



ELRHA
ANNUAL REPORT 2021

Elrha is registered in England and Wales as a Charity (charity number 1177110) and as a private company limited by guarantee (company number 11142219).

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MESSAGE FROM OUR CEO

There is no doubt we live in unprecedented times. In 2021 an estimated 235 million people needed humanitarian assistance and protection – more than the populations of Brazil or Nigeria. With deepening conflict, social unrest and climate change leading to more instability in many parts of the world, the humanitarian community needs to strengthen and scale up efforts to respond.

To address these crises and meet humanitarian need, we must support and invest in robust and innovative ideas and solutions. This is the premise that underpins our vision at Elrha. In 2021, despite some significant hurdles, we continued to move forward in pursuit of a world better equipped to deal with complex humanitarian challenges.

Like many organisations across the world, the pandemic continued to have an impact both on our operational capacity and on the work of those that we fund, our grantees. In parallel, the reduction in the UK foreign aid budget in 2021 hit the humanitarian sector, including our own organisation, significantly. Our budget was considerably reduced because of these cuts, and this meant that we had to make some very difficult decisions at the start of the year, with a restructure of our team and changes to our original plans for 2021. It is not understating it to say it was one of the most challenging times in our eleven-year history. I am thankful to every member of our team, both past and present, for the resilience and adaptability they demonstrated as we adjusted to our new reality.

The reduced funding primarily impacted our grant-making work, and the new funding opportunities we were planning to release had to be put on hold or scaled back. Our focus was on mitigating the effect of cuts on our existing grantees, making sure that they could continue to implement their research studies and innovation projects with minimal disruptions.

Despite the unanticipated changes in 2021, our programme teams demonstrated their ability to adapt. The Research for Health in Humanitarian Crises (R2HC) programme funded eight new health studies in 2021, in response to the previous year's funding call, and continued to support the COVID-19 research studies that were awarded grants in 2020. Our Humanitarian Innovation Fund (HIF) programme was able to release small funding opportunities and support seven new innovation projects, in addition to the many innovation projects that were already active.

Our first flagship research initiative, the Global Prioritisation Exercise (GPE) also made strides forward in 2021. Funding cuts and increasing humanitarian need made us more determined to ensure that investment in research and innovation is targeted at the most pressing needs. Now more than ever, we need to bring donors, humanitarian practitioners and people affected by crises together to map out where resources can best be invested. We are looking forward to sharing the results of this work in 2022, and working with more humanitarian actors and communities to transform the impact of research and innovation on people affected by crises.

Similarly, the UK Humanitarian Innovation Hub (UKHIH), an FCDO-funded programme hosted at Elrha, was further established in 2021. Although it scaled back initial plans over 2021/22, it is already funding three cutting-edge innovation projects and one initiative in response to the Afghanistan crisis.

The challenges we faced this year, and the successes we achieved despite them, have only strengthened our resolve to drive forward with our plans for a more effective humanitarian system, and one that leaves no one behind. We know this work starts with us. At Elrha, we are continuing efforts to become a more inclusive organisation, through improvements to our funding models and strategy development, and through our ongoing work on inclusion and anti-racism in which we are committed to continuous efforts to learn, reflect and improve.

As we look forward to 2022, our efforts will be focused on delivering greater impact and on building on our new structure and strategy. We will be guided by our strategic objectives, focusing on demonstrating the impact of the work we fund, influencing and shaping the humanitarian system and ensuring that we create an organisation that is resilient, able to thrive, and that can meaningfully contribute to humanitarian solutions that work for everyone.

Jess Camburn, CEO

MESSAGE FROM THE CHAIR

2021 was a challenging year on so many levels, and particularly in terms of rising humanitarian need. This annual report describes how Elrha has continued to make very important contributions to the sector, despite the challenge to the organisation of a major budget reduction as the UK foreign aid budget was cut. On behalf of the Board of Trustees I would like to offer our heartfelt thanks to Lyndall Stein who, as Interim CEO, guided Elrha through this period with great skill and wisdom. I would also like to thank all Elrha staff for their continued commitment and hard work during such an uncertain and difficult time – it has been very much appreciated. We are delighted to have Jess Camburn back as CEO, to help the organization move forward, and to lead Elrha into the next phase.

Margie Buchanan-Smith, Chair of the Board of Trustees

ABOUT ELRHA

We are a global charity that finds solutions to complex humanitarian problems through research and innovation.

OUR VISION FOR CHANGE: A world equipped to mitigate the impact of humanitarian crises.

OUR MISSION: To improve humanitarian outcomes through partnership, research, and innovation.

OUR PURPOSE: To empower the humanitarian community to improve humanitarian response. We make this happen by supporting and championing the outcomes of robust research and proven innovations.

HOW WE ACHIEVE THIS: We work in partnership with humanitarian organisations, researchers, innovators and the private sector to tackle some of the most difficult challenges facing people all over the world. We equip humanitarian responders with knowledge of what works, so that people affected by crises get the right help when they need it most.

Our combined focus on research and innovation is central to our belief that the humanitarian system urgently requires robust evidence-based solutions. This allows us to invest in both with confidence, knowledge, and expertise.

We carry out our work primarily through two funding programmes:

The Humanitarian Innovation Fund (HIF) aims to improve outcomes for communities affected by humanitarian crises by identifying, nurturing, and sharing more effective and scalable solutions. The HIF leads on the development and testing of innovation in the humanitarian system. Through HIF, we fund, support, and manage innovation at every stage of the innovation process. Our portfolio of projects informs a detailed understanding of what successful innovation looks like, and what it can achieve for the humanitarian community. This work is leading the global conversation on innovation in humanitarian response.

Research for Health in Humanitarian Crises (R2HC) aims to improve health outcomes for people affected by humanitarian crises by strengthening the evidence base for public health interventions. Our globally recognised research programme focuses on maximising the potential for public health research to bring about positive change in humanitarian response. Since 2013, we have funded 95 research studies across a range of public health fields.

As part of our ambition to drive investment towards the world's most urgent humanitarian needs, we have recently embarked on a new exercise, which aims to transform the impact of research and innovation for people affected by crises.

The **Global Prioritisation Exercise (GPE)** is a flagship initiative, and the first of its kind. Through global consultations with communities affected by crises and with humanitarian practitioners, we aim to reveal investment trends and activities in research and innovation, to highlight successful examples, identify what humanitarians and communities affected by crisis believe are the most pressing areas for investment, and support the development of an inclusive coordinating mechanism that enables multiple actors to target activity to the communities that need it most. The GPE made significant progress in 2021.

We are also proud to be the host organisation for the **UK Humanitarian Innovation Hub (UKHIH)**, a new Foreign, Commonwealth and Development Office (FCDO)-funded initiative. The UKHIH aims to bolster collaboration between science, innovation, government, and private actors, to find solutions to humanitarian challenges caused by disasters and conflict.

In 2021, the UKHRI embarked on its pilot phase, investing in projects in three thematic areas and one responsive project.

OUR GUIDING PRINCIPLES

In pursuing our mission and vision, we want to make sure that our work is undertaken in an ethical and robust way. We are led by six guiding principles:

- 1) Improving outcomes for people affected by crisis is at the heart of our work.
- 2) People have a right to quality humanitarian response that is informed by robust evidence.
- 3) Research and innovation should always be undertaken within a responsible and ethical framework.
- 4) Evidence must be made widely available and accessible to achieve the greatest possible impact.
- 5) Collaboration and partnership, including with people affected by crisis, improves the quality, impact and uptake of research and innovation.
- 6) Creativity, exploration and informed risk-taking is crucial to learning and bringing about change.

DONORS

Our work is funded by:

The UK Foreign, Commonwealth and Development Office (FCDO), the Netherlands Ministry of Foreign Affairs, the Norwegian Ministry of Foreign Affairs, Wellcome, the National Institute for Health Research (NIHR), and the Swiss Agency for Development and Cooperation.

ACKNOWLEDGEMENTS

For their guidance, dedication and support throughout the year, we would like to acknowledge and thank Elrha's Board of Trustees.

We would also like to thank the members of our Funding Committees, Advisory Groups, our Technical Working Groups and Reference Group, for continuing to provide invaluable expertise to our programmes and initiatives.

Thank you also to Dechert LLP for pro-bono legal support in 2021.

Finally, we would like to acknowledge all our incredible partners and grantees, and all the organisations we have worked with in 2021 for their collaboration and partnership.

TRUSTEES' REPORT

The Trustees (who are also Directors of Elrha for company law purposes), have pleasure in submitting their Annual Report and audited financial statements of the company for the year ended 31 December 2021.

1. STRATEGIC REPORT

1.1 2021 STRATEGIC OBJECTIVES

Underpinning our work is a drive to improve outcomes for people affected by crises. We are committed to supporting research and innovation that targets pressing humanitarian needs. Our approach is to identify those needs, find the right groups of people to analyse and address them, and support their efforts. By leveraging evidence and solutions, we aim to contribute to creating a more effective humanitarian system.

2021 brought with it significant challenges, to which we had to adapt. Against the backdrop of the global pandemic and its continued impact on our operational capacity and that of our grantees, there was also a reduction in the UK foreign aid budget, and our organisation was significantly affected. As a result of funding cuts, our programmes and initiatives were adjusted, and certain planned activities had to be modified or postponed. The reduction of our budget also led to a restructure of our team.

Despite the challenges and changes, in 2021 we continued to deliver against our 2019-2023 strategy, which is shaped by our Guiding Principles. One of our top priorities following the cuts to our budget was to protect our existing and new grantees, and we made sure that we continued to provide as much support to our funded research and innovation projects as possible.

Budget cuts meant that new funding calls were limited or cancelled in 2021, and activities had to be reduced. However, we continued to pursue non-grant making activities, such as contributing insights, knowledge and resources for research and innovation to the humanitarian community, through the production, publication and communications of reports and papers.

This annual report represents our progress against our four strategic objectives. Collectively, our strategic objectives maximise the potential for research and innovation to achieve change and transform the effectiveness of humanitarian response.

Our four strategic objectives are:

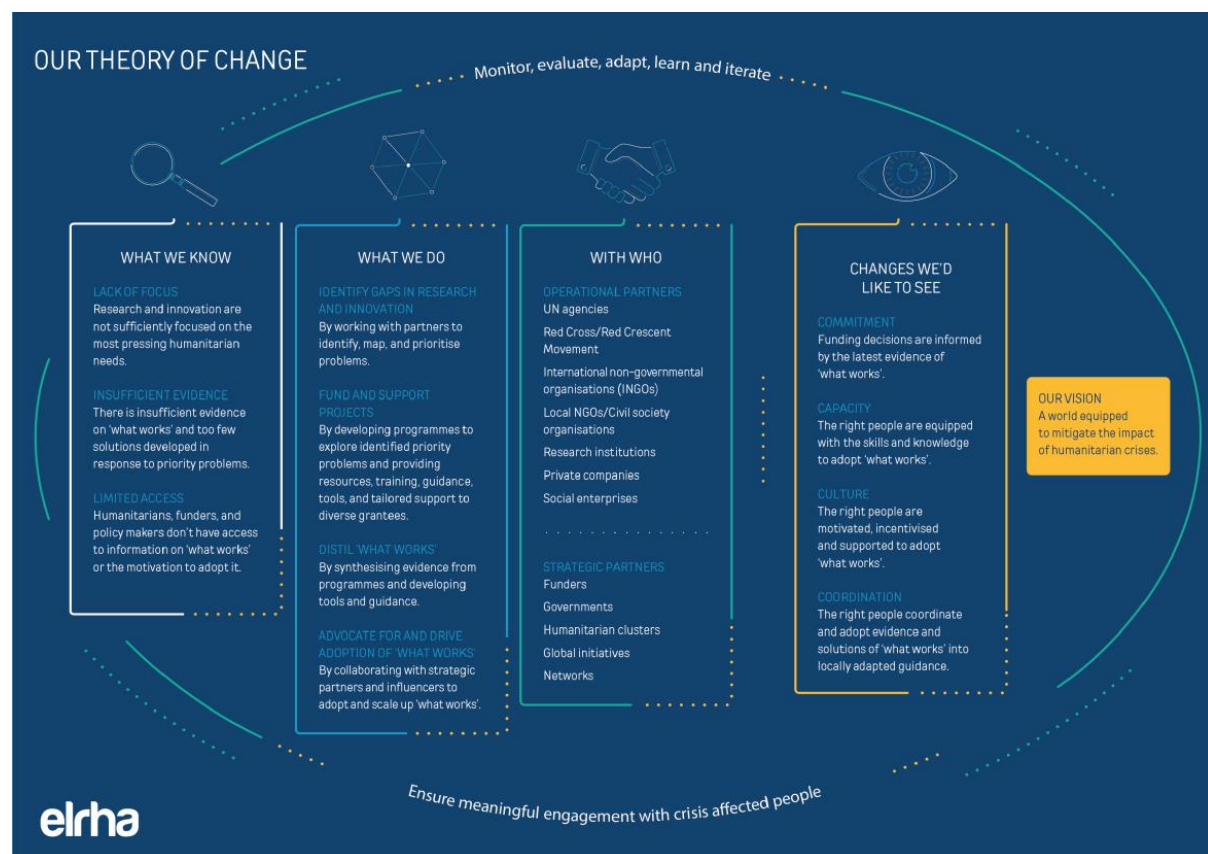
Define: We identify and prioritise the most pressing problems within humanitarian response and plan the research and innovation approaches needed to tackle them.

Develop: We invest in the right people to research, explore, develop, and test the solutions to these problems.

Distil: We create and share practical tools and guidance based on the evidence of what works.

Drive: We empower the humanitarian community to adopt what works.

Our objectives, how we aim to achieve them, and the changes we'd like to see as a result, are articulated in our theory of change:



1.2 2021 IN NUMBERS

19 new research studies and innovation projects awarded

7 humanitarian innovation projects

8 humanitarian health research studies

4 innovation projects through the UK Humanitarian Innovation Hub (UKHIH)

92 active research studies and innovation projects

42 humanitarian innovation projects

46 humanitarian health research studies

4 innovation projects through the UK Humanitarian Innovation Hub (UKHIH)

25 locally-led innovation projects

Through partners in Indonesia, the Philippines, Guatemala and India we fund projects led by local innovators.

2 humanitarian innovation gap analyses published

Addressing gaps and priorities in gender-based violence (GBV) and water, sanitation, and hygiene (WASH) in humanitarian settings, our reports are informed by practitioners, academics and people affected by crises.

4 publications sharing insights on uptake of research evidence and pathways to change

A learning paper on why uptake and use of research evidence to inform humanitarian action is slow, a report investigating evidence use in mental health and psychosocial support (MHPSS), a learning paper on using evidence to drive adoption of humanitarian innovations, and a report on our 'pathways to change'.

11 research 'snapshots' sharing the findings and impact of completed R2HC-funded research studies

40 research outputs from R2HC-funded humanitarian health studies

14 peer-reviewed articles by R2HC grantees

26 pieces of grey literature produced by R2HC grantees

11 publications distilling 'what works' in humanitarian innovation

Papers, peer-reviewed articles and learning briefs by our HIF team and grantees on gender-based violence, inclusion, and WASH.

20 blog posts authored by our research and innovation grantees

Sharing updates and reflections on humanitarian health research studies, innovation projects and journeys to scale.

16 support activities and events on skills development

Training sessions on research uptake, virtual workshops with local innovation teams, webinars, and courses for our grantees.

1.3 MAP: OUR RESEARCH AND INNOVATION PROJECTS IN 2021

**The designed version of the report will include a map showing our active research and innovation projects in 2021.*

1.4 2021 HIGHLIGHTS

Supporting continued research and innovation during the pandemic: While we were not able to launch new health research funding calls because of cuts to our budget, we funded eight new studies under our R2HC programme through a research call launched in 2020. Our HIF programme launched selected, small and targeted funding opportunities in 2021, resulting in seven new innovation grants. We continued to support existing research and innovation projects, ensuring that none were neglected and paying special attention to those that were impacted operationally by COVID-19.

Advancing our Global Prioritisation Exercise (GPE): In 2021, we made significant progress in and set the foundations for our flagship initiative, and by the end of the 2021 we were ready to launch the GPE programme of work to the wider humanitarian community. In this time, we set up our Reference Group, and convened a donors' roundtable to increase the visibility of humanitarian research and innovation investment, by supporting coordination between humanitarian actors that will enable more effective strategies. Research is still underway by our partners to understand the continued investment in research and innovation, and identify needs and priorities for the humanitarian ecosystem.

Identifying gaps in Water, Sanitation and Hygiene (WASH) and Gender-Based Violence (GBV) programming: As part of our commitment to exploring priority areas at a deeper and more contextualised level with the aim of ensuring that innovation processes are evidence-based and problem-led, in 2021 we published two extensive gap analysis reports in two thematic areas. Our [updated report on gaps in WASH in humanitarian response](#) is the most extensive global WASH data collection of its kind, with more than 1,700 people affected by crisis sharing their views and experiences along with almost 700 in-country WASH practitioners. Similarly, our [gap analysis of gender-based violence in humanitarian settings](#) identifies key operational and systemic challenges in GBV programming, and is the most downloaded resource we have ever produced.

From knowing to doing: In 2021 we published two papers examining whether research evidence is being used by humanitarian practitioners and other evidence users. Our learning paper [From knowing to doing: evidence use in the humanitarian sector](#) explores why uptake and use of research evidence to inform humanitarian action is slow, despite initiatives to broker and share evidence within and between humanitarian organisations. The paper outlines four key barriers to research uptake and six ways humanitarians can overcome

them. Similarly, our [review and assessment of MHPSS intervention research in humanitarian settings](#) looks in depth at evidence use in the area of mental health and psychosocial support (MHPSS). The R2HC is working with different evidence users, including humanitarian practitioners, funders of humanitarian response and governments in countries affected by crises, to identify knowledge-sharing approaches best suited to meet their needs.

Community-led innovation: Together with Start Network and the Asia Disaster Reduction and Response Network (ADRRN), we are supporting the development of [locally-led innovation](#) initiatives, through partners in Indonesia, the Philippines, Guatemala and India. The aim is to shift power from INGOs to innovation teams comprising the very people whose needs are being addressed.

Cross-programme work: Research and innovation take time to create positive change on the lives of people affected by crises. Our [Pathways to Change](#) report, which draws together expertise from research and innovation, provides an overview of our key activities and charts the pathways to achieving impact through illustrative stories and case studies. We outline our approach to creating pathways to change and explore narrative examples of how we affect change across our programmes.

1.5 HUMANITARIAN INNOVATION FUND

In 2021, our work on innovation expanded to six areas of focus: Water, Sanitation and Hygiene (WASH); Gender Based Violence (GBV); Inclusion of People with Disabilities and Older People; Innovation Skills and Capabilities; Scale; and Local/Community Innovation.

In 2021 we continued to provide grant funding and non-financial support directly to over 40 innovation projects. Through our partners in the Community-led Innovation Partnership (CLIP), we provided funding and supported a further 25 small, local projects.

1.5.1 KEY HIGHLIGHTS

Revealing key priorities and gaps in humanitarian innovation

In 2021, we published two gap analyses: on humanitarian [water, sanitation and hygiene \(WASH\)](#), and on [gender-based violence \(GBV\)](#). We promoted our findings at the following events:

- A panel presentation at the 65th session of the UN Commission on the Status of Women (CSW65), presenting the GBV Gap Analysis as part of the 'Do we walk the talk' side event co-hosted by Action Aid and Islamic Relief Worldwide. In this session, Action Aid and Islamic Relief Worldwide shared lessons from the process and findings of internal reviews which were then compared to global needs and priorities highlighted in the Gap Analysis, and those experienced by in-country implementers (Rwanda Girl Guides Association).
- A presentation of our WASH gap analysis at the annual meeting of the Global WASH Cluster, as well at the UNHCR Partners' Meeting.

In June 2021 we also organised a workshop for key inclusion actors about our 2020 gap analysis on the inclusion of people with disability and older people in humanitarian response, and how its findings could be adopted.

Inclusion of people with disabilities and older People (DOAI)

We have continued to be an active contributor to work on disability and older age inclusion, and as of 2021 we are represented in humanitarian inclusion forums including the Inter-Agency Standing Committee (IASC) Disability Reference Group, the United Nations Partnership on the Rights of Persons with Disabilities partnership advisory group, and the Stakeholder Group of Persons with Disabilities, in the thematic group on disaster risk resilience and climate action.

Six new projects respond to the two innovation challenges on DOAI that we launched in 2020. These are based on key priorities from our disability and older age inclusion gap analysis. Four current projects focus on [inclusive preparedness](#) while two focus on [Meaningful Participation](#).

To increase representation of local organisations on the DOAI [Technical Working Group](#) for older people and people with disabilities in crisis-affected countries, two new members have

joined from the Malawi Network of Older Person's Organisations ([MANEPO](#)) and the [Cebu Disability-Inclusive Disaster Risk Reduction Network](#)).

FUNDING SNAPSHOTS

Disability and older age inclusion – inclusive preparedness

Giving voice through pictures and words

Messaging for inclusion: co-creating disability and age inclusive disaster preparedness messaging in Bangladesh

Leonard Cheshire, Kurigram Protibandhi Kallyan Songstha (KPKS), Christian Aid

This innovation explores the inclusiveness of messaging mechanisms for disaster preparedness, used by humanitarian organisations, organisations of persons with disabilities (OPDs) and older people's associations (OPAs) in Kurigram District, Bangladesh. The research process has involved OPD/OPAs at every stage, employing Photovoice methodology (using photos or other creative expressions like drawings) to explain people's experiences of living in a disaster-prone area, and to explore what they see as inclusive and effective communications. Participants will create inclusive messaging on how to be prepared for disasters, which will inform an inclusive communications toolkit for authorities. In sum, solutions to disaster risk reduction are designed by the people they need to reach. The team has published findings from their situational analysis to complement Leonard Cheshire's commitment to COP26 and sharing further findings at the Global Disability Summit.

Disability and older age inclusion – meaningful participation

Localising inclusion in humanitarian response

Arbeiter-Samariter-Bund (ASB) office for Indonesia and the Philippines

In 2021, ASB found that local humanitarian organisations did not appreciate the need to partner with OPDs and OPAs during humanitarian response, as their members are perceived only as passive recipients of aid. Furthermore, OPDs and OPAs reported that they did not feel that local humanitarian organisations seek their opinion or have their best interest at heart.

In response, ASB developed the PIONEER model, which brings OPDs and OPAs together with humanitarian actors to create spaces for knowledge-to-action co-creation by way of

three main components: relationship quality and partnerships – inclusive, equal and reciprocal working relations; capacity enhancement – sharing of technical expertise; participation revolution - PIONEER members, especially OPDs, co-design inclusive humanitarian programmes and are involved in financial management/decision making.

Gender-based violence (GBV)

In 2021 we prioritised and offered significant contributions to the GBV community of practice. Alongside our GBV gap analysis, our portfolio review, '[Innovation to improve monitoring & evaluation \(M&E\) for humanitarian GBV programming](#)', was published in February 2021. Findings from this review helped to inform our inputs to the Global Women's Institute's Building GBV Evidence technical advisory group.

We also supported three new innovation projects in response to two funding opportunities:

- [Real-time monitoring of GBV threats for Venezuelan refugee and migrant women & girls \(more detail below in our funding snapshot\)](#) (Queen's University & IOM- Brazil, Ecuador and Peru) aims to capture in real time the true experiences of a vulnerable and growing population.
- [Supporting reproductive autonomy in refugee settings through the ARCHES intervention](#): Using user-centred design to adapt the ARCHES model for humanitarian settings, in Bangladesh. (Ipas, Center on Gender Equity and Health at the University of California, San Diego, International Organization for Migration, International Rescue Committee, Multisectoral Programme on Violence against Women)
- [Strengthening the response to intimate partner violence \(IPV\) for migrants and refugees, through cash and voucher assistance](#): building evidence for an innovative modality of assistance within IPV response in humanitarian settings, Ecuador. (Women's Refugee Commission, CARE Ecuador, Centro Ecuatoriano para la Promoción y Acción de la Mujer (CEPAM), Unión Nacional de Trabajadoras del Hogar y Afines (UNTHA).

In the GBV area of focus, we conducted various activities including an exploration of how we might better reach and support women's organisations in crisis-affected settings through innovative grant-making approaches, and undertaking and commissioning an analysis of innovation for sexual and reproductive health in humanitarian crises (a report which was published in early 2022).

Our GBV Technical Working Group (TWG) further grew and diversified in 2021, bringing on two new members to add to the expertise and geographic representation across the group.

FUNDING SNAPSHOT

Gender-based violence

Real-time monitoring of GBV threats for Venezuelan refugee and migrant women & girls

Queen's University and IOM

This project took off from Queen's University's former [innovation project](#), which utilised the innovative tool, Sensemaker, to collect better monitoring and evaluation (M&E) data for GBV programming. Based on the former project's findings, this project seeks to employ a more affordable and data-accessible tool, Sryng.io in order to provide real-time data on gendered migration experiences.

Over the course of this project, the team will test the ability of Sryng.io to collect data on women & girls' migration experiences, with special attention to under addressed, or entirely unaddressed issues such as survival sex and human trafficking. Sryng.io will also be assessed for its ability to offer real-time analysis, having a transformational impact on GBV response by informing protection interventions and providing services to better meet the needs of GBV survivors. This grant will allow the innovation project to be ready for scale to a larger humanitarian crisis, and the team aims to improve accessibility to women and girls with limited literacy skills.

Through this test of Sryng.io, the team will reach 3,000 displaced Venezuelan women and girls in three countries. The test will provide real-time data on gendered migration experiences, including survival sex, trafficking, and women's perspectives on available

services, to understand the main obstacles that need to be addressed to guarantee access health services. With efficient data collection and analysis, GBV threats will be identified and addressed, and the needs of survivors will be better met. In addition, the Spryng.io data will provide stakeholders with insightful information to strengthen GBV response and mitigation strategies, contributing to improved and responsive sexual and reproductive health programming.

Water, sanitation and hygiene (WASH)

Our [WASH gap analysis](#) included a consultation with over 1,700 people affected by crisis across 30 countries and 900 WASH practitioners worldwide, alongside a literature review. The findings will help identify the areas where innovation can have the most impact.

Our WASH portfolio continues to mature and develop, with four innovation projects that are being funded through our Evidence Challenge for grantees to collect further evidence on the effectiveness of their innovations. Several innovations from our portfolio have started their scaling journey. A key example is the Oxfam Handwashing Stand, now with over 6,000 stations now deployed across ten countries. Three projects exploring the impact of incontinence on people affected by crisis are well underway, with findings expected early in 2022. Four projects trialling new projects and processes for improved menstrual hygiene management are also now in their final stages.

Applications for two new challenge funds were evaluated this year: [The Faecal Sludge Challenge](#) to address a persisting challenge in emergencies, and the [Adoption Challenge](#), a mechanism developed to finance field trialling of [WASH innovations](#), a significant gap and barrier for promising innovations that have achieved proof of concept. These calls were stopped at selection stage due to budget cuts, and grants awards were not made. Both generated interest and resulted in high-quality applications. Innovators reported that the application process itself has led to new partnerships.

As part of our support to grantees on addressing challenges to scaling WASH innovation, we published a learning paper on the [procurement systems of humanitarian agencies](#) to provide more transparency on navigating WASH procurement and to facilitate discussions on procurement with the WASH community of practice.

Innovation skills and capabilities

We are committed to promoting substantial and responsible forms of innovation in the humanitarian system. Our area of focus on innovation skills and capabilities contributes to this effort by developing resources and toolkits, such as our [Ethics for Humanitarian Innovation](#) toolkit. Launched in 2021, the online toolkit was designed in partnership with McMaster and McGill Universities to support responsible, values-based innovation. The resource is central to our grantee support, and we are working with partners to encourage broader and more comprehensive adoption. At the time of its launch, we presented the toolkit and supporting materials at a World Food Programme (WFP) Innovation Accelerator event for Creating Hope in Conflict: A Humanitarian Grand Challenge, which our staff support as mentors.

Building on our ethics resource, and the need to improve participation within humanitarian innovation, we contracted MIT D-Lab to co-create a toolkit based on their prior work and well-established experience in this area. As part of this work, we undertook a landscape review to validate needs and carried out extensive user testing as the toolkit was developed, including four workshops and eight grantee interviews, engaging a total of 35 grantees across 13 projects supported by the HIF. The resource will be released in 2022.

We also commissioned two pieces of research with design and innovation consultancies, Quicksand and Innovation Ecosystem, to provide inputs toward the future direction of this area of work. Based on the findings of the report by Innovation Ecosystem, we commissioned Oversight International to support our Journey to Scale grantees to consider different deployment models for their innovations and build capacity for a systems-based approach to innovation. This work also serves to accelerate our exploration of emerging approaches to innovation to better serve humanitarians and people affected by crisis.

Locally-led innovation

Alongside the Start Network and the Asia Disaster Reduction and Response Network (ADRRN), we're working with partners in Indonesia, the Philippines, Guatemala and India to develop locally rooted networks and hubs that support the development of locally-driven solutions to humanitarian problems, identified by people affected by crises.

Through each of the initiatives under our Community-led Innovation Partnership (CLIP), we provide financial and non-financial support for innovation, including the resourcing of time

and space for reflective inquiry, access to appropriate finance for solution development and scaling, facilitation of partnerships and networking opportunities, and other forms of technical and non-technical assistance.

In Indonesia, we have supported Yakkum Emergency Unit to establish the 'IDEASKI' innovation lab, focused on disability and inclusion of older people in humanitarian response. In 2021 they completed a landscape study, put out a call for applications, and selected an initial cohort of 15 projects, which was later narrowed down to ten. Non-financial support there has been provided in collaboration with the Social Innovation Acceleration Program, the U-Inspire Alliance, and disability and inclusion consultancy, Suarise.

In the Philippines, we have supported the Centre for Disaster Preparedness to establish the 'Pinnovation Academy', operating in Luzon, Visayas and Mindanao. The Centre had put out a call for proposals in July 2021 and their launch workshop drew over 180 participants, which was followed by mentoring sessions to support idea development. In January 2022 they selected 15 projects to receive further financial and non-financial support, focused on a variety of challenges including emergency transport, communications, soil erosion and flood mitigation, and access to water.

In Guatemala, we have supported Asociación de Servicios comunitarios de Salud (ASECSA) to complete their first rapid innovation support cycle and initiate their second. The first cycle was undertaken in Pachay, with art installations used to engage communities and support exploration of problems and solutions. Ten teams were recruited and supported by indigenous innovators to address challenges related to disaster risk reduction and resilience. The second cycle is taking place in Coban and Petén, with a third cycle planned in Western Guatemala.

In India, we have supported the Sustainable Environment and Ecological Development Society (SEEDS) since 2019. In 2021, we co-designed and co-delivered a series of workshops on innovation management for ten community-based teams from across the country, working to address challenges related to extreme heat and cold waves. Through the partnership, Elrha provided funding for three innovation projects working to address issues related to water stress in Indian communities. We then collaboratively designed and ran two further funding challenges, resulting in the selection of five additional grantees (projects commencing in early 2022).

Journey to scale

Scaling humanitarian innovation remains a critical challenge for the global humanitarian community. Too often, promising innovations fail to gain traction and wider uptake. This means work and resources are wasted, and great ideas don't reach their full potential. With growing humanitarian need and a resource-constrained sector, there is a need to generate greater impact from investments in innovation.

We launched the second round of Journey to Scale in 2020, funding five projects addressing: handwashing (Gravit'eau); mental health and psychosocial support (SelfHelp+); documentation of sexual and gender-based violence (MediCapt); affordable and environmentally friendly cookstoves (ECOCA); and community-led disaster management in remote geographies (DMS-Himalaya). In 2021, these grantees started to explore different scale pathways and refine their scaling strategies and business models.

We have redesigned our non-financial support offering, which aims to support teams with evidence for scaling, new context scoping and network building, adaptation and replication, business models and partnership and relationship building. In 2021 we delivered support on three of these areas: evidence for scaling, business models and adaptive planning. The evidence for scaling content was based on the [research we carried out about using evidence to drive the adoption of innovations](#). Support was provided to grantees through two-part workshops, including training based, team-working sessions, and facilitated peer learning across the cohort, with recordings and materials made available via an online learning platform.

FUNDING SNAPSHOTS

Journey to scale

Medicapt: A mobile app to document evidence of sexual violence

Physicians for Human Rights, Government of Uganda, and BRAC

Every year, tens of thousands of adults and children experience sexual violence in conflict zones worldwide. Too often, survivors of sexual violence are unable to access justice because of lack of evidence and this perpetuates a culture of impunity. Medicapt is a mobile app that guides clinicians to document forensic data effectively and comprehensively as evidence, which is then transmitted securely to the police, lawyers, and judges involved in prosecuting sexual violence.

Physicians for Human Rights (PHR) conducted a mixed methods evaluation of MediCapt at two implementation sites in Kenya and found that it improved the quality of forensic data collected and was liked by medical and law enforcement personnel. Findings from the evaluation, which also include suggested strategies to scale digital forensic evidence tools in other low resource settings, will be shared in a peer-reviewed article that has been submitted for publication in a peer reviewed journal.

ECOCA: Sustainable and clean solar cookstoves

Pesitho and Mercy Corps

According to the WHO, 2.6 billion people lack access to clean cooking facilities. The project is focused on developing a sustainable business model for a locally assembled 100 per cent solar-electric cook stove 'the ECOCA' that covers the electricity needs of a typical off-grid household, to bring affordable clean cooking and lighting to refugees.

Local production of the ECOCA has been established through a local cooperative in northern Uganda and is supported through use of standard operation procedures and training, enabling local production to start. Retailer networks are being set up and Village Savings and Loans Associations (VSLAs) utilised to lead sales and provide after-sale support. Market testing has demonstrated that demand is strong for ECOCA's in both refugee and non-refugee communities & the price points and payment schedules that are viable, enabling the team to further refine the business model. The Pesitho team continues to develop the business model, through working to secure entry to a carbon credit trading scheme and developing pay as you cook technology. They have also signed a B2B contract for full price sales in Kampala.

1.6 RESEARCH FOR HEALTH IN HUMANITARIAN CRISES (R2HC)

Our R2HC programme aims to improve health outcomes for people affected by humanitarian crises by strengthening the evidence base for public health interventions.

The R2HC programme has built a unique community across humanitarian public health practice and research. This community represents a wealth of expertise and experience. We work hard to maximise its potential for the humanitarian system by commissioning research

and facilitating critical conversations that support the community as it shares knowledge and progresses practice.

Thirteen of the 15 COVID-19 studies funded in 2020 were completed in 2021. Findings from these studies contributed to informing national and global humanitarian response. The Funding Snapshot on page 29 describes how the research findings of a study undertaken in Uganda helped shape the national response to COVID-19 in refugee camps.

Although we were not able to launch any new R2HC funding calls this year, all processes related to managing our 2020 research funding call took place in 2021. This included facilitating independent technical reviews of the 31 short-listed proposals, and the Funding Committee reviews and meetings. Twelve studies were recommended for funding, the highest number ever. The eight studies we had the resources to fund represent a greater diversity of thematic topics than in previous years, with study teams seeking to operate in increasingly high-severity crisis settings.

We worked closely with the humanitarian coordination mechanisms, completing [a research priority setting](#) for mental health and psychosocial support (MHPSS) and beginning one on water, sanitation and hygiene (WASH). We fostered a new collaboration with the non-communicable disease (NCD) informal working group in preparation for conducting a research priority setting in this under-evidenced area of health. Our Humanitarian Health Evidence Review was updated and will be published in 2022.

We convened a roundtable event for users of research evidence to validate initial findings for our Learning Paper [From Knowing to Doing](#). Participants included donors, funders of public health research, and key organisations and actors using evidence to inform humanitarian policy and programming. The roundtable also provided an opportunity to understand different organisational approaches to using evidence, and established grounds for longer term collaboration and learning on how research uptake happens.

To ensure the uptake of the research, our Research Impact Toolkit is now available as a series of short courses for grantees. As part of the support we provide to enable them to incorporate strategic engagement plans into their work, they participate in the on-line training and use the tools to develop their plans. Through this unique approach, as well as increased focus on impact in our calls for proposals, we are increasingly seeing that grantees are purposefully engaging with key stakeholders who are using evidence generated through our funded research.

We also conducted webinars to enable learning and exchange between grantees and with the wider humanitarian health research community. These included webinars held in collaboration with WHO on quality of care, with the London School of Hygiene and Tropical Medicine on health economics, and at the Emergency Environmental Health Forum on writing WASH research proposals. This year we also facilitated webinars focusing on participatory approaches to engaging with people affected by crisis during research, and to share preliminary findings from our COVID-19 studies.

A new series of impact case studies have documented evidence of the impact of research funded through the programme, demonstrating its overall achievement.

1.6.1 KEY HIGHLIGHTS

Funding new research

In 2021 we funded eight new research studies, including three studies funded through a new formative research opportunity.

Our R2HC programme takes the approach of partnering academics with humanitarians and includes the requirement of the inclusion of a research partner from the country of study. Our 2020 call received 156 eligible research proposals submitted at the expression of interest stage, with 31 being invited to submit full proposals.

The eight studies selected represent a good mix of applications across a variety of thematic areas. Three are on health systems or service delivery, two each on mental health and psychosocial support (MHPSS) and sexual and reproductive health (SRH), and one on WASH. Research will take place in challenging humanitarian settings including Yemen, Afghanistan and Somalia. This was the first year that R2HC introduced a formative research stream to fund research which can be used to inform a potential later larger study. A description of a formative study that will be conducted in Afghanistan can be seen below.

FUNDING SNAPSHOTS

New research studies funded in 2021

Addressing data gaps on causes of perinatal deaths through verbal and social autopsy in Afghanistan

University of Sydney, Jhpiego, World Health Organization

This research will examine the feasibility of using verbal and social autopsy to establish the causes of perinatal deaths (stillbirth and early neonatal deaths). The formative study will establish the best approach to integrating the verbal and social autopsy methodology into the tasks of existing healthcare workers to help identify the causes of perinatal deaths. This will inform a larger prospective study that seeks to use this approach to provide critical population-based estimates of perinatal mortality and cause of death data in Afghanistan for the first time. This could have substantial wider implications for collecting perinatal death data in similar humanitarian crises.

Increasing handwashing with soap among crisis affected populations

British Red Cross, African Population and Health Research Centre, London School of Hygiene & Tropical Medicine, Arup, International Federation of Red Cross and Red Crescent Societies (IFRC), Kenya Red Cross, Uganda Red Cross, Field Ready

The study aims to increase handwashing with soap among crisis affected populations by providing a handwashing facility which will make handwashing more convenient and desirable to practice. For example, by not making use of gravity to maintain the flow of water, the Jengu Handwashing Unit allows water to be drawn from readily available jerry cans or similar containers. The research will build evidence on the acceptability, usability, and durability of the Jengu handwashing facility, as well as on the sustainable local production of the facility in Kenya and Uganda. If proven effective, the Jengu Handwashing Unit has significant potential for impact given its low-cost and user-centred design.

Addressing violence against health care workers in post-crisis humanitarian settings

Swiss Tropical and Public Health Institute, ICRC, University of Bukavu, Mustainsiriya University

This study will focus on the challenge of non-military violence against healthcare workers in two post-crisis humanitarian settings. The aim is to provide hospitals and healthcare workers with the tools they need to respond effectively to interpersonal violence. Using a participatory citizen science approach, the study will identify the causes of individual-level violence to inform the intervention-tailored violence de-escalation training, and design of a code of conduct. The effectiveness of both components will be assessed in primary healthcare settings in rural parts of Democratic Republic of Congo and in large secondary hospitals in urban Iraq. The study will also conduct an economic evaluation to determine the affordability of the intervention. The study has potential to generate learnings that could make a significant contribution to the understanding of violence against healthcare workers, in particular interpersonal violence in post-conflict settings where its prevalence is high.

Activities to boost research impact

Capacity strengthening support: R2HC continues to provide tools, resources and one-to-one support for grantees to deliver impact through research. In 2021, five study teams participated in virtual workshops to support the development of stakeholder engagement and communications strategies, while four additional peer-learning webinars were provided for all grantees. Our online Research Impact Learning Hub (short courses) remain available to study teams. Capacity strengthening tools and resources are particularly valued by junior researchers and study partners in countries affected by crisis.

Promoting evidence use: To enhance access to new evidence for humanitarian policymakers and practitioners, all study teams complete a Research Snapshot, a short accessible summary of findings and recommendations. In 2021, we published and promoted 11 new Research Snapshots (on topics ranging from cholera to mental health and psychosocial support (MHPSS) to COVID-19) via our website, newsletters and on Elrha's ReliefWeb page. Additionally, we hosted an online event sharing early learning from COVID-19 studies in April 2021. This was attended by 187 humanitarian professionals and researchers from 61 countries, demonstrating considerable interest from within the wider humanitarian community in the research findings.

The following are three examples of Research Snapshots published in 2021:

[Reducing the spread of cholera](#): This research generated practical recommendations to improve the effectiveness of bucket chlorination and household spraying to tackle cholera, through lab-based research and field evaluations in humanitarian settings.

[COVID-19 in Gaza](#): In this study, qualitative research explored the responses of refugee camp communities in Gaza to public health directives established in response to the pandemic and shed light on humanitarian needs.

[How can cities best prepare for disaster?](#) The Evaluating Cities Assessment of Mass Casualty Emergency Response and Action (CAMERA) tool was designed to objectively measure and score the lifesaving capability of urban health systems in the aftermath of a mass casualty event. ICRC are continuing pilots of CAMERA.

Advancing sector knowledge: As mentioned, we commissioned a learning paper, led by three external experts, aimed at informing best practice and advancing knowledge on research impact for humanitarian health. [From knowing to doing: evidence use in the humanitarian sector](#) explores barriers to research uptake in the humanitarian sector and identifies potential solutions, based on a literature review and a consultation of key informants from a range of humanitarian organisations. Having commonly agreed key messages and recommendations enabled us to share these publicly and start building our profile in this new substantive space. They also informed the design of new research Calls and grantee support tools and resources. Additionally, this work enabled the development of new relationships with key stakeholders with the potential for advancing evidence use in the humanitarian sector, including Evidence Aid, IDRC, IFRC Operational Research Centre, UNICEF Innocenti, a range of INGOs and the African Institute for Development Policy (AFIDEP). The Paper, and a related blog, were widely read and circulated by key humanitarian and academic influencers and knowledge brokers, including NIHR, Johns Hopkins Humanitarian Health Centre, the IDS Humanitarian Evidence Summary, Save the

Children's Humanitarian Steering Group, and via the popular Twitter account of Duncan Green. It was one of our best performing web outputs in 2021. Follow-up work is planned to investigate further the role of Southern actors in research uptake, a critical priority identified in the paper.

Impact

We continue to invest in independent evaluations of research impact. In 2021 we commissioned the development of eight new case studies of R2HC studies. These explore the impact of closed grants, and describe strategies used by study teams to engage and communicate research to stakeholders, as well as contextual factors which enabled success.

The following are short, selected highlights of R2HC's 2021 case studies. These summarise impact that was validated by external stakeholders and supporting documentation, such as policies or public statements. We have also included a longer summary of one of our 2021 impact case studies in the 'Funding Snapshot' below.

Columbia-led study on health systems: This study influenced service delivery transformations implemented by UNRWA in Syria, Lebanon, Jordan, West Bank and Gaza.

IRC-led study on combined nutrition protocols: This study informed pilot design and ongoing work with the Somali Ministry of Health, integrating treatment of severe acute malnutrition (SAM) and moderate acute malnutrition (MAM).

McMaster-led study on palliative care: This study contributed to new WHO guidance and helped shape minimum standards guidance for palliative care in Rohingya refugee camps in Bangladesh.

FUNDING SNAPSHOT

Impact case study

Lived experience of refugees in Uganda during COVID-19

Makerere University; Gulu University; Lutheran World Federation (LWF), Agency for Cooperation in Research and Development - Uganda (ACORD-U), Ministry of Health – Uganda

COVID-19 funding call, 2020-2021

While refugee communities in Uganda are aware of COVID-19 and preventative guidelines, they struggle to comply with most guidelines because of various barriers. These included a lack of knowledge or understanding about COVID-19 risk factors, transmission and symptoms; socio-economic barriers, for example, food insecurity leading to lack of compliance; cultural barriers (with religion and gender both being factors in non-compliance); and structural barriers, such as social exclusion and crowding of refugee settlements, which both affected compliance. All these barriers increase the risk of infection and poor health outcomes.

The Refugee Lived Experience, Compliance and Thinking (REFLECT) study team, led by Makerere University, assessed community knowledge, attitudes and practices (KAP) and implementation of Uganda's national response to COVID-19 among refugee communities.

2,092 participants were recruited from 13 refugee settlements in Kampala, Kyegegwa and Adjumani districts. Refugees were South Sudanese, Congolese, Eritrean and Ethiopian (predominantly Christian) and Somali (predominantly Muslim). The study took an innovative approach to engaging refugee communities in the research, which included sensitisation workshops, using local radio and enabling community input into study findings through a researcher-participant rapid situation analysis.

Evidence shows REFLECT met its short-term outcome objective to contribute to a deepened understanding of refugees' lived experience of the pandemic. The study achieved both of its intended external impacts, to inform the implementation of COVID-19 preventative measures, and to contribute to multidisciplinary and multisectoral approaches for behavioural change and inform public health measures.

Study findings have informed amendments to Uganda's Public Health Bill and the Ministry of Health's approach to pandemic management. Understanding of Ugandan senior

policymakers on how public health measures can better accommodate the specific circumstances and needs of refugees was improved. For example, the need for a stronger focus on water and sanitation measures over social distancing, which could lead to better preparedness to manage future outbreaks of COVID-19 and other infectious diseases. The capacity of implementing partners to use and apply evidence to programming was strengthened, with evidence leading to new funding for local programmes. In addition, UNHCR Uganda country office committed to implementing actionable recommendations from the REFLECT study, and the research team had several substantive engagements with district UNHCR officers, providing inputs and recommendations directly to inform programming. This early uptake may lead to impacts on humanitarian health outcomes in the medium- to long-term.

This study highlights the value of a local research team comprised of members well positioned to influence national stakeholders.

Non-communicable disease (NCD)

Globally, a series of trends including population ageing, increased life expectancy, and exposure to lifestyle factors have led to a gradual shift in the global burden of disease, with an increase in the prevalence of non-communicable diseases (NCDs). NCD-related health needs are increasingly recognised in humanitarian settings. This has been driven in part by large-scale humanitarian response in several middle-income countries where an epidemiological shift has already taken place, along with a more nuanced understanding of health needs beyond communicable diseases. NCD service provision has also grown within humanitarian crises, with humanitarian health organisations recognising the need to incorporate NCD surveillance, diagnosis, management and treatment across a diversity of programmes.

Our [2015 Humanitarian Health Evidence Review](#) (HHER) identified a scarcity of evidence related to the effectiveness of NCD interventions in humanitarian settings. As the scale of NCD needs in humanitarian settings gains greater recognition and programmes are rolled out to respond to these needs, there remains a need to generate knowledge and evidence

to better inform what works, and ultimately improve the health of people living with or at risk of NCDs in humanitarian settings.

This year we commissioned a priority setting exercise to identify research priorities for NCDs in humanitarian settings to be conducted 2022 - 2023.

1.7 THE GLOBAL PRIORITISATION EXERCISE

The [Global Prioritisation Exercise](#) (GPE) is the first initiative of its kind and is bringing together major funders of research and innovation, the humanitarian community, and countries and communities affected by crises. Together, they will identify and prioritise challenges within the system and create opportunities for positive change.

The GPE follows on from our 2017 Global Mapping Report, which raised important questions regarding how well current investments and activity align to recognised humanitarian priorities and needs. The current focus of the GPE is exploring how more can be done to shift funding allocations to partners closer to where humanitarian needs are most directly experienced. This is why we initiated the GPE again in 2020, with the support of the FCDO and the Netherlands Ministry of Foreign Affairs.

Most research and innovation resources are provided and received by actors in the 'Global North'. Our aim is to close the gap between decision-makers and those working on the ground. The experience and insight of those in communities affected by crisis is vital to identify where research and innovation for humanitarian aid is most needed and resources best allocated. However, they tend to be in low- and middle- income countries (LMICs) and their input is routinely marginalised.

Our vision is that outcomes for people affected by humanitarian crises are dramatically improved through a transformation of the humanitarian system's ability to target global research and innovation capabilities and resources at the most pressing problems. We will achieve that by:

- 1- Mapping and analysing humanitarian research and innovation that has been undertaken, pinpointing funders and actors, clarifying problems, finding areas of good practice and identifying possible solutions.
- 2- Advocating for positive change and behaviour by addressing identified barriers to more strategic and inclusive investment within the sector.

- 3- Increasing the visibility of humanitarian research and innovation investment by supporting coordination between humanitarian actors to enable more effective strategies.

Underpinning the GPE is a new global mapping exercise and consultations with global, regional, national, and community level actors in the humanitarian research and innovation space. The global mapping exercise will identify key actors, funders, and activities in the humanitarian research and innovation ecosystem. It will also try to quantify how much we are spending on humanitarian research and innovation. The consultations will identify the needs, priorities, gaps, and opportunities for the humanitarian research and innovation ecosystem.

In 2021, the GPE hosted six reference group meetings to help set the strategy, identify and commission suppliers to conduct the next global mapping exercise and lead on the consultations at the global, regional and national and community levels. We also coordinated donor group the first donor roundtable meeting which included high-level actors from multilateral and bilateral donors including: ECHO, Canada, UK, Luxembourg, Norway and US. There was a keen interest in staying engaged especially as findings emerge and a focus on engagement is prioritised in 2022.

1.7.1 KEY HIGHLIGHTS

Reference Group

In 2021, we expanded our GPE [Reference Group](#). The Reference Group is chaired by Mark Bowden, Independent Consultant and Senior Research Associate at the Humanitarian Policy Group, ODI, and its members represent a wide variety of humanitarian organisations, such as UNHCR, UNICEF, World Vision International, ALNAP, NEAR, START Network, Action Aid, WFP, Save the Children, Grand Challenges Canada, and Academic Institutions. The GPE Reference Group met and continue to meet regularly to provide expert advice and counsel to ensure the success of this initiative.

Procurement

We also completed the procurement of our research teams to deliver the research components. The American University of Beirut (AUB), in close collaboration with Deakin University, are leading a global mapping exercise which will identify what humanitarian

research and innovation has been undertaken worldwide over the past five years and by whom; who has funded it; and the extent to which researchers and innovators from crisis-affected settings have been engaged in and led such work.

Deakin University and AUB are also co-leading the Regional and National Consultation Consortium, which comprises experts from leading academic and operational humanitarian and non-governmental organisations from across the globe and who bring diverse expertise and experience in research, innovation and/or practice across a range of humanitarian contexts. The consortium will consult with regional and national humanitarian research and/or innovation actors to identify critical gaps and opportunities for research and innovation, to inform and improve humanitarian policy and practice.

Global and community level consultations

Philanthropy Advisors, in partnership with Innovation Consulting Solutions, Gray Dot Catalyst, and the Inter-Agency Research and Analysis Network (IARAN) are working on the global system and community level consultations. The global consultation will consult with high level influential actors to understand how they prioritise needs and priorities, and identify what resources and knowledge the donors need to make investment decisions and facilitate coordination mechanism between them.

The community level consultation will look at the needs and priorities of community level actors in Syria, Bangladesh, and South Sudan, and explore what are the main challenges and seek to actively engage with them.

Research is underway on a global mapping exercise and consultations, and the research outputs will be available from the second quarter of 2022.

Donor roundtables

We supported the Netherlands Ministry of Foreign Affairs and the UK Foreign Commonwealth and Development Office (FCDO) in convening the first **donor roundtable** on “Increasing the impact of humanitarian research and innovation investments for crisis affected communities”. The group will continue its meetings in 2022 to discuss sustainable coordination mechanisms and solutions for humanitarian research and innovation issues and investments.

In early 2022 we did a 'digital-first' launch of the GPE via our website, social media, media outreach and within our network.

We are planning more engagement opportunities for the GPE in 2022, including by hosting a panel discussion on the GPE in Geneva, at UN OCHA's Humanitarian Networks and Partnerships Weeks (May 2022).

1.8 THE UK HUMANITARIAN INNOVATION HUB

Since 2020, Elrha has been the host organisation for the UK Humanitarian Innovation Hub (UKHIH). UKHIH is a new FCDO-funded mechanism that aims to promote and support strategic and focused collaborations across government, science, private and humanitarian actors to drive urgently needed innovations and technologies in humanitarian responses to disasters and conflict. At its heart, the UKHIH is about focusing on the biggest humanitarian issues and bringing about new collaborations to solve them.

During 2021, UKHIH appointed an Executive Director, Operations Manager, and Research and Learning Lead. As a new initiative, solely funded by FCDO, grant making by UKHIH in 2021/22 was significantly scaled back due to funding cuts in UK Aid.

Accelerated Innovation Collaboration

UKHIH operates through an internally designed mechanism that aims to bring together partners from different sectors to work on a defined innovation challenge. The "Accelerated Innovation Collaboration (AIC)" mechanism was developed to address "big issues" in humanitarian research and innovation, by drawing on established approaches to innovation from within and outside the humanitarian sector. The aim of each AIC is to convene key research, operational, and innovation partners, to develop a joint focus on a particular area of humanitarian innovation.

Each project funded through the AIC mechanism goes through a rigorous application process, with projects aiming to meet the following criteria:

- Responds to a clearly articulated humanitarian challenge
- Provides solutions that have the potential to reach and positively benefit a million lives or more

- Provides potential solutions that can emerge through better collaborations across humanitarian, science, research, and private sector actors
- Demonstrates evidence of ongoing efforts in research, and has established networks exploring the importance and relevance of the issue

For the pilot phase (2021-23), the UKHIH funding portfolio supported the identification of four initial priority areas for AICs:

1. Satellite technologies
2. Global humanitarian surgery
3. Collective crisis intelligence
4. COVID-19 vaccine delivery in humanitarian settings

In 2021, the UKHIH funded AIC grants in 'phase one' in the first three priority areas. Each of the three grants has involved partners from within and outside the humanitarian sector, and has involved research that has taken place both in the UK and other countries. 'Phase two' grants (2022-23) will re-invest in the AICs to further test and develop the focus areas, and create conditions for innovations to start being systematically adopted across the humanitarian sector.

Core AIC grant teams include research fellows from low- and middle-income (LMIC) countries. Across the three AICs funded in 2021, there are seven LMIC research fellows, who provide key national and regional insight for the development of the projects, alongside pursuing their own research interests.

FUNDING SNAPSHOT

Accelerated Innovation Collaboration (AIC)

Beyond Borders - Satellite technologies

Realising the potential for satellite and geospatial tech for humanitarian crises

Caribou Space, Satellite Applications Catapult, the United Nations Institute for Training and Research (UNITAR)

Satellite technologies have the potential to fill significant data and information gaps in humanitarian management and decision-making. The UKHIH has convened Caribou Space, Satellite Applications Catapult, the United Nations Institute for Training and Research and

other partners, to explore and demonstrate the capability of satellite applications in crisis settings through the Beyond Borders AIC. With information about the physical and biological systems of the planet, navigation and positioning signals, and communication for rural areas, satellite data holds an abundance of intelligence that could be invaluable for anticipating and responding to humanitarian emergencies. This AIC has undertaken a novel mapping exercise to:

- identify the major global suppliers and users of satellite technologies
- provide a consolidated overview of practical satellite application examples
- highlight eight key barriers to the adoption of satellite technologies
- suggest potential interventions to overcome resistance

Insight from UKHIIH-funded LMIC research fellows has been invaluable for the development of this project, such as Dr Catherine Nakalembe's expertise in remote-sensing for agriculture and food security. Dr Nakalembe is the Africa Programme Director for Nasa Harvest and winner of the 2020 Africa Food Prize for her dedication to improving rural agriculture and providing satellite intelligence for disaster response such as crop failure and flash floods.

Responsive work

In addition to supporting the implementation of AICs with long-term impact potential, UKHIIH coordinates responsive work, reserving capacity to address rapidly arising challenges. In a similar manner to the AICs, responsive work also draws on cross-sector experts, convening workshops and facilitating discussions to identify innovative solutions to emerging humanitarian issues.

At the end of 2021, the first UKHIIH crisis response initiative was launched. The Afghanistan Strategic Learning Initiative (ASLI) is exploring the adaptation and innovation of aid delivery in Afghanistan. The ASLI has involved a rapid programme of workshops delivered by leading international development thinktanks and attended by a network of over 150 Afghan and International experts. Each workshop has focused on a key area of exploration with the potential to inform policy and strategic discussions in international aid. This included potential scenarios in Afghanistan, vulnerability amongst the population, aid instruments and collective action between donors. The initiative will deliver four briefing papers outlining the

analysis and outcomes of each workshop, offering valuable evidence and insights to address the challenges of aid delivery in Afghanistan.

As the host of this initiative, we are working in collaboration with the UKHIIH and continue to amplify its core message that innovation is essential - the humanitarian system needs to make the best use of expertise and funding to provide protection and assistance to those that need it, and when they need it.

1.9 PLANS FOR FUTURE PERIODS

The year ahead (2022) is a key transition year in which we will close off our current strategic document (2019 to 2023) and develop and align our work to a new strategic period starting in 2023. Our new strategy, once developed, will drive us into a future in which we achieve even greater impact, by increasing the reach and inclusivity of our programmes, bringing our expertise together to support more researchers and innovators, and working with others around the globe to elevate the role and relevance of research and innovation in tackling the most pressing global challenges. However, while we work to develop this new strategic approach it is critical that we continue to deliver excellence through our current programmes. Therefore, at the end of 2021 we set up dedicated taskforces and carried out internal reviews and team consultations to establish a clear set of strategic priorities and organisational objectives for the year ahead. These priorities and objectives are designed to maximise our ability to deliver impact against our current strategy, whilst also providing the space to reflect on our work as we develop a compelling new strategy for 2023 onwards.

In 2022 and 2023, we will focus on the following strategic priorities:

Inclusion – We will increase the inclusion of actors and voices from low-and middle-income countries (LMIC) across our work: Under this priority we will focus efforts to increase the inclusion of LMIC actors across all areas of our work and decision-making. This commitment will deliver improvements to the relevance and ultimate impact of our work. This objective aligns with our guiding principles and will support our anti-racism agenda and our work on Equality, Diversity, and Inclusion. Progressing our learning in this area and developing new inclusive systems and processes will also be a central focus during the development and transition to our new strategy.

Systems – We will improve our operational systems to ensure they are fit for purpose: Our operational systems require updating to ensure they continue to be fit for

purpose for our current programme and ready for future work. We are prioritising work in this area to ensure that we are able to increase the efficiency of our working processes and provide the operational platform needed to responsibly expand the range and scope of the work we can deliver under a new strategy.

Funding – We will achieve sustainable funding and increase the diversity and flexibility of our funding sources: We will continue to work with our donors as we develop our new strategy, looking to combine our collective learning on what works and develop shared priorities to deliver greatest impact. To ensure that we continue to evolve our business model to be sustainable and resilient to shocks we will also focus on developing new funding partnerships with a greater diversity of donors. This will also enable us to explore and develop new ways of working aligned with our strategy and programme of work and ultimately support us to deliver more and greater impact.

Impact – We will improve the way we measure, understand and communicate our impact: We have made significant progress in measuring and capturing the impact of our programmes over the last two years. We will further invest in the development of systemic approaches to capture the impact of our collective work on the wider humanitarian system. We will be focusing on developing a high-level impact framework and introduce a range of improvements in how our MEAL systems support our understanding and communication of our impact.

Identity – We will articulate a clear and coherent 'Elrha' identity that aligns our organisation and amplifies our influence in the sector: Elrha has a strong and credible reputation and clear principles that guide our work. As we move towards our new strategic period, we want to distil this further to articulate a strong unifying identity and a core set of values held across every aspect of our work. This will help us to increase the recognition and influence of our work, drive our new strategy development process and support more ambitious fundraising.

Transition – We will engage the whole organisation in the development of a compelling new strategy: Elrha will be entering a new strategic period in 2023. The challenges and needs in the humanitarian system have evolved and increased since the creation of our current strategy, and the wider ecosystem for humanitarian research and innovation has further matured and diversified. Our own work has also significantly expanded and matured and provides us with opportunities to explore new ways of working across Elrha. This year we will develop a new strategic document that clarifies our role,

purpose and objectives to ensure we achieve greatest impact within the humanitarian system and for people affected by crises. We will design a strategy development framework that effectively engages our staff and governing groups in the conceptual thinking, development and testing of our new strategy thus ensuring our new strategy is owned and supported by the whole organisation.

2. FINANCIAL REVIEW

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and the second edition of *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)*, published in October 2019.

The financial outcome for 2021 is set out in the Statement of Financial Activities on page 66.

2.1 FINANCIAL ACTIVITIES

2.1.1 INCOME

Total income in the year fell by 32% to £9.4m (2020: £13.7m), of which 99.7% (2020: 98.4%) was restricted income received in the form of grants from institutional donors including the UK Foreign, Commonwealth and Development Office (FCDO), the Netherlands Ministry of Foreign Affairs, Wellcome, the National Institute for Health Research (NIHR) and the Norwegian Ministry of Foreign Affairs.

As all restricted income is recognised on a performance basis, the specific amount recognised is determined by expenditure on the relevant charitable activities. The drop in income in 2021 was principally driven by the UK Government's decision to reduce its overall aid budget for the fiscal year 2021 to 2022, which resulted in a significant reduction in the funding available to Elrha for the period 1 April 2021 to 31 March 2022 from both the FCDO and NIHR. The year-on-year variation is analysed further in the expenditure section below.

During 2021 Elrha received gifts in kind for the value of £28k (2020: £98k), consisting primarily of professional services donated to the organisation in support of our activities, in particular pro-bono legal advice from Dechert LLP.

Unrestricted income of £4k (2020: £125k) was generated through the provision of consultancy services to other humanitarian organisations, drawing upon Elrha's existing expertise and in line with the entity's charitable objectives.

2.1.2 EXPENDITURE

Total expenditure in the year was £9.5m (2020: £13.5m), representing a year-on-year decline of 30%. This was driven principally by a drop-off in grant payments to other organisations, which fell by 41% to £6.1m (2020: £10.4m). This decrease in grant payments was due to a number of factors, the most relevant ones being a very limited number of new grant commitments, resulting from the funding cuts in UK Aid; and knock-on effects of COVID-19 restrictions internationally.

HIF Expenditure

Expenditure in 2021 by the HIF programme was lower than previous years across all areas, declining by 46% overall to £3.6m (2020: £6.7m). The steepest fall was in grants expenditure, which decreased by 55% to £1.9m (2020: £4.2m). Unlike R2HC, non-grant making costs were also reduced, as the level of cuts in funding by the UK Government could not be solely absorbed by grant making (as happened with R2HC). Key factors contributing to this included:

- 1) Decreased scale of grant-making due to funding cuts: £1.6m cut in annual budget against initial forecast.

As FCDO's contribution to the HIF's 2021 budget was reduced, existing commitments to on-going projects were prioritised over awarding new grants. This resulted in many of the new grants that had been planned for the year being postponed or cancelled, reducing the total spend on new grants by £1.6m relative to the original budget.

- 2) General fluctuations in grant payments: £0.7m decline in spend *versus* 2020 spend

The HIF always experiences some year-on-year fluctuations in claims from grantees, depending on where they are in their project implementation. Furthermore, many funded projects continued to face challenges related to COVID-19 during 2021. This delay was compounded with funding uncertainty in the early part of the year, as grantees were requested to suspend any significant investment until the funding amount from FCDO was confirmed and Elrha could confirm that existing grant commitments would be maintained. In some cases, these delays led to claims being postponed to early 2022.

This combination of factors contributed to an additional £0.7m reduction in grant expenditure in 2021 relative to 2020, on top of the £1.6m cut to spend on new grants.

- 3) Reductions to staffing and direct activities: non-grant making spend down 20% to £1.0m (2020: £1.3m)

The extent of the reduction in the funding provided by the UK Government to the HIF programme meant that a number of non-grant making activities planned for 2021 had to be cancelled, and the number of staff working in the HIF team needed to be reduced, both as outcome of lower level of activity (overall) and as a way to meet the budget target set by the funding cuts. This decrease in the number of staff in the HIF team was part of the wider restructuring exercise described in Section 3.10.1.

R2HC Expenditure

Total spend by the R2HC programme constituted 47% of Elrha's total spend in 2021, at £4.5m (2020: £6.7m). While R2HC's grant expenditure fell by 41% in 2021, down to £3.6m (2020: £6.2m); the programme's non-grant direct spend increased by 54%, to £542k (2020: £353k), during the same period.

The following factors contributed to these changes:

- 1) Fluctuations in payments for regular grants: 31% decline to £2.9m (2020: £4.2m)

R2HC's core annual grant-making consists of substantial grants awarded for multi-year projects, with multiple partner organisations contributing to research. Payments to grantees take place when activity and spending milestones are reached. Given the many factors that can influence research timelines, along with the relatively small number of large payments involved, year-on-year spend naturally fluctuates in line with level of activity implementation. In 2020 and 2021 these common variations against initial work plans were exacerbated by the impact of COVID-19. Payments made to grantees in 2020 were based on activities completed to date, and the expectation that projects might be delayed by a few months. However, as the pandemic continued, the knock-on effects of lockdowns and other restrictions on projects, most of which involve multiple countries and organisations, resulted in greater delays in project activities and project spend with them. Many payments that had been forecast for 2021 had to be postponed to later periods.

- 2) Fluctuations in responsive research spend: 63% decline to £0.7m (2020: £1.9m)

In 2020, R2HC ran its largest responsive research call to date, awarding a total of 15 new grants for research in relation to the COVID-19 pandemic, at a cost of £1.5m in the year. At the same time, grants from earlier responsive calls were being closed and receiving final payments. In 2021, no new responsive grants were awarded, and therefore the only spend was on subsequent payments to on-going COVID-19 grants. This is described in more detail in Section 1.6.

- 3) Limited scale of new grant-making due to funding cuts: 50% reduction against planned budget for new regular grants; 100% reduction to new responsive grants.

Prior to the announcement of the UK Government's funding cuts in 2021, the R2HC had planned an ambitious schedule of new funding calls for this year. However, with the budget becoming more constrained, existing commitments were prioritised over awarding new grants. The NIHR was unable to commit funding to any new calls, and the FCDO's contribution was also reduced significantly. As a result, apart from not being able to launch new funding calls, new grants awarded under R2HC's eighth funding call (launched in 2020) were scaled back. The pre-cuts budget included a total amount up to £6.0m for these grants, but this was reduced by 50% to £3.0m (of which £1.5m was recorded as an expense to Elrha in 2021), and just eight of the recommended 12 studies were awarded grants under this funding call. The pre-cuts budget also included up to £2.0m to cover the new Responsive Research Call for 2021, but this budget was cut entirely.

Cuts to new grants were sufficient to keep the R2HC programme within the reduced budget, and the donors did not require reductions to other areas of spend. This is in contrast with the HIF, as described above.

- 4) Increase in staffing and non-grant-making activities: spend up by 54%, to £542k (2020: £353k)

One aspect of the programme that our donors were able to continue supporting despite the cuts to funding was a long-standing plan to increase the capacity of the core R2HC team from four to six employees, in order to better manage the grant portfolio, which has grown substantially over time, and to enhance R2HC's research capabilities. Both new team members were in place by January 2021, increasing the non-grant making expenditure for 2021.

With this additional capacity and less grant-making activity to manage, the team was able to get up to date with non-grant making activities that had been delayed in 2020 due to the need of quickly launching the COVID-19 call in 2020, as well as to implement those activities originally planned for this year. Further information on these activities can be found in Section 1.6.

Global Prioritisation Exercise (GPE) and UK Humanitarian Innovation Hub (UKHIH) Expenditure

Both the GPE and UKHIH were in their initial stages at the end of 2020, and then had a full year of activity in 2021. Despite unanticipated budget reductions leading to a revision of their activities, being operational for a full year naturally led to a significant uplift in spend for both the GPE and UKHIH, relative to 2020.

Spend on the GPE totalled £274k (2020: £28k) and consisted principally of the costs of research and of Elrha staff working on the project. The UKHIH spent a total of £1.0m (2020: £53k), including £600k on grants to other organisations. Further details on the GPE and UKHIH are provided in Sections 1.7 and 1.8.

Support Costs

Elrha's support costs, with an annual value of £1.3m (2020: £1.4m), include spending items related to all essential infrastructure, ensuring internal and external compliance, support services and all employment costs not directly attributable to programmes. Although some savings against the initial 2021 annual budget were made during the year, expenditure on operational support costs represented an unusually high proportion of Elrha's total spend in 2021, at 14% (2020:10%). This was however a temporary situation linked to the funding cuts and restructuring process, specifically:

- 1) Most of Elrha's core support costs are linked to headcount. Elrha's average headcount in 2021 was 43 individuals, *versus* 36 in 2020. Although the size of Elrha's staff was reduced by the end of 2021 (39 employees as 31 December 2021) the resulting impact on both employment costs and related support costs only materialised in the latter part of the year, once the restructuring process was completed in a legal and ethical manner. Consequently, the decrease in expenditure on staff employment and operational support is not obvious in the overall 2021 results. By contrast, the lower expenditure on grants and non-grant making activities were achieved immediately, by not taking on any new commitments.

- 2) Additionally, there was £71,550 exceptionally incurred in termination costs linked to the restructuring process. This comprised statutory redundancy payments, paid leave during notice periods, and pay in lieu of notice.

2.2 RESERVES AND FINANCIAL POSITION

Our total reserves as of 31 December 2021 were £276k (2020: £367k), of which £37k were restricted (2020: £129k) and £240k were unrestricted (2020: £237k), which means Elrha's unrestricted reserves increased by £3k in 2021. There were no designated reserves.

In order to commit the maximum possible resources to further our charitable objectives, it is Elrha's policy to retain only sufficient reserves to safeguard the continuity of operations, when there is a temporary loss of income or to achieve an orderly wind-down if continuation is not possible.

The Trustees are confident that future incoming resources to the charity will be adequate to support the continuation of existing projects and activities, as well as to meet other needs that may arise under reasonably possible downside scenarios, for at least 12 months following the approval of this report. Accordingly, Elrha continues to adopt the 'going concern' basis in preparing the financial statements.

The Trustees are also taking steps to seek and secure additional funding, from both current and new sources of income, with a view to protect Elrha's sustainability in the longer-term future. These plans are described in Section 1.9.

Investments

Elrha held no investments during the period.

2.3 PRINCIPAL RISKS AND UNCERTAINTIES

The major risks to which Elrha is exposed have been identified by the executive management team and reviewed by the Trustees as part of the annual risk review process. Appropriate systems and procedures are in place to manage these risks and provide reasonable but not absolute assurance against occurrence.

Funding risks:

Elrha is currently reliant on a small number of donors who provide a high proportion of our income, namely the UK Foreign, Commonwealth, and Development Office (FCDO) and the Netherlands Ministry of Foreign Affairs. Combined, they contributed 77% of Elrha's income

in 2021. This limited donor portfolio constitutes one of the main risks Elrha faces, as already experienced.

In 2021 the UK Government's decision to cut ODA funding directly led to a reduction of our activities and headcount. While funding for 2022 has been confirmed by our donors, any further reduction in our current agreements with them, or a decision by these donors to stop working with Elrha beyond the end date of the current agreements (March 2023), may have significant implications for Elrha's programmatic activity, structure and operating model.

Given the positive feedback received from our funders on programmes implementation and achievements today, the risk of funding reduction would be more likely originated by changes in their priorities and strategies, rather than our performance. Changes in governmental policies and external events, like the crisis in Ukraine in early 2022, can result in funding initially earmarked for research and innovation to be redirected towards other purposes.

We are mitigating this risk by continuing to seek donor portfolio diversification, as well as robustly engaging with our current donors. This business development strategy is complemented with avoiding new commitments before a relevant source funding is secured. Although reducing funding committed under ongoing grants would always be a last resort, we ensure that terms in grant agreements allows for such reduction (mirroring similar terms from our donors), so that we can flexibly respond to any changes in our funding portfolio. Budgets are set conservatively based on the latest information from donors, and underspends and overspends are monitored and managed through regular forecasting to ensure effective use of financial resources.

Impact of COVID-19:

While Elrha and the other organisations we work with were able to adapt many operational aspects to the realities of COVID-19 in 2020, new waves of infections around the world in 2021 continued to affect the ability of our grantees to deliver programming and to do this safely. Elrha's own activities were also somewhat affected by staff absences and by ongoing travel restrictions in the UK and internationally.

Even if we and our grantees have learnt to manage the impact of COVID-19 in our interventions, there is a continuous risk of further severe waves of COVID-19 that can affect grantees' access to population and/or hinder the work of their staff. Disruption in funded

projects can negatively influence Elrha's outcomes achievement, activity delivery, payment schedules etc.

We continue to manage this risk, as related to grant-making, by closely monitoring the progress of projects and engaging with grantees to reforecast, redesign, and readjust outputs and timelines where needed. Our due diligence procedures include measures to ensure that those we work with have appropriate safety standards in place, and grant budgets have been adjusted as needed to allow for the costs of personal protective equipment or other suitable measures.

Where Elrha's direct activities have been affected, plans have been adjusted, and our donors have been consulted in relation to any significant changes to budgets or deliverables. Staff predominantly worked from home during the year. As Elrha rents office space from Save the Children UK, the London and Cardiff offices were accessible in accordance with SCUK's health and safety assessments. Precautions for office work and in-person meetings complied, at a minimum, with national and local regulations, with additional measures in place when this was assessed to be appropriate.

3. STRUCTURE, GOVERNANCE AND MANAGEMENT

3.1 LEGAL AND ADMINISTRATIVE INFORMATION

Elrha is registered at 1 St. John's Lane, London EC1M 4AR under the laws of England and Wales as both a private limited company by guarantee (11142219) and a charity (1177110). A second office is located at Phoenix House, 8 Cathedral Road, Cardiff, CF11 9LJ.

The charity was incorporated on 10 January 2018, although its activities had commenced in 2009, hosted by Save the Children Fund. At time of incorporation, the related assets were transferred to the separate legal entity on 1 May 2018 for nil consideration. The sole member of Elrha is the Save the Children Fund, of which Elrha therefore acts as a wholly owned subsidiary.

Under Elrha's Articles of Association, dated at incorporation, certain decisions are reserved for the Member. These include, but are not limited to:

- i) any changes to the Articles of Association,
- ii) any alteration to the Charity name or registered office,

- iii) any structural change to the organisation e.g., setting up of subsidiaries mergers, sales, disposals, and liquidations, and
- iv) the appointment and removal of all Trustees.

TRUSTEES

The following individuals were members of the Board of Trustees (and also Directors of Elrha for company law purposes), at the date on which the financial statements were approved and during the year:

- Margie Buchanan-Smith (Chair)
- Wendy Fenton (Deputy Chair)
- Andrew Shellard (Treasurer)
- Andy Katz
- Andrew Toby Smith
- Karen Twining Fooks
- Ebrima Saidy (appointed on 18 February 2021)
- Marta Tufet Bayona (appointed on 7 May 2021)
- Matthew Clancy (resigned on 3 November 2021)

DIRECTORS GROUP

Day-to-day management of the charity is delegated by the Trustees to Elrha's Directors Group. As at the date of approval of this report and during the year, the members of the Directors Group were:

- Lyndall Stein – Interim CEO (until 31 July 2021)
- Jessica Camburn – Chief Executive Officer (returned from maternity leave on 19 July 2021)
- Dallan Cunniffe – Director of Finance and Operations (until 19 May 2021)
- Thais Mendez de Andes Aldama – Director of Finance and Operations (from 4 May 2021)
- Kate Hart – Director of Programmes and Strategic Partnerships (until 5 October 2021)

- Jean McLean – Director of Policy Engagement and Communications (until 22 March 2022)
- Colette Fearon – Director of Impact and Engagement (from 13 June 2022)

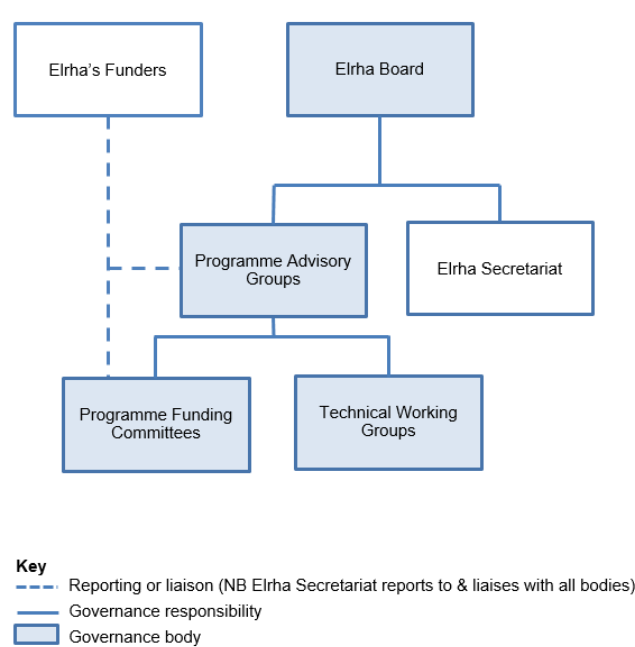
EXTERNAL AUDITOR

Auditor: KPMG LLP, 15 Canada Square, London E14 5GL

Bankers: National Westminster Bank, PO Box 83, Tavistock House, Tavistock Square, London WC1H 9NA

Legal advisors: Dechert LLP, 160 Queen Victoria Street, London EC4V 4QQ

3.2 GOVERNANCE



3.2.1 BOARD OF TRUSTEES

As indicated above, Elrha is a limited company and all Trustees are also full Directors of Elrha for company law purposes.

Trustees, all of whom are non-executive, have been drawn from diverse backgrounds in business and professional life, and bring a broad range of experience and skills to Board deliberations. The Trustees have been appointed in accordance with the provisions of the Articles of Association for Elrha. Trustees are recruited through open and competitive processes (except for one trustee appointed by Save the Children), against relevant skills

and experience identified by the existing Trustees as needed for the Board to perform their duties.

All Trustees have received a full induction, including meeting with members of the Directors Group, aiming at getting familiar with their statutory responsibilities, their role as Board members, the governance framework within Elrha, Elrha's work, and the risk environment. Ongoing training is arranged as and when a need is identified.

There are clear distinctions between the role of the Board and the Directors Group, to which day-to-day management is delegated. The principles of 'management proposes' / 'Board decides'; 'management implements' / 'Board monitors' form the basis of the Board and executive management team interaction. Items such as Elrha's policies, strategic annual plan, budget and risk assessments are prepared by the Directors Group for consideration and approved by the Trustees. The members of the Board cannot, under the governance regulations of the charity, receive remuneration for services to Elrha and may only be reimbursed for incidental expenses claimed.

As part of the annual governance review, an analysis of Elrha's governance practices against the Charity Governance Code takes place, and the Board carries out an informal self-assessment, wherein the Chair of the Board meets with each individual Trustee and writes up a report identifying areas of strength and improvement in the functioning of the Board.

As per the Board's terms of reference, Trustees met four times in 2021. An exceptional board meeting was held in July 2021, to consider approve the annual accounts and receive an update on the restructure process.

Board attendance was as follows:

NAME	MEETINGS
Margie Buchanan-Smith (chair)	4/5
Wendy Fenton (deputy chair)	5/5
Andrew Shellard (treasurer)	5/5
Andy Katz	4/5
Andrew Toby Smith	4/5

Karen Twining Fooks	5/5
Ebrima Saidy	5/5
Marta Tufet Bayona*	3/4
Matthew Clancy*	1/4

* Total number of meetings reflects the period during the year when the individuals were Trustees.

3.2.2 BOARD COMMITTEES

In February 2021, to lead the response to anticipated UK Government funding cuts, the Board established a temporary committee comprising of Margie Buchanan-Smith, Andrew Shellard, Toby Smith and Wendy Fenton. The committee held a series of meetings between March and June to support, advise and oversee Elrha's leadership team through the process of preparing for and responding to the cuts in funding, which were confirmed in April. The committee reported its activities and recommendations to the rest of the Board for approval.

No other committees were active in 2021.

3.2.3 OTHER BODIES IN GOVERNANCE FRAMEWORK

Each governing body described below has a clear term of reference that sets out their roles and responsibilities. It also sets out the process to avoid and manage potential conflict of interests, ensuring that the bodies uphold the highest standards of transparency and accountability.

PROGRAMME ADVISORY GROUPS

The HIF and R2HC Advisory Groups advise Elrha on the strategic direction of our grant-making programmes. These groups provide advice to the programme teams and make recommendations regarding programmatic priorities, set the direction and framework for grant-making, and are involved in the selection of Funding Committee members. The chairs of the Advisory Groups report to the Elrha Board.

PROGRAMME FUNDING COMMITTEES

The function of our two Funding Committees, one for the HIF and one for R2HC, is to provide independent assessment and recommendation of funding decisions. The chairs of the Funding Committees report to their respective Advisory Group.

TECHNICAL WORKING GROUPS

The Technical Working Groups provide a greater depth of technical expertise for the focus areas on our HIF programme. The chairs of the Technical Working Groups report to the HIF Advisory Group.

Our HIF Technical Working Groups for 2021 included one for water, sanitation and hygiene (WASH), one for gender-based violence (GBV), and one for disability and older age Inclusion (DOAI).

PROGRAMME FUNDERS

Our programme funders retain the ability to veto the funding of a particular proposal before a final decision is made to grant restricted funds to a third party. However, programme funders cannot require that a third party receive a grant, and any final decision on whether a grant should be made remains with Elrha.

In addition, Elrha's funders may have observer status on the advisory groups and/or funding committees. This may be an ad-hoc or a regular arrangement and is agreed on a case-by-case basis.

3.2.4 THE CHARITY GOVERNANCE CODE

Elrha seeks to apply the Charity Governance Code as its standard for good governance. To this end, management has completed a review of governance practices against the code as at the end of 2021, and the Board has approved an action plan for 2022 to address key areas identified for improvement. The planned actions focus on:

- Strengthening Board involvement in strategic planning. This will include the creation of a Strategy Development Advisory Committee and ensuring that every Board meeting agenda includes time to focus on strategic and looking-forward items.
- Greater visibility for monitoring progress against organisational priorities, in management's quarterly reports to the Board.
- Strengthening key policies, specifically concerning conflicts of interest, risk and incident management, delegations of authority and staff rewards.

3.3 TRUSTEES' RESPONSIBILITIES

Statement of Trustees' responsibilities in respect of the Trustees' Annual Report and the financial statements

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 charitable company and of the 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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations or have no realistic alternative but to do so.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

3.4 EXTERNAL AUDITOR

KPMG LLP have expressed their willingness to continue to act as auditors. A resolution to reappoint them, under section 485 of the Companies Act 2006, is pending shareholder approval.

3.5 PUBLIC BENEFIT

Trustees have a duty to develop strategic plans to ensure that Elrha provide public benefit and achieve the charitable objectives as set out in our governing document. These objectives include the relief of hardship in cases of war, natural disaster, or catastrophe anywhere in the world; the promotion of education and training, and of research for the public benefit concerning these matters; and making publicly available the results of such research. These objectives fall under the purposes defined by the Charities Act 2011. We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

3.6. POLITICAL DONATIONS

No political donations were made during the period.

3.7 FUNDRAISING ACTIVITIES

Elrha's fundraising activities are currently limited to institutional donors and trusts, as well as occasional consultancy work for peer organisations. Elrha does not engage in fundraising from members of the public.

3.8 GRANT MAKING PROCESS

Elrha designs its grant-making funding calls to ensure maximum contribution from any funded project to its strategic aims. Any registered legal entity may apply for grant funding from one of Elrha's programmes, although particular funding calls may have additional eligibility requirements, depending on the nature of the challenge being set or other needs.

Proposals submitted to Elrha go through the following process:

- 1) Elrha staff screen the proposal to ensure it is eligible for funding. In addition, for some funding calls, expressions of interest are short-listed by the Funding Committee, with successful applicants being asked to submit a full proposal.
- 2) Proposals that pass the screening/short-listing stage are reviewed technically by:
 - a. At least two independent technical reviewers with subject area expertise
 - b. Elrha staff, who will review the proposal budget

Comments from these reviews are passed to the Funding Committee for consideration alongside the proposal.

The Funding Committee has the authority to make funding recommendations up to the amounts agreed in the budget. For the R2HC programme, these recommendations are then agreed by the donors.

Once the Funding Committee has made a decision on the quality of a project, the applicant organisation is subjected to Elrha's due diligence process, which is an integral part of Elrha's risk management and part of our established Mandatory Operating Procedures. As part of our due diligence process implementing organisations and key staff members for the project or study are vetted against sanctions, anti-terrorism, and other international risk monitoring lists. The policies of the lead organisation are checked against our safeguarding and financial control principles to ensure they are of sufficient quality. Elrha then weighs the risk of granting to the lead organisation, and only when Elrha is comfortable that risks are within its appetite, or that sufficient mitigations have been put in place to achieve this, will a grant be confirmed.

3.9 SAFEGUARDING AND ETHICAL BEHAVIOUR

Maintaining the safety and protection of those we work with and our staff is highly important across Elrha. This includes staff, governance groups, grantees and the people our grantees work with. We have a zero-tolerance approach towards all forms of unethical behaviour, including bribery, facilitation payments, tax evasion and money laundering.

Criminal record checks are completed for all staff and trustees, and more enhanced checks are performed following a risk-based approach. As part of our due diligence process for

grantees, we review their safeguarding policies to make sure they are in line with our policies.

We have an Incident Prevention and Management Policy – with a wide definition of vulnerable groups – and Codes of Conduct. These policies set out the standards of behaviour expected from all staff, trustees, grantees and all others that we work with, particularly in relation to safeguarding. R2HC research studies are subject to review by an Institutional Review Board (IRB) to ensure they achieve recognised ethical approval before research is funded.

We have an incident reporting mechanism and are committed to investigating any potential breaches of our policies, whether within Elrha or the projects and studies we fund. All complaints are investigated, following established investigation guidelines, and should internal breaches be substantiated, disciplinary action would be taken, up to and including dismissal. With our grantees, substantiated breaches may result in us withdrawing funding and any other support.

We are committed to openness, and to keeping our donors informed of any complaints and the progress of any investigations. We are also committed to inform and work with our regulators and any relevant law enforcement agency where the complaint warrants this.

While we believe that our systems are effective, we are committed to their ongoing review and development. We will continue to identify and implement measures that will enhance policy and practice to ensure our standards meet or exceed best practice in the sector.

3.10 EQUALITY, DIVERSITY, AND INCLUSION

Our 2021 staff engagement survey demonstrated that our staff are experiencing good relationships with line management, feel that achievements are recognised, and that they are able to grow and develop in response to constructive feedback.

We see our inclusion principles as interdependent with staff engagement and wellbeing. Kindness and fairness are embedded into our culture. We champion employee wellbeing, recognition and appreciation, and make sure our supportive and flexible working environment keeps staff connected, motivated and well informed.

We are committed to creating an inclusive and supportive working environment, free from discrimination, harassment, and victimisation. We promote and provide equal opportunities and respect diversity. These commitments are formally captured in our Equity, Diversity &

Inclusion (EDI) principles, which are reflected in our policies and procedures, as well as further developed in the EDI annual action plan.

3.10.1 RESTRUCTURING, PAY AND RECRUITMENT

Elrha is an equal opportunities employer, as reflected in our HR policies and practices, which are underpinned by the Equity, Diversity & Inclusion principles approved by the Board in 2021 and the provisions of the Equality Act 2010.

The significant cut in our funding for 2021 resulted in the need to carry out an organisational restructure in order to reduce personnel costs. We ensured this process was carried out sensitively and with the wellbeing of our staff at its core. The needed reduction in our staff numbers affected nine individuals who received notice of redundancy in the summer of 2021. They all received support to find alternative positions, with five of them being successfully redeployed to Save the Children Fund and other three finding alternative employment in other organisations during the notice period.

Our salaries are benchmarked externally with similar roles in other organisations, and factors such as budget responsibility, skills, complexity, autonomy, strategic scope, specialist/technical role, and line management are all considered. We are fully transparent about pay when we advertise for any role, sharing the starting salary in all instances. We are proud to support the charity sector's call for salary transparency as part of [Show The Salary campaign](#).

With recruitment our ambition continues to be increasing the diversity of our staff to better represent and reflect the people and communities we aim to support. Positive steps have been taken in achieving this goal, including using a wide range of recruitment websites and platforms to ensure a broad pool of candidates, as well as adding a notice on our job advertisements to encourage applicants from a wider range of backgrounds. We recruit and promote staff on merit and continue to seek more internal routes to staff progression and succession planning. We provide all new staff with a comprehensive induction programme even when joining remotely.

3.10.2 ANTI-RACISM

When we published our Statement on Anti-Racism in November 2020, we made six commitments. In 2021, we made progress on each of these commitments in the following ways:

Commitment 1: We will be an anti-racist employer and workplace

- We mapped out an Anti-Racism Learning Journey, with the aim of culminating this into an action plan for the organisation. We have begun the first step by undertaking trainings to better understand race and racism. While not focused solely on staff experiences, we aim to increase our understanding on how racism manifests for our staff and identify specific areas we need to address.
- We created a staff-led Anti-Racism Working Group (ARWG) in October 2020 to provide a space and structure for discussing racism and developing anti-racist practice. We strive to create an inclusive culture, beyond the recruitment process. Our Directors and HR Lead are creating an equality, diversity and inclusion (EDI) policy, with input from the ARWG, that will explore how anti-racism overlaps with EDI.

Commitment 2: We will collaborate with the sector and our partners to promote an anti-racism approach

- We have increased our communication and collaboration on themes that intersect with anti-racism, including decoloniality and the humanitarian ecosystem, community-led innovation, and increasing Global South leadership in humanitarian research and innovation.

Commitment 3: We will consider how our work in research and innovation can support an anti-racism agenda

- We have continued our existing work on building in partnership requirements for our grantees which ensure that projects have local leadership and representative partners.
- We conducted analyses looking at the proportion of our applicants that are from lower- and middle-income countries (LMICs), the stages those applications reach and we are thinking critically about how we can best support greater engagement with organisations in LMICs.

Commitment 4: We will weave anti-racism into the fabric of our brand and communications

- We have reflected on how to embed anti-racism into the Elrha brand and all our communications. Our communications team attended courses that can tangibly support anti-racism, including training on participatory photography, storytelling and ethical content gathering. These offered new guidance on reconsidering use of images, language, terminology and how to best use our platforms to spotlight diverse voices, and this resulted in the creation of an ethical framework.
- We actively work to diversify our public communications outputs. Examples include convening diverse panels at the Humanitarian Leadership Conference, finding new authors for blogs, an opinion piece in Devex written by an R2HC grantee from an LMIC, as well as sharing a challenging cartoon series on Global South engagement in research in our newsletters.
- We have included in our Annual Report reflections on diversity and inclusion, and the work of the ARWG to ensure that anti-racism and accountability to our ambitions is embedded in our public reporting.
- We have developed an induction on our anti-racism work for new starters at Elrha.

Commitment 5: We will nurture an environment of listening, learning and unlearning racism

- We have created multiple spaces for discussion and learning. We set up a monthly reading and discussion group, focused around educating ourselves and engaging with discussions on racism in our sector, our workplaces, and in UK society.
- We have increased organisational-wide engagement with the ARWG group. The group have presented back to the whole organisation updates on their progress, to ensure that we are creating an environment in which everyone participates, regardless of their engagement with the ARWG specifically.
- We have created a knowledge hub of literature on anti-racism and other relevant themes, and several staff have contributed to the literature review on anti-racist funding models and grant making.

Commitment 6: We will develop clear and specific next steps through our detailed action plan to make anti-racism a core and sustainable part of our ethos and work

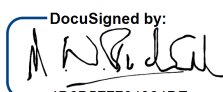
- We are delivering on our anti-racism work through diverse approaches. For example, some colleagues have EDI responsibilities as part of their work objectives and some colleagues are involved in the ARWG on a voluntary basis, while all staff members are all welcome to discussion groups. For now, this fluid approach of agreeing priorities and having shared responsibility for key areas has felt more intuitive for us than a documented action plan.

3.10.3 WELLBEING

During a turbulent year, we supported the wellbeing of all staff with access to an Employee Assistance Programme and signposting to other suitable resources. In line with our wellbeing policy, we worked hard to ensure we offered holistic support for both physical and emotional needs during this exceptional and unsettling time. We also offered internal activities to support good mental health, resilience and connection with colleagues while apart, through training, learning and social events online. We were finally able to hold an in-person staff away day towards the end of 2021, which gave all our staff the opportunity to meet, for the first time in some cases, and collaborate on the next phase of our strategy.

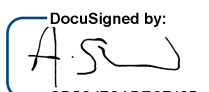
APPROVAL OF THE TRUSTEES' REPORT

The Trustees' Report on pages 8-59 was approved by the Board of Trustees on 20 July 2022.

DocuSigned by:


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Margie Buchanan-Smith

Trustee

DocuSigned by:


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Andrew Shellard

Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELRHA

OPINION

We have audited the financial statements of Elrha ("the charitable company") for the year ended 31 December 2021 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 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 UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

GOING CONCERN

The Trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Trustees' conclusions, we considered the inherent risks to the charitable company's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charitable company will continue in operation.

FRAUD AND BREACHES OF LAWS AND REGULATIONS – ABILITY TO DETECT

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks"), we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Trustees and management and inspection of policy documentation as to the charitable company's high-level policies and procedures to prevent and detect fraud, including the charitable company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading Trustee meeting minutes;
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that charitable income is recorded in the incorrect accounting period, and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management or other unexpected individuals and those posted to unusual accounts combinations; and
- Inspecting grant agreements to determine if income has been recognised in line with accounting policy;

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Trustees and other management (as required by auditing standards). We discussed with the Trustees and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation and the Charities SORP) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the charitable company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, and certain aspects of company and charity legislation, recognising the nature of the charitable company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

OTHER INFORMATION

The Trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the strategic report and the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- the charitable company has not kept adequate accounting records 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.

We have nothing to report in these respects.

TRUSTEES' RESPONSIBILITIES

As explained more fully in their statement set out in section 3.3, 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; 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; 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 they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

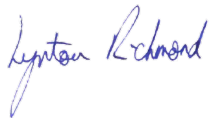
AUDITOR'S RESPONSIBILITIES

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

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 auditor's 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.



Lynton Richmond (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

15 Canada Square, London, E14 5GL

Date: 21st July 2022

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2021

	Notes	Unrestricted funds	Restricted funds	Total funds for the year to 31/12/2021	Total funds for the period to 31/12/2020
		£	£	£	£
Donations	3	28,441	-	28,441	97,791
Charitable activities	4	4,463	9,339,817	9,344,280	13,637,458
Total income		32,904	9,339,817	9,372,721	13,735,249
Charitable activities	5	(30,698)	(9,432,720)	(9,463,418)	(13,513,054)
Total expenditure		(30,698)	(9,432,720)	(9,463,418)	(13,513,054)
Net income/(expenditure) and net movement in funds		2,206	(92,903)	(90,697)	222,195
Reconciliation of funds:					
Funds brought forward		237,308	129,415	366,723	144,528
Movement in funds		2,206	(92,903)	(90,697)	222,195
Funds carried forward		239,514	36,512	276,026	366,723

The statement of financial activities includes all gains and losses recognised in the period.

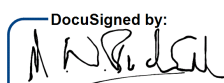
BALANCE SHEET

As at 31 December 2021

	Notes	31/12/2021 £	31/12/2020 £
Current assets			
Debtors: amounts falling due within one year	11	2,867,364	3,120,887
Cash at bank and in hand	16	98,749	93,725
		2,966,113	3,214,612
Liabilities:			
Creditors: amounts falling due within one year	12	(2,690,087)	(2,847,889)
		(2,690,087)	(2,847,889)
Net assets		276,026	366,723
The funds of the charity:			
Restricted income funds	15,16	36,512	129,415
Unrestricted funds	16	239,514	237,308
Total Funds		276,026	366,723

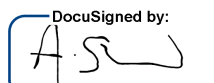
The notes on pages 69-88 form part of the financial statements.

Approved by the Board on 20 July 2022 and signed on its behalf by:

DocuSigned by:

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Margie Buchanan-Smith

Trustee

DocuSigned by:

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Andrew Shellard

Trustee

CASH FLOW STATEMENT

For the year ended 31 December 2021

	Notes	Year to 31/12/2021 £	Year to 31/12/2020 £
Cash flows from operating activities			
<i>Net cash provided by operating activities</i>	a)	5,024	(609,387)
Change in cash and cash equivalents in the reporting period		5,024	(609,387)
Cash and cash equivalents at the beginning of the reporting period		93,725	703,112
Cash and cash equivalents at the end of the reporting period	b)	98,749	93,725

NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of net income to net cash flow from operating activities	Year to 31/12/2021 £	Year to 31/12/2020 £
Net income	(90,697)	222,195
Adjustments for:		
Decrease/(increase) in debtors	253,523	(2,529,985)
(Decrease)/increase in creditors	(157,802)	1,698,403
Net cash provided by operating activities	5,024	(609,387)

(b) Analysis of cash and cash equivalents	Year to 31/12/2021 £	Year to 31/12/2020 £
Cash at bank and in hand	98,749	93,725
Total cash and cash equivalents	98,749	93,725

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

GENERAL INFORMATION AND BASIS OF ACCOUNTING

Elrha is a charitable company incorporated in England and Wales and domiciled in the United Kingdom under the Companies Act 2006. The address of the registered office is:

1 St. John's Lane

London

EC1M 4AR

Elrha is a public benefit entity. The nature of Elrha's operations and its principal activities are set out in the Trustees' report (including the strategic report) on pages 8-59.

Save the Children UK (company number 00178159; charity numbers 213890 (England and Wales) and SC039570 (Scotland)) is the sole member of Elrha. Save the Children UK's principal purpose is to save children's lives and tackle global child poverty. Elrha's results will be consolidated with those of Save the Children UK and the consolidated accounts can be obtained by the public at the registered office address given above.

BASIS OF PREPARATION

The accounts 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 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The functional currency of Elrha is pounds sterling because that is the currency of the primary economic environment in which Elrha operates.

GOING CONCERN

The financial statements have been prepared on a going concern basis, which the Trustees consider to be appropriate for the following reasons.

The Trustees have prepared financial forecasts for a period of 21 months from the date of approval of these financial statements, which indicate that, taking account of reasonably

possible downsides and the continued impact of COVID-19 on the operations and its financial resources, the Charitable Company will have sufficient funds to meet its liabilities as they fall due for that period.

While COVID-19 has not significantly impacted Elrha's ability to operate, and is not expected to do so, it has had an indirect impact due to the economic and political effects of the pandemic. Specifically, the UK Government, which is one of Elrha's key donors via the Foreign, Commonwealth and Development Office (FCDO) and National Institute of Health Research (NIHR), reduced its commitments to international aid in 2021. Subsequent to this overall decrease, Elrha's funding from both the FCDO and NIHR was significantly reduced, as a result of which Elrha underwent a comprehensive exercise in 2021 to scale back its programmes while continuing to deliver, to the extent possible, on existing commitments to donors and other parties. Measures taken to manage this decrease in funding included:

- Deferring processes to award new grants to partners, and ultimately deferring or cancelling new grants and activities, as necessary;
- Deferring large new commitments to suppliers until it was clear whether funding would be available;
- Implementing a pay freeze and restructuring roles to reflect the reduced budget. This included implementing redundancies; and
- Working with all budget holders and donors before and after the scale of cuts was confirmed to agree on a mutually acceptable approach to the budget that would allow Elrha to continue delivering on its key strategic objectives.

These changes were fully implemented by 31 December 2021 and Elrha is now fully adjusted to the reduced funding levels. The main risk to the Charitable Company's going concern status, as at the reporting date, is a failure to secure new funding from existing or new donors, as funding for all programmes except for the R2HC is currently due to end on 31 March 2023 per existing signed agreements. However, Elrha has received strong assurances from two of its largest donors that they intend to continue supporting Elrha's work at until at least 2025. Active planning is underway with these donors to determine the scope of this support and to fully secure their commitment.

For the purposes of assessing Elrha's going concern status under alternative scenarios, the Trustees have considered a scenario in which no additional funding is secured, and only the

current funding commitments are in place. Given the very positive relationship that Elrha has with its current donors, strong reputation in the sector, and the active steps that are being taken to secure and diversify future funding, the Trustees consider this outcome to be highly unlikely. Nonetheless, testing this worst-case scenario, based on conservative assumptions, demonstrates that Elrha would be able to continue operating until the end of 2023, at least, even without additional support.

It should further be noted that Elrha's operating model is generally well-suited to scaling up or down in respond to the availability of funding. The ability to meet liabilities as they fall due rests upon ensuring that funding from Elrha's donors is sufficient to cover the direct and indirect costs of running the programmes. As such, Elrha does not make commitments to third parties unless donor funding has already been secured. Furthermore, while every effort is made to adhere to commitments made to third parties, Elrha does retain the legal right to withdraw funding from partners in the exceptional event that Elrha's own funding is unexpectedly reduced. To date, the Trustees have not needed to exercise this right in respect of grants for which agreements have been signed. However, the option remains available, in the instance that it presents a threat to Elrha's viability as an organisation.

With respect to cash liquidity, Elrha receives incoming cash through claims submitted to each of its donors on an agreed schedule, and it also has access to a flexible credit facility provided by Save the Children UK (SCUK). This credit facility is available interest free up to a value of £2.5 million. At the onset of the COVID-19 pandemic, Elrha sought and obtained improved payment terms with its donors, and the majority of payments are now claimable in advance of expenditure being incurred. As a result, Elrha has typically remained in a positive cash position since these arrangements came into place and has rarely needed to draw upon the credit facility.

Consequently, the Trustees are confident that the Charitable Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

FUND ACCOUNTING

Unrestricted funds are those which are available for the general purposes of Elrha at the discretion of the Trustees. The Trustees may elect to dedicate some funds for specific purposes. No funds have been dedicated in this way during the period.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors or that have been raised by the charity for particular purposes. Costs are charged against the specific fund in line with donor wishes. An analysis of each restricted fund is set out in note 15.

In case of a deficit or surplus in restricted funds, the following approach is applied:

- if there is a deficit in restricted funds at the end of the year, the likelihood of future income being received which could cover this shortfall is assessed. A deficit is considered acceptable to the extent there is a realistic expectation of future income to cover the shortfall. If this condition does not apply, any shortfall must be immediately made up through a transfer from unrestricted funds.
- the restricted funds balance will be assessed at the end of each funding arrangement with a donor. If the balance is in deficit and the end of the funding arrangement means the prospect of future income to make up the shortfall is now unlikely, a transfer from unrestricted funds will be made. If the balance is a surplus, the implications will be assessed in light of donor restrictions, which may require that surplus income is repaid to the relevant donor.

INCOME

Income is recognised in the statement of financial activities when Elrha is legally entitled to the income, receipt is probable, and it can be effectively measured.

Grant income

Most of Elrha's income is donor funding, which is granted either directly from donors, or via Save the Children UK. In general, grants represent restricted income from governments, agencies and foundations, corporates and trusts and have been included as 'Incoming resources from charitable activities' where these grants specifically outline the goods and services to be provided to beneficiaries. For these performance related grants, in the absence of specific milestones to determine entitlement, income is recognised to the extent that resources have been committed to the agreed outcomes and outputs as this is deemed to be a reliable estimate of the right to receive payment for the work performed. In this case cash received in excess of expenditure is included as a creditor (as deferred income) and expenditure in excess of cash included as a debtor (as accrued income). Unless otherwise specified by donors, restricted funds are not held in separate bank accounts.

Consulting income

Consulting income is income arising from services provided by Elrha to other humanitarian organisations. Such services are closely aligned with Elrha's charitable objectives and expertise and include activities such as training and research to support other organisations with which Elrha shares common goals. Income from these contracts is unrestricted and any profits generated are used to fund Elrha's other charitable activities. As with grant income, consulting income is recognised either upon the achievement of specific milestones, or in the absence of such milestones, income is recognised to the extent that resources have been committed to the agreed outcomes and outputs, until contract completion allows for a final and accurate accounting of profit or loss.

Gifts in Kind income (GIK)

GIK (Gifts in Kind) include goods for project distributions or resale, pro-bono services and supplies. GIK must be included in the accounts as income and expenditure and valued at market value by management and/or the donor. No monetary value is attributed to volunteer work.

EXPENDITURE

All expenses are recognised on an accruals basis.

Expenditure on charitable activities is any that relates directly to fulfilling the charitable objects of Elrha.

Grant funding expenditure comprises the direct value of sub-grants made by Elrha to partner organisations during the year, as detailed in note 7. Grants funding costs are reported against the programme to which they relate.

Expenditure on 'activities undertaken directly' includes all costs of activities directly attributable to specific programmes or projects.

Support costs represent core activities and services, such as general management, governance, human resources, communications, financial management and premises costs, and are allocated across the categories of charitable activities in proportion to the services provided.

Staff costs are analysed and apportioned on the basis of management's estimation of the time spent on each activity and are allocated to activities undertaken directly or support costs according to the role of the staff concerned.

TERMINATION BENEFITS

Termination benefits are payable when employment is terminated, or whenever an employee accepts voluntary redundancy in exchange for these benefits. Termination costs are recognised at the point at which Elrha is committed to incur these costs.

PROVISIONS

Provisions for liabilities are recognised when there is a legal or constructive obligation for which a measurable future outflow of funds is probable. Elrha held no provisions at the balance sheet date. (2020: nil)

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when Elrha becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Elrha only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Trade and other debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid, net of any trade discounts due. Creditors and provisions are recognised where Elrha has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

DEFINED PENSION CONTRIBUTION SCHEME

Save the Children UK operates a defined contribution retirement benefit scheme for all qualifying employees of group entities, including Elrha. For all schemes the amount charged to the statement of financial activities is in respect of the pension contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of Elrha's accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure, with the exception of income recognition. In light of the guidance set out in the Charities SORP (FRS 102) all awards have been reviewed to determine their performance related conditions, see Accounting Policies (Grant income).

3. INCOME FROM DONATIONS

Year ended 31 December 2021

	Unrestricted	Restricted	Year to 31/12/2021
	£	£	£
Gift in kind income	28,419	-	28,419
Other	22	-	22
Total	28,441	-	28,441

Year ended 31 December 2020

	Unrestricted	Restricted	Year to 31/12/2020
	£	£	£
Gift in kind income	87,472	10,300	97,772
Other	19	-	19
Total	87,491	10,300	97,791

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted £	Restricted £	Year to 31/12/2021 £	Year to 31/12/2020 £
Research for Health in Humanitarian Crises (R2HC)	-	4,453,065	4,453,065	6,741,673
Humanitarian Innovation Fund (HIF)	-	3,602,347	3,602,347	6,690,290
UK Humanitarian Innovation Hub (UKHIH)	-	1,010,020	1,010,020	52,793
Global Prioritisation Exercise (GPE)	-	274,385	274,385	28,070
Consulting	4,463	-	4,463	124,632
Total	4,463	9,339,817	9,344,280	13,637,458

5. EXPENDITURE

	Grant funding £	Activities undertaken directly £	Support costs £	Year to 31/12/2021 £	Year to 31/12/2020 £
Charitable activities					
Research for Health in Humanitarian Crises (R2HC)	3,640,554	542,023	270,488	4,453,065	6,748,773
Humanitarian Innovation Fund (HIF)	1,874,473	1,049,543	678,331	3,602,347	6,693,490
UK Humanitarian Innovation Hub (UKHIH)	600,087	212,407	197,526	1,010,020	52,794
Global Prioritisation Exercise (GPE)	-	229,258	45,127	274,385	28,070
Consulting	-	2,208	70	2,278	95,043
Other Charitable Activities	-	798	120,525	121,323	(105,116)
Total expenditure	6,115,114	2,036,237	1,312,067	9,463,418	13,513,054

Total resources expended include the following:

Fees payable to the auditor

	Year to 31/12/2021	Year to 31/12/2020
	£	£
Audit of financial statements	21,000	17,000
Total audit fees	21,000	17,000

6. ANALYSIS OF SUPPORT COSTS

	Year to 31/12/2021	Year to 31/12/2020
	£	£
Governance	71,102	125,160
General Management	351,979	425,489
Financial Management	270,226	290,682
Communications Support	272,256	224,859
Human Resources	130,965	145,002
Information Technology	123,155	102,684
Premises and Facilities	92,384	55,127
	1,312,067	1,369,003

7. ANALYSIS OF GRANT EXPENDITURE

	2021 R2HC	2021 HIF	2021 UKHIH	2021 Total	2020 Total
	£	£	£	£	£
Action Against Hunger	188,341	-	-	188,341	13,252
Aga Khan Agency for Habitat India	-	-	-	-	7,964
Alliance for International Medical Action (ALIMA)	333,533	-	-	333,533	-
Amref Health Africa	87,598	-	-	87,598	153,296
Anglia Ruskin University	-	-	-	-	35,833
Arbeiter-Samariter-Bund Deutschland E.V.	-	86,152	-	86,152	132,985
Beth Israel Deaconess Medical Center	61,484	-	-	61,484	61,485
BRAC	-	-	-	-	2,352
Brandeis University	24,113	-	-	24,113	260,652
Brigham and Women's Hospital	-	-	-	-	127,653
British Red Cross Society	282,036	-	-	282,036	-
Brown University	-	-	-	-	9,361

Build Up Nepal Engineering Pvt Ltd	-	-	-	-	8,939
Busara Center for Behavioral Economics Inc.	33,110	-	-	33,110	41,388
Caribou Digital (UK) Ltd	-	-	257,490	257,490	-
Chatham House	-	-	27,876	27,876	-
Church World Service Japan	-	526,682	-	526,682	169,017
Columbia University	5,585	-	-	5,585	470,175
Cornell University	1,267	-	-	1,267	-
Danish Red Cross	3,330	-	-	3,330	-
DIGNITY, Danish Institute Against Torture	49,950	-	-	49,950	-
Durham University	5,586	-	-	5,586	1,128
Eawag	-	-	-	-	44,745
Ecole d'économie de Paris	-	1,254	-	1,254	158,737
Erasmus University	-	-	-	-	2,002
Faircap CIC	-	-	-	-	33,374
George Washington University	-	62,411	-	62,411	87,375
Gujarat Mahila Housing Sewa Trust	-	10,173	-	10,173	-
Hala Systems	-	-	-	-	9,926
Harvard College	8,928	-	-	8,928	-
Healthright International	(17,890)	87,000	-	69,110	335,329
Heartland Alliance International	-	32,870	-	32,870	7,128
Humanity & Inclusion (formerly Handicap International)	-	-	-	-	122,635
Ibis Reproductive Health	-	-	-	-	247,181
IDinsight Inc.	3,752	-	-	3,752	83,102
Ifakara Health Institute	-	-	-	-	4,481
Impact Initiatives	103,920	-	-	103,920	129,901
Indo Global Social Service Society	-	9,872	-	9,872	-
Innovations for Poverty Action	-	-	-	-	193,399
Institute of Tropical Medicine Antwerp	-	-	-	-	51,178
International Centre for Diarrhoeal Disease Research Bangladesh (ICDDR,B)	9,800	-	-	9,800	-
International Federation of Red Cross and Red Crescent Societies	-	-	-	-	77,353
International Medical Corps UK	-	-	-	-	3,685
International Planned Parenthood Federation	-	-	-	-	9,468

International Rescue Committee UK	134,555	99,991	-	234,546	424,790
Ipas	-	(2,416)	-	(2,416)	358,001
Johns Hopkins University	336,506	-	-	336,506	244,278
Karolinska Institutet	9,787	-	-	9,787	-
Khi Business Developments Ltd	22,619	-	-	22,619	-
Kube Energy AS	-	-	-	-	15,000
Lagos State University	9,273	-	-	9,273	-
Leonard Cheshire Disability	-	(86)	-	(86)	37,452
Light for the World International	-	30,795	-	30,795	38,494
Liverpool School of Tropical Medicine	-	-	-	-	14,804
London School of Hygiene & Tropical Medicine	65,301	87,806	-	153,107	290,293
Makerere University	27,306	-	-	27,306	143,854
Martin Luther University Halle-Wittenberg	-	-	-	-	77,522
McMaster University	-	-	-	-	53,587
Michigan State University	10,947	-	-	10,947	116,622
Monash University	82,164	-	-	82,164	10,937
Nesta	-	-	244,722	244,722	-
No Strings International	-	-	-	-	18,433
Norwegian Refugee Council	130,904	-	-	130,904	163,630
Nossal Institute Limited	-	32,519	-	32,519	37,497
Örebro University	9,178	-	-	9,178	-
Oxfam (Various members)	130,888	759	-	131,647	428,018
Pesitho Holding ApS	-	144,296	-	144,296	182,150
Philippine Geographical Society	-	24,584	-	24,584	-
Physicians for Human Rights	-	82,500	-	82,500	202,500
The Population Council (Various members)	-	-	-	-	222,765
Pragya	-	142,946	-	142,946	152,548
Professional Institute for Development and Socio-environmental Management (PRISM)	-	2,000	-	2,000	8,000
Queen Margaret University, Edinburgh	9,196	-	-	9,196	21,219
Queen Mary University of London	31,961	-	-	31,961	43,260
Queens University at Kingston	-	96,241	-	96,241	-
Reach Out Cameroon	49,951	-	-	49,951	-
Reemi Charitable Trust	-	13,475	-	13,475	33,687

Research and Grant Institute of Ghana (REGIG)	-	8,104	-	8,104	25,933
Royal College of Surgeons England	-	-	69,999	69,999	-
Save the Children UK	-	-	-	-	19,992
Social Development International	-	-	-	-	33,997
Solidarités International	-	-	-	-	5,000
Stanford University	50,000	-	-	50,000	311,687
Start Network	-	100,269	-	100,269	508,037
Sustainable Environment and Ecological Development Society (SEEDS)	-	-	-	-	9,222
Swiss Tropical and Public Health Institute (Swiss TPH)	202,870	-	-	202,870	-
Syrian American Medical Society Foundation	1,288	-	-	1,288	-
Tearfund	-	(3,182)	-	(3,182)	87,500
Terre Des Hommes Foundation	137	-	-	137	212,584
Trinity College Dublin	4,205	-	-	4,205	-
Tufts University	50,119	-	-	50,119	4,532
Uluslararası Sosyal İnsani Yardımlaşma Ve Dayanışma Demegi (SDI)	-	5,989	-	5,989	-
UN-Habitat	-	(104,617)	-	(104,617)	104,617
University of Ottawa	-	-	-	-	10,000
University of Sheffield	-	-	-	-	94,824
Université catholique de Louvain	-	-	-	-	6,607
University College London	-	-	-	-	7,852
University of Applied Sciences and Arts Northwestern Switzerland	-	123,990	-	123,990	165,981
University of Bath	18,528	-	-	18,528	43,340
University of California	130,926	-	-	130,926	-
University of Leeds	-	-	-	-	25,972
University of New South Wales	435,927	-	-	435,927	169,582
University of Rwanda	-	-	-	-	112,808
University of Sciences, Techniques and Technologies of Bamako (USTTB)	17,237	-	-	17,237	20,885
University of Washington	466,982	-	-	466,982	176,063
Urmul Seemant Samiti	-	10,139	-	10,139	-
Waterscope	-	22,588	-	22,588	84,050

Women's Refugee Commission	-	-	-	-	175,881
Words. Rhythms. Images.	-	21,534	-	21,534	7,979
World Health Organization	49,929	-	-	49,929	478,178
World Vision (Various members)	-	-	-	-	732,262
York University	-	-	-	-	127,019
Youth Development Labs Inc.	-	117,835	-	117,835	185,170
Refunds of grants previously contracted:					
Columbia University	(32,573)	-	-	(32,573)	-
Epicentre	-	-	-	-	(8,108)
Qatar Red Crescent	-	-	-	-	(11,471)
Social Solutions Research Association	-	-	-	-	(12,306)

Total	3,640,554	1,874,473	600,087	6,115,114	10,351,489
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8. TRUSTEES

The Trustees received no remuneration or reimbursement for expenses during the year. (In 2020, £85 was expended on travel and accommodation expenses for 1 Trustee to attend and participate in meetings of the Board of Trustees.)

No donations were received from Trustees during the year (2020: nil).

9. EMPLOYEES

Payroll costs were as follows:

	Year to 31/12/2021 £	Year to 31/12/2020 £
Wages and salaries	1,774,982	1,404,976
Social security costs	181,930	147,767
Pension costs	100,669	84,621
Other staff costs	71,129	30,595
	2,128,710	1,667,959

Payroll costs are included under Expenditure as 'Activities undertaken directly' in Note 5 to these financial statements.

Included within staff costs is £71,550 (2020: £ nil) of termination costs, which were incurred as a result of restructuring. This process was fully completed during the year, with all costs settled by 31 December 2021.

The average monthly number of employees during the year was:

	Average headcount ¹		Average FTE headcount ²	
	2021	2020	2021	2020
Elrha	43	36	41	34
	43	36	41	34

¹ Headcount is defined as the number of roles filled by employees.

² FTE headcount is defined as headcount adjusted to take into account hours worked, where employees do not work on a full-time basis.

During the year the following number of employees received employee benefits (excluding employer pensions costs) within the bands shown below.

	Year to 31/12/2021	Year to 31/12/2020
£60,001-£70,000	3	3
	3	3

The total amount of employee benefits received by key management personnel during the year was £402,912 (2020: £283,066).

10. TAXATION

Elrha is a registered charity and as such is not liable to United Kingdom income or corporation tax on charitable activities or primary purpose trading activities.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/2021	31/12/2020
	£	£
Trade debtors	-	47,138
Amounts due from parent company	2,394,839	-
Grant debtors	465,776	3,033,210
Prepayments and accrued income	-	6,812
Other debtors	6,749	33,727
	2,867,364	3,120,887

There are no debtors expected to pay after a period of longer than one year.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/2021	31/12/2020
	£	£
Trade creditors	472,160	162,746
Amounts due to parent company	-	915,622
Taxes and social security costs	41,712	50,506
Accruals	260,022	1,509,207
Deferred income	1,903,265	193,406
Other creditors	12,928	16,402
	2,690,087	2,847,889

13. FINANCIAL COMMITMENTS

The table below shows the charity's commitment to donors in delivering projects on their behalf, which are expected to be completed over a number of years. Elrha's obligation to deliver on these projects is conditional upon donor funding being received in accordance with grants agreements.

	31/12/2021	31/12/2020
	£	£
Within one year	12,822,122	12,755,035
In years two to five	6,373,194	50,336,635
After five years	-	-
	19,195,316	63,091,670

Sub Grant Commitments

A proportion of the funds needed for these programmes has already been received and is included within deferred income in note 12. For those not yet received, there are legal agreements with donors to ensure that Elrha will be reimbursed for completion of those projects. As described in note 1 (Going concern), Elrha retains the right to withdraw from these commitments in the event that donor funding is cut unexpectedly.

	R2HC	HIF	UKHIH	31/12/2021	31/12/2020
	£	£	£	£	£
Within one year	3,584,864	2,757,654	551,343	6,893,861	5,681,927
In years two to five	2,331,152	638,030	35,000	3,004,182	5,386,501
After five years	-	-	-	-	-
	5,916,016	3,395,684	586,343	9,898,043	11,068,428

14. ANALYSIS OF CHARITABLE FUNDS

Year ended 31 December 2021

	Opening balance	Income	Expenditure	At 31/12/2021
	£	£	£	£
Unrestricted funds	237,308	32,904	(30,698)	239,514
Restricted funds	129,415	9,339,817	(9,432,720)	36,512
	366,723	9,372,721	(9,463,418)	276,026

Year ended 31 December 2020

	Opening balance	Income	Expenditure	At 31/12/2020
	£	£	£	£
Unrestricted funds	144,528	212,123	(119,343)	237,308
Restricted funds	-	13,523,126	(13,393,711)	129,415
	144,528	13,735,249	(13,513,054)	366,723

15. RESTRICTED FUNDS

	Opening balance £	Income £	Expenditure £	Transfers £	At 31/12/2021 £
R2HC					
Wellcome	-	1,159,228	(1,159,228)	-	-
National Institute for Health Research (NIHR)	-	740,658	(740,658)	-	-
DFID/FCDO	-	2,553,179	(2,553,179)	-	-
	-	4,453,065	(4,453,065)	-	-
HIF					
DFID/FCDO	-	1,793,513	(1,861,210)	67,697	-
MFA Netherlands	-	1,565,464	(1,596,474)	31,010	-
Government of Norway	-	243,370	(243,370)	-	-
	-	3,602,347	(3,701,054)	98,707	-
UK Humanitarian Innovation Hub (UKHIH)					
DFID/FCDO	-	1,010,020	(1,005,168)	(4,852)	-
	-	1,010,020	(1,005,168)	(4,852)	-
Global Prioritisation Exercise (GPE)					
DFID/FCDO	-	175,600	(175,015)	(585)	-
MFA Netherlands		98,785	(98,418)	(367)	

	-	274,385	(273,433)	(952)	-
Other					
Other movements in restricted funds	129,415	-	-	(92,903)	36,512
Total restricted funds	129,415	9,339,817	(9,432,720)	-	36,512

Effective on 2 September 2020, the Department for International Development (DFID) merged with the Foreign and Commonwealth Office to create the Foreign, Commonwealth and Development Office (FCDO).

All arrangements previously entered into with DFID transferred to the FCDO as of the date of the merger.

Since Elrha's establishment as a separate legal entity in 2018, funding arrangements have been in a process of transition. At the date of incorporation, all existing funding was routed to Elrha via subgrants from SCUK. In most cases, new funding agreements have now been established directly between Elrha and external donors. In 2021, all Elrha's funding was received directly from donors, with the exception of funding from Wellcome, which continues to be provided via SCUK.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	At 31/12/2021
	£	£	£
Debtors: amounts falling due within one year	236,869	2,630,495	2,867,364
Cash at bank and in hand	2,645	96,104	98,749
Creditors: amounts falling due within one year	-	(2,690,087)	(2,690,087)
	239,514	36,512	276,026

17. EMPLOYEE BENEFITS

Save the Children UK operates a defined contribution retirement benefit scheme for all qualifying employees of group companies, including Elrha. The total expense charged to the statement of financial activities in the year ended 31 December 2021 was £100,669 (2020: £84,621). Pension contributions are included under Expenditure as 'Activities undertaken directly' in Note 5 to these financial statements.

The contributions outstanding at 31 December 2021 were £12,911 (2019: £16,386).

18. RELATED PARTY TRANSACTIONS

Transactions, including grants, with Save the Children UK are not disclosed on the basis of the exemption available under FRS 102.

During the year, George Fenton, husband of trustee Wendy Fenton, received final payment of £3,025 in relation to his engagement as a consultant on a team providing services to Elrha via an independent third party, which was appointed via a competitive procurement process.

19. POST BALANCE SHEET EVENTS

There are no post balance sheet events to report.