number: 05889426
Charity number: 1118916

**EMPOWER - THE EMERGING
MARKETS FOUNDATION LIMITED**

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2020

LUBBOCK FINE LLP
Chartered Accountants
Paternoster House
65 St Paul's Churchyard
London EC4M 8AB

EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the Charity, its Trustees and Advisers	1 - 2
Trustees' Report	3 - 8
Independent Auditors' Report on the Financial Statements	9 - 11
Statement of Financial Activities	12
Balance Sheet	13
Statement of Cash Flows	14
Notes to the Financial Statements	15 - 26

EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

FOR THE YEAR ENDED 30 JUNE 2020

Trustees

Marc Balston
Ozan Tarman
Parvoleta Shtereva
Pontso Mafethe
Xavier Corin-Mick
Angela Labombarda
Cynthia Steele
Aditi Thorat
Bradley Wickens
Andrew Curran
Susan Dodge
Francisco Ybarra
Rafael Biosse-Duplan
Marcin Wiszniewski
Jonathan Bayliss
Kunal Shah
Jeremy Llewelyn
Pierre-Yves Bateau
Peter Tolhurst
Michael Lekan
Jonathan Bell
John Patton
Swatee Deepak
Toby West
Colin Reddie

**Company registered
number**

05889426

**Charity registered
number**

1118916

Registered office

3rd Floor, Paternoster House
65 St Paul's Churchyard
London
EC4M 8AB

Company secretary

Cynthia Steele

Independent auditors

Lubbock Fine LLP
Chartered Accountants & Statutory Auditors
Paternoster House
65 St Paul's Churchyard
London
EC4M 8AB

EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

Bankers

JP Morgan Chase Bank, N.A
125 London Wall
London
EC2Y 5AJ

Charities Aid Foundation
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

The Trustees present their annual report together with the audited financial statements of Empower - The Emerging Markets Foundation Limited for the year from 1 July 2019 to 30 June 2020. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details are shown in the schedule of the members of the board and professional advisers on page 1 of the financial statements.

THE TRUSTEES

The trustees who served the charity during the period and since the year end were:

Marc Balston
Cynthia Steele (Appointed 1 July 2019)
Xavier Corin Mick
Eric Levine (Resigned 25 February 2020)
Jeremy Llewelyn
Pontso Mafethe
Parvoleta Shtereva
Ozan Tarman
Aditi Thorat
Bradley Wickens
Francisco Ybarra
Jonathan Bayliss
Rafael Biosse Duplan
Marcin Wiszniewski
Kunal Shah
Fernando Ortega (Resigned 1 December 2020)
Pierre Yves Bareau
Peter Tolhurst
Michael Lekan
Stephen Jefferies (Resigned 15 June 2020)
Angela Labombarda
Murtaza Ahmed (Resigned 25 February 2020)
Andrew Curran
Susan Dodge
Jonathan Bell (Appointed 25 February 2020)
John Patton (Appointed 15 June 2020)
Swatee Deepak (Appointed 24 April 2020)
Toby West (Appointed 15 June 2020)
Colin Reddie (Appointed 9 December 2020)

EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

EMpower - The Emerging Markets Foundation Limited is a company limited by guarantee and governed by its Memorandum and Articles of Association.

Appointment of directors

New Directors are recruited and nominated by the Executive Committee of the Board. The Executive Committee is composed of:

Kunal Shah, Chair
Jeremy Llewelyn
Parvoleta Shtereva
Marc Balston, Treasurer
Aditi Thorat, Programmes Chair
Cynthia Steele, Secretary (Appointed 1 July 2019)

All of the Directors elected to the Board have a three year renewable term.

According to the Articles of Association, there is no limit to the number of directors appointed to the Board, and so the Board of Directors has resolved to continue to search for additional strategic directors.

The Board of Directors continuously reviews its competencies and is conscious of the need to maintain a balance of skills. Periodically, additional members are invited to join the Board, effectively becoming an additional director and this involves a careful vetting process by the Board to ensure that any new member is aware of his/her responsibilities towards the Foundation.

New Directors are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Board and decision making processes, the business plan and recent financial performance of the Charity.

Organisation

The Board of Directors administers the Charity. The Board meets once a year for the Annual General Meeting and convenes to meet when needed at different times of the year. The Secretary acts as a Chief Executive to manage the day to day operations of the Charity.

Related Parties

The sole member of the Charity is EMpower - The Emerging Markets Foundation, incorporated in the State of New York in the United States of America (EMpower US). While EMpower US manages the grantmaking operations of the Charity, the geographic focus and approval for all of the Charity's philanthropic distributions are decided by the Board of Directors of the Charity.

EMpower - The Emerging Markets Foundation Inc. has a further subsidiary undertaking, EMpower - The Emerging Markets Foundation (Hong Kong). EMpower HK's grantmaking operation is also managed by EMpower US, though its own Board of Directors approve distributions and geographic focus.

All three organisations have the same mission and actively promote their common goals throughout the world.

EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

Risk Management

The Board of Directors are committed to a regular review of the major strategic, business and operational risks which the Charity faces with a view to ensuring that appropriate systems and procedures are in place to minimise these risks.

Public Benefit

In setting the objectives and planning the activities of EMpower - The Emerging Markets Foundation Limited, the Directors have given careful consideration to the Charities Commission's general guidance on public benefit.

OBJECTIVES AND ACTIVITIES

The Emerging Markets Foundation is a global philanthropy focused on empowering at risk youth (ages 10 - 24) in 15 emerging market countries. The Charity believes that young people are a critical resource for every country and focuses on the essential building blocks for a young person's future - education, livelihoods, health and well being.

With a world wide community of supporters, the Charity strategically invests in vital, local organizations who work to empower at risk youth, in the following three ways:

Empowering Youth Through Grantmaking

The Charity invests in local organizations that know their local communities and context, and are best positioned to discover and implement solutions that work. The Charity makes grants to organizations with a track record of successfully engaging and serving young people, solid organizational capacity and an interest in learning and growth.

Working with Grantees

Beyond financial support, The Charity works with grantee partners to expand their reach and/or improve their programs and services. The Charity encourages innovative approaches while sharing ideas and knowledge.

Multiplying Impact

The Charity brings together organizations focused on issues affecting youth, by developing and catalyzing forums for problem solving and exchanging ideas - making good ideas travel faster and further.

The Charity founded and fueled by finance professionals, serves as the bridge between the financial sector's talent, energy, resources and knowledge of EM countries, to local organizations. The Charity's Board, staff, committed Underwriters and generous supporters understand the inequities and opportunity gaps that young people face in EM countries, and want to do something about them. As an organisation, the Charity takes time to listen and from that listening and understanding comes learning, collaborative work and strategic use of their resources.

Aspects which make the Charity unique are:

Leadership - strong community of supporters and talented, committed leadership through its Board of Directors. A Joint Executive Committee, bringing together members of the Boards of EMpower UK, US, HK steers the global strategy of the Charity and its regional partners.

Efficiency - coupled with EMpower US and EMpower HK, the Charity has a global footprint that centralizes key functions and keeps administrative costs low, while remaining regionally nimble with offices in New York, London and Hong Kong. The Charity's operations are streamlined to create maximum impact, with less than 20% spent on management and fundraising costs. The remaining 80% of the budget going directly to program work.

EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

Underwriting - all operating costs world wide are covered by the Charity's generous Underwriters, enabling 100% of every individual donation to benefit at risk youth.

Effectiveness - monitor and measure impact on several interrelated levels. The Charity looks at direct and indirect impact, changes in individual lives and in their local partner organizations, and broader changes in the communities where it works.

Thought leadership and deep on the ground experience in youth development - identifies and partners with quality, local organizations for up to 10 years supporting their programming, development and growth, including leveraging additional support.

For more information please visit our website: <http://empowerweb.org/>

ACHIEVEMENTS AND PERFORMANCE

During the year ended 30 June 2020, the Charity disbursed \$1,521,420 to 42 organisations. All of these grants helped to further the Charity's mission of empowering at risk youth around the world. The organisations funded with these grants are all dedicated to supporting programs advancing the health, education, and livelihoods development of marginalized young people. For a list of these grants, kindly visit www.empowerweb.org.

In addition, the Charity held awareness raising events in London to broaden the base of supporters as well as attracting others from continental Europe. The Charity was successful in forming an Underwriting Group of renowned professionals in the Emerging Markets financial sector that commits multi year funding to support its operations in order for 100% of other individual donors' contributions to go directly to supporting its grantees. To see the full list of Underwriters, kindly visit www.empowerweb.org

FINANCIAL REVIEW

During the financial year the Charity recognised incoming resources totalling \$2,822,026. This represented individual and institutional donations (including Gift Aid) and investment income.

On the expenses side, the Charity expended a total of \$3,055,006, which was incurred directly to the fulfilment of the Charity's objectives, together with the support costs relating to these activities. The Charity donated \$1,521,420 in grants to community based organisations in emerging countries dedicated to empowering young people.

The Charity held one fundraising dinner during the course of the year with expenditure totalling \$235,437. The dinner generated \$1,573,411 of fundraising income, consisting of \$1,099,890 in dinner donations and \$473,521 of matched and supplementary funding from corporate and individual underwriters, as well as promoting an expansion of awareness of the Charity throughout its core constituency of financial professionals.

At the year end, the charity had unrestricted reserves of \$1,625,601 which consisted of a Board designated reserve of \$600,000 and a general reserve for operation of \$1,025,601. The Board designated reserve has been set aside for the purposes of confronting operational expenses in case of a downturn in fundraising.

EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

FUNDRAISING STANDARDS INFORMATION

The Charity adheres to current Fund-raising standards. We raise funds from the public using only our internal Development staff, our Directors and our Underwriters. We directly contact our donors and directly communicate with them, we use no intermediaries. We also develop our own marketing and communications resources internally. By using our internal resources we are able to protect against unusual intrusion and protect data privacy. Please visit our website to review our Policy on why we collect personal information, how we use it, the conditions under which we may disclose it to others and how we keep it secure. <https://empowerweb.org/about-us/privacy>

PLANS FOR FUTURE PERIOD

The Charity, through the UK VP Development, Engagement Manager and the Development and Communications Assistant, will continue to support the Board of Directors in its efforts to develop in London. Both the Board of Directors and staff will focus on raising the awareness of the Charity's work within its core constituency in the emerging markets financial sector, but also expand the reach to sectors outside the finance, grow institutional funding and also identify individuals and firms with a keen interest in the 15 countries itself.

Pursuant to this end, the Charity will continue to have constituent dinners, Grants Meetings and explore participation in such high-profile events such as the EMPEA global industry association for private capital in emerging markets conference, FT Investor for Good Conference and London Marathon. This year due to COVID-19 uncertainty and social distancing limitations, EMpower has also added online campaigns to help maintain and promote donor participation. One such online campaign recently concluded was our Journey around the World campaign which raised in excess of \$2.5 million.

The Charity will continue to review geographic priorities and other programmatic imperatives so that the grantmaking is ensured to be impactful to the communities it seeks to serve and relevant to its supporters.

The Charity will continue to distinguish itself by its participatory and transparent nature and will keep encouraging those interested to get involved in its work by attending Grants Meetings and by other means. If you would like to learn more about how to get involved with EMpower, kindly contact Francine de Boer, UK Development and Engagement Manager, at fdeboer@empowerweb.org.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also the directors of the Charity for the purposes of company law) 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).

Company law requires the Trustees to prepare financial statements for each financial year. 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 affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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 Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

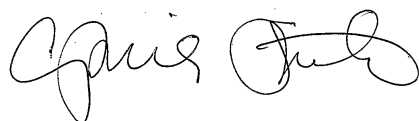
DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

In preparing this report, the Trustees have taken advantage of the small company exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees, and signed on their behalf by:



Cynthia Steele
Company Secretary

Date: 16 February 2021

EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED

FOR THE YEAR ENDED 30 JUNE 2020

Opinion

We have audited the financial statements of Empower - The Emerging Markets Foundation Limited (the 'charity') for the year ended 30 June 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 Financial Reporting Standard 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 charitable company's affairs as at 30 June 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable 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.

EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EMPOWER - THE EMERGING MARKETS
FOUNDATION LIMITED (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EMPOWER - THE EMERGING MARKETS
FOUNDATION LIMITED (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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

Lubbock Fine

Neil Williams (Senior Statutory Auditor)

for and on behalf of

Lubbock Fine LLP

Chartered Accountants & Statutory Auditors

Paternoster House

65 St Paul's Churchyard

London

EC4M 8AB

Date: 02 March 2021

EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2020

	Note	Unrestricted funds 2020 \$	Total funds 2020 \$	Total funds 2019 \$
Income from:				
Donations	2	1,243,122	1,243,122	1,635,316
Charitable activities	3	1,578,363	1,578,363	1,611,975
Investments	4	541	541	415
		<u>2,822,026</u>	<u>2,822,026</u>	<u>3,247,706</u>
Total income				
Expenditure on:				
Charitable activities	5	3,055,006	3,055,006	2,627,270
		<u>3,055,006</u>	<u>3,055,006</u>	<u>2,627,270</u>
Total expenditure				
		<u>(232,980)</u>	<u>(232,980)</u>	<u>620,436</u>
Net movement in funds				
Reconciliation of funds:				
Total funds brought forward		1,858,581	1,858,581	1,238,145
Net movement in funds		(232,980)	(232,980)	620,436
		<u>1,625,601</u>	<u>1,625,601</u>	<u>1,858,581</u>
Total funds carried forward				

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 15 to 26 form part of these financial statements.

EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED
(A Company Limited by Guarantee)

BALANCE SHEET

REGISTERED NUMBER 05889426

AS AT 30 JUNE 2020

	Note	2020 \$	2020 \$	2019 \$	2019 \$
Fixed assets					
Tangible assets	11		5,671		5,339
Current assets					
Debtors	12	32,976		180,411	
Cash at bank and in hand		2,372,353		2,244,639	
		<u>2,405,329</u>		<u>2,425,050</u>	
Creditors: amounts falling due within one year	13	(785,399)		(571,808)	
Net current assets			<u>1,619,930</u>		<u>1,853,242</u>
Total net assets			<u><u>1,625,601</u></u>		<u><u>1,858,581</u></u>
Charity funds					
Unrestricted funds	14		1,625,601		1,858,581
Total funds			<u><u>1,625,601</u></u>		<u><u>1,858,581</u></u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Kunal Shah
Chair
Date: 12 February 2021



Marc Balston
Treasurer

The notes on pages 15 to 26 form part of these financial statements.

EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Net cash provided by operating activities	16	129,014	644,951
Cash flows from investing activities			
Dividends, interests and rents from investments		541	415
Purchase of tangible fixed assets		(1,841)	(5,066)
Net cash used in investing activities		(1,300)	(4,651)
Change in cash and cash equivalents in the year		127,714	640,300
Cash and cash equivalents at the beginning of the year		2,244,639	1,604,339
Cash and cash equivalents at the end of the year	17	2,372,353	2,244,639

The notes on pages 15 to 26 form part of these financial statements

EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The accounts have been prepared in US dollars as this is the operating currency of the charity.

1.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Going concern

The Trustees consider that it is appropriate to prepare the financial statements on a going concern basis. In formulating this assessment the Trustees have taken into consideration the potential impact of the global COVID-19 pandemic on the Charitable company's ability to raise funds and carry out its charitable activities.

1.5 Donations

All monetary donations and gifts are included in full in the statement of financial activities when receivable, provided that there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met. If there are donor restrictions and the funds have been received then these are recognised as restricted funds.

Gifts in kind and donated services are valued and included in income to the extent that it represents goods or services which would otherwise be purchased. An equivalent amount is charged as expenditure.

Fundraising income consists of donations received at events which are recognised in the year in which the event was held.

EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1. Accounting policies (continued)

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

1.7 Grants payable

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the charity. The grants are accounted for where either the trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grant is outside the control of the charity.

1.8 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure, which is charged on an accruals basis, is allocated between:

- Expenditure incurred directly to the fulfilment of the Charity's objectives together with support costs relating to these activities,
- Expenditure incurred in order to raise funds for charitable activities including support costs, and
- Expenditure incurred in the governance of the Charity and its assets.

1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into dollars at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into dollars at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

1.10 Pensions

The company contributes to a group personal pension scheme and the pension charge represents the amounts payable by the Charity in respect of the year.

1.11 VAT

The Charity is not registered for VAT and its expenses are therefore inflated by VAT which cannot be recovered.

EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1. Accounting policies (continued)

1.12 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer equipment	-	20% straight line
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1.13 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.14 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.15 Liabilities and provisions

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

1.16 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2. Income from donations

	Unrestricted funds 2020 \$	Total funds 2020 \$	Total funds 2019 \$
Donations and gift aid	1,243,122	1,243,122	1,635,316
Total 2019	1,635,316	1,635,316	

EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

3. Income from charitable activities

	Unrestricted funds 2020 \$	Total funds 2020 \$	Total funds 2019 \$
Fundraising activities	1,578,363	1,578,363	1,611,975

4. Investment income

	Unrestricted funds 2020 \$	Total funds 2020 \$	Total funds 2019 \$
Bank interest receivable	541	541	415

5. Analysis of expenditure by activities

	Activities undertaken directly 2020 \$	Grant funding activities 2020 \$	Support costs 2020 \$	Total funds 2020 \$	Total funds 2019 \$
Grant funding activities including management fee	687,222	1,521,420	846,364	3,055,006	2,627,270
Total 2019	551,877	1,558,648	516,745	2,627,270	

EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

5. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Activities 2020 \$	Total funds 2020 \$	Total funds 2019 \$
Management fees to EMpower - The Emerging Markets Foundation (EMpower US)	687,222	687,222	551,877

Analysis of support costs

	Grant funding activities 2020 \$	Total funds 2020 \$	Total funds 2019 \$
Staff costs	480,284	480,284	249,201
Depreciation	1,509	1,509	818
General support costs	94,286	94,286	121,334
Travel and communications	36,570	36,570	27,151
Fundraising expenses	235,437	235,437	153,766
Foreign exchange gain	(1,722)	(1,722)	(35,525)
Total 2020	846,364	846,364	516,745

6. Grants payable

	Grants to Institutions 2020 \$	Total funds 2020 \$	Total funds 2019 \$
Grant funding activities	1,521,420	1,521,420	1,558,648
Total 2019	1,558,648	1,558,648	

In the current and prior year, all grants payable were from unrestricted funds.

EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

6. Grants payable (continued)

The Charity has made the following material grants to institutions during the year:

	2020
	\$
Name of institution	
Onda Solidaria	64,500
Fundacion Alvaralice	61,500
Fundacion Tiempo de Juego	81,500
Centro de Promocion y Defensa de los Derechos Sexuales y Reproductivos	75,000
Raoul Foundation	87,500
SOZO Foundation Trust	91,000
Stellit	60,000
Upsala Circus	82,500
Youth Lives Foundation	100,000
YP Foundation	65,000
	<u>768,500</u>
Other grants to institutions	752,920
	<u><u>1,521,420</u></u>

7. Auditors' remuneration

	2020	2019
	\$	\$
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts (governance)	14,667	13,770
Fees payable to the Charity's auditor in respect of:		
All non-audit services not included above	7,333	6,885
	<u><u>7,333</u></u>	<u><u>6,885</u></u>

EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

8. Staff costs

	2020	2019
	\$	\$
Wages and salaries	414,739	217,838
Social security costs	45,332	22,690
Other pension costs	20,212	8,673
	<u>480,283</u>	<u>249,201</u>

The average number of persons employed by the Charity during the year was as follows:

	2020	2019
	No.	No.
Average number of staff	<u>5</u>	<u>3</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded \$75,650 (£60,000) was:

	2020	2019
	No.	No.
In the band \$75,651 - \$88,258 (£60,001 - £70,000)	2	1
In the band \$126,084 - \$138,691 (£100,001 - £110,000)	1	-

Total remuneration paid to key management personnel was \$238,371 (2019 - \$52,416).

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - \$NIL).

During the year ended 30 June 2020, no Trustee expenses have been incurred (2019 - \$NIL).

10. Taxation

There is no charge to corporation tax due to the nature of the activities carried out by the organisation.

EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

11. Tangible fixed assets

	Computer equipment \$
Cost or valuation	
At 1 July 2019	6,625
Additions	1,841
At 30 June 2020	<u>8,466</u>
Depreciation	
At 1 July 2019	1,286
Charge for the year	1,509
At 30 June 2020	<u>2,795</u>
Net book value	
At 30 June 2020	<u>5,671</u>
At 30 June 2019	<u>5,339</u>

12. Debtors

	2020 \$	2019 \$
Grants and donations receivable	23,099	113,064
Other debtors	1,105	-
Prepayments and accrued income	3,858	15,145
Gift aid recoverable	4,914	52,202
	<u>32,976</u>	<u>180,411</u>

EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

13. Creditors: Amounts falling due within one year

	2020	2019
	\$	\$
Amounts owed to group undertakings	49,093	104,018
Other creditors	48,806	33,290
Grants payable	687,500	434,500
	<u>785,399</u>	<u>571,808</u>

14. Statement of funds

Statement of funds - current year

	Balance at 1 July 2019	Income	Expenditure	Balance at 30 June 2020
	\$	\$	\$	\$
Unrestricted funds				
General Funds	1,258,581	2,822,026	(3,055,006)	1,025,601
Reserves	600,000	-	-	600,000
	<u>1,858,581</u>	<u>2,822,026</u>	<u>(3,055,006)</u>	<u>1,625,601</u>

Statement of funds - prior year

	Balance at 1 July 2018	Income	Expenditure	Balance at 30 June 2019
	\$	\$	\$	\$
Unrestricted funds				
General Funds	638,145	3,247,706	(2,627,270)	1,258,581
Reserves	600,000	-	-	600,000
	<u>1,238,145</u>	<u>3,247,706</u>	<u>(2,627,270)</u>	<u>1,858,581</u>

Reserves

The reserves fund of \$600,000 included within unrestricted funds is a Board designated fund set aside for the purpose of confronting operational expenses in case of a downturn in fundraising.

EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

15. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 \$	Total funds 2020 \$
Tangible fixed assets	5,671	5,671
Current assets	2,405,329	2,405,329
Creditors due within one year	(785,399)	(785,399)
Total	<u><u>1,625,601</u></u>	<u><u>1,625,601</u></u>

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 \$	Total funds 2019 \$
Tangible fixed assets	5,339	5,339
Current assets	2,425,050	2,425,050
Creditors due within one year	(571,808)	(571,808)
Total	<u><u>1,858,581</u></u>	<u><u>1,858,581</u></u>

16. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 \$	2019 \$
Net income/expenditure for the period (as per Statement of Financial Activities)	<u>(232,980)</u>	<u>620,436</u>
Adjustments for:		
Depreciation charges	1,509	818
Interest income	(541)	(415)
Decrease in debtors	147,435	381,479
Increase / (Decrease) in creditors	213,591	(357,367)
Net cash provided by operating activities	<u><u>129,014</u></u>	<u><u>644,951</u></u>

EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

17. Analysis of cash and cash equivalents

	2020	2019
	\$	\$
Cash in hand	2,372,353	2,244,639
Total cash and cash equivalents	<u>2,372,353</u>	<u>2,244,639</u>

18. Analysis of changes in net debt

	At 1 July	Cash flows	At 30 June
	2019	\$	2020
	\$		\$
Cash at bank and in hand	2,244,639	127,714	2,372,353
	<u>2,244,639</u>	<u>127,714</u>	<u>2,372,353</u>

19. Pension commitments

The Charity contributes to a group personal pension scheme.

The pension costs per the Statement of Financial Activities represent contributions due from the company and amounted to \$20,212 (2019 - \$8,673).

At the year end the charity had a \$nil (2019 - \$nil) pension liability.

20. Related party transactions

At the balance sheet date \$11,536 was due to (2019 - \$2,254) EMpower - The Emerging Markets Foundation, a not for profit organisation incorporated in the United States of America (EMpower US), which shares common directors. The balance is unsecured, interest free and repayable on demand.

During the year, management fees of \$687,222 (2019 - \$551,877) were payable to EMpower - The Emerging Markets Foundation for providing operating support.

At the balance sheet date \$37,557 (2019 - \$101,763) was due to Empower HK - The Emerging Markets Foundation, a not for profit corporation based in Hong Kong (EMpower HK), which shares common directors. The balance is unsecured, interest free and repayable on demand.

The aggregate donations received from related parties for which there are no conditions during the year was \$849,388 (2019 - \$765,522).

EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

21. Post balance sheet events

The extent of the ongoing coronavirus ("COVID-19") outbreak on the financial performance of the Charity will depend on future developments, including the duration and spread of the outbreak and related restrictions and the impact of COVID-19 on the overall economy, all of which are highly uncertain and cannot be predicted.

22. Parent entity

The parent entity of the Charity is EMpower USA, a charity incorporated in the USA, by virtue of EMpower USA being the sole member of the Charity.