

**Registered number: 05889426**  
**Charity number: 1118916**

**EMPOWER - THE EMERGING  
MARKETS FOUNDATION LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 30 JUNE 2017**

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

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

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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|                                   |  |
|-----------------------------------|--|
| <b>Trustees</b>                   | Marc Balston<br>Marta Cabrera<br>Xavier Corin-Mick<br>Eric Levine<br>Jeremy Llewelyn<br>Pontso Mafethe<br>Parvoleta Shtereva<br>Ozan Tarman<br>Gergana Thiel (resigned 26 June 2017)<br>Aditi Thorat<br>Bradley Wickens<br>Helene Williamson<br>Francisco Ybarra<br>Jonathan Bayliss<br>Rafael Biosse-Duplan<br>Marcin Wiszniewski (appointed 31 October 2016)<br>Kunal Shah (appointed 31 October 2016)<br>Fernando Ortega (appointed 31 October 2016)<br>Pierre-Yves Bareau (appointed 23 February 2017)<br>Peter Tolhurst (appointed 23 March 2017)<br>Michael Lekan (appointed 22 February 2017)<br>Alessandra Labombarda (appointed 30 November 2017)<br>Christopher Milner (resigned 16 December 2016)<br>Gareth David Williams (resigned 22 February 2017)<br>Vincenzo Zinni (resigned 15 March 2017)<br>Stephen Jefferies (appointed 24 August 2017) |
| <b>Company registered number</b>  | 05889426   |
| <b>Charity registered number</b>  | 1118916  |
| <b>Registered office</b>          | C/o Finisterre Capital<br>10 New Burlington Street<br>London<br>W1S 3BE  |
| <b>Principal operating office</b> | C/o Finisterre Capital<br>10 New Burlington Street<br>London<br>W1S 3BE  |
| <b>Company secretary</b>          | Marta Cabrera  |
| <b>Independent auditors</b>       | Lubbock Fine<br>Chartered Accountants & Statutory Auditors<br>Paternoster House<br>65 St Paul's Churchyard<br>London<br>EC4M 8AB   |

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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**Advisers (continued)**

**Bankers**

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

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

**EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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The Trustees present their annual report together with the audited financial statements for the ended 30 June 2017. The Trustees confirm that the Annual Report, which includes the director's report, and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

**REFERENCE AND ADMINISTRATIVE DETAILS**

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

**THE TRUSTEES**

The trustees who served the company during the period were:

Marc Balston  
Marta Cabrera  
Xavier Corin Mick  
Eric Levine  
Jeremy Llewelyn  
Pontso Mafethe  
Parvoleta Shtereva  
Ozan Tarman  
Gergana Thiel  
Aditi Thorat  
Bradley Wickens  
Helene Williamson  
Francisco Ybarra  
Jonathan Bayliss  
Rafael Blosse Duplan  
Marcin Wiszniewski (appointed 31 October 2016)  
Kunal Shah (appointed 31 October 2016)  
Fernando Ortega (appointed 31 October 2016)  
Pierre Yves Bareau (appointed 23 February 2017)  
Peter Tolhurst (appointed 23 March 2017)  
Michael Lekan (appointed 22 February 2017)  
Christopher Milner (resigned 16 December 2016)  
Gareth David Williams (resigned 22 February 2017)  
Vincenzo Zinni (resigned 15 March 2017)

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

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

**EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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**Appointment of directors**

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

Jeremy Llewelyn, Co-Chair  
Parvoleta Shtereva, Co-Chair  
Marc Balston, Treasurer  
Aditi Thorat, Programmes Chair  
Marta Cabrera, Secretary

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

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

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

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

**Organisation**

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

**Related Parties**

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

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

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

**Risk Management**

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

**Public Benefit**

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

**EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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**OBJECTIVES AND ACTIVITIES**

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

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

**Empowering Youth Through Grantmaking**

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

**Working with Grantees**

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

**Multiplying Impact**

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

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

**Aspects which make the Charity unique are:**

**Leadership** - strong community of supporters and talented, committed leadership with 3 Boards of Directors (US, UK, HK) and a Joint Executive Committee that steers the Charity's global strategy.

**Efficiency** - a global footprint that centralizes key functions and keeps administrative costs low, while remaining regionally nimble with offices in New York, London and Hong Kong. The Charity's operations are streamlined to create maximum impact, with 83-86% of the budget going directly to program work.

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

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

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

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

**EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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**ACHIEVEMENTS AND PERFORMANCE**

During the year ended 30 June 2017, the Charity disbursed \$1,006,650 to 34 organisations. All of these grants helped to further the Charity's mission of empowering at-risk youth around the world. The organisations funded with these grants are all dedicated to supporting programs advancing the health, education, and livelihoods development of marginalized young people. For a list of these grants, kindly visit [www.empowerweb.org](http://www.empowerweb.org).

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

**FINANCIAL REVIEW**

During the financial year the Charity recognised incoming resources totalling \$2,257,276. This represented individual and institutional donations (including Gift Aid) and investment income.

On the expenses side, the Charity expended a total of \$2,041,699, which was incurred directly to the fulfilment of the Charity's objectives, together with the support costs relating to these activities. The Charity donated \$1,006,650 in grants to community-based organisations in emerging countries dedicated to empowering young people.

The Charity held one fundraising dinner during the course of the year with expenditure totalling \$66,674.72. The dinner generated \$1.447million of fundraising income, consisting of \$.328million in diner donations and \$1.118million of matched and supplementary funding from corporate and individual underwriters, as well as promoting an expansion of awareness of the Charity throughout its core constituency of financial professionals.

At the year end, the charity had unrestricted reserves of \$804,528 which consisted of a Board designated reserve of \$600,000 and a general reserve for operation of \$204,528. The Board designated reserve has been set aside for the purposes of confronting operational expenses in case of a downturn in fundraising.

**PLANS FOR FUTURE PERIOD**

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

Pursuant to this end, the Charity will continue to have constituent dinners, Grants Meetings and explore participation in such high-profile events such as the EMPEA global industry association for private capital in emerging markets conference, FT Investor for Good Conference and London Marathon.

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

The Charity will continue to distinguish itself by its participatory and transparent nature and will keep encouraging those interested to get involved in its work by attending Grants Meetings and by other means. If you would like to learn more about how to get involved with EMpower, kindly contact Neha Broota, UK Development and Engagement Manager, at [nbroota@empowerweb.org](mailto:nbroota@empowerweb.org).

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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**TRUSTEES' RESPONSIBILITIES STATEMENT**

The Trustees (who are also directors of Empower - The Emerging Markets Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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 also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**DISCLOSURE OF INFORMATION TO AUDITORS**

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

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

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

This report was approved by the Trustees, on 14 Mar 18 and signed on their behalf by:

**Marta Cabrera**  
Company Secretary

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

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**OPINION**

We have audited the financial statements of Empower - The Emerging Markets Foundation Limited (the 'charitable company') for the year ended 30 June 2017 set out on pages 11 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**BASIS FOR OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

**OTHER INFORMATION**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in

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

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

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

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

**RESPONSIBILITIES OF TRUSTEES**

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

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

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

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**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Neil Williams** (Senior Statutory Auditor)  
for and on behalf of  
**Lubbock Fine**  
Chartered Accountants & Statutory Auditors  
Paternoster House  
65 St Paul's Churchyard  
London  
EC4M 8AB  
Date:

**EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED**  
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 30 JUNE 2017**

|  | Note | Unrestricted<br>funds<br>2017<br>\$ | Restricted<br>funds<br>2017<br>\$ | Total<br>funds<br>2017<br>\$ | Total<br>funds<br>2016<br>\$ |
|--|------|-------------------------------------|-----------------------------------|------------------------------|------------------------------|
| <b>INCOME FROM:</b>  |      |                                     |                                   |                              |                              |
| Donations  | 2    | 1,334,790                           | 33,731                            | 1,368,521                    | 1,159,346                    |
| Charitable activities  | 4    | 888,713                             | -                                 | 888,713                      | 989,360                      |
| Investments  | 3    | 42                                  | -                                 | 42                           | 159                          |
| <b>TOTAL INCOME</b>  |      | <u>2,223,545</u>                    | <u>33,731</u>                     | <u>2,257,276</u>             | <u>2,148,865</u>             |
| <b>EXPENDITURE ON:</b>   |      |                                     |                                   |                              |                              |
| Charitable activities  |      | <u>2,007,968</u>                    | <u>33,731</u>                     | <u>2,041,699</u>             | <u>2,830,715</u>             |
| <b>TOTAL EXPENDITURE</b>   | 7    | <u>2,007,968</u>                    | <u>33,731</u>                     | <u>2,041,699</u>             | <u>2,830,715</u>             |
| <b>NET INCOME / (EXPENDITURE) BEFORE<br/>OTHER RECOGNISED GAINS AND<br/>LOSSES</b> |      | 215,577                             | -                                 | 215,577                      | (681,850)                    |
| <b>NET MOVEMENT IN FUNDS</b>   |      | 215,577                             | -                                 | 215,577                      | (681,850)                    |
| <b>RECONCILIATION OF FUNDS:</b>  |      |                                     |                                   |                              |                              |
| Total funds brought forward  |      | <u>588,951</u>                      | <u>-</u>                          | <u>588,951</u>               | <u>1,270,801</u>             |
| <b>TOTAL FUNDS CARRIED FORWARD</b>   |      | <u>804,528</u>                      | <u>-</u>                          | <u>804,528</u>               | <u>588,951</u>               |

The notes on pages 14 to 23 form part of these financial statements.

All income and expenditure in 2016 related to unrestricted reserves except where highlighted in the notes.

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**REGISTERED NUMBER: 05889426**

**BALANCE SHEET**  
**AS AT 30 JUNE 2017**

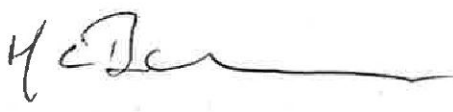
|   | Note | \$               | 2017<br>\$     | \$               | 2016<br>\$     |
|---|------|------------------|----------------|------------------|----------------|
| <b>FIXED ASSETS</b>                                   |      |                  |                |                  |                |
| Tangible assets                                       | 12   |                  | 1,403          |                  | 1,595          |
| <b>CURRENT ASSETS</b>                                 |      |                  |                |                  |                |
| Debtors   | 13   | 555,681          |                | 267,960          |                |
| Cash at bank and in hand                              |      | 561,101          |                | 981,753          |                |
|   |      | <u>1,116,782</u> |                | <u>1,249,713</u> |                |
| <b>CREDITORS:</b> amounts falling due within one year | 14   | (313,657)        |                | (662,357)        |                |
| <b>NET CURRENT ASSETS</b>                             |      |                  | 803,125        |                  | 587,356        |
| <b>NET ASSETS</b>                                     |      |                  | <u>804,528</u> |                  | <u>588,951</u> |
| <b>CHARITY FUNDS</b>                                  |      |                  |                |                  |                |
| Unrestricted funds                                    | 15   |                  | 804,528        |                  | 588,951        |
| <b>TOTAL FUNDS</b>                                    |      |                  | <u>804,528</u> |                  | <u>588,951</u> |

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

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

  
Jeremy Llewellyn  
Co-chair

  
Parvoleta Shtereva  
Co-chair

  
Marc Balston  
Treasurer

The notes on pages 14 to 23 form part of these financial statements.

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

|  | <b>Note</b> | <b>2017</b><br><b>\$</b> | <b>2016</b><br><b>\$</b> |
|--|-------------|--------------------------|--------------------------|
| <b>Cash flows from operating activities</b>            |             |                          |                          |
| Net cash used in operating activities                  | 17          | (419,136)                | (989,133)                |
| <b>Cash flows from investing activities:</b>           |             |                          |                          |
| Dividends, interest and rents from investments         |             | 42                       | 159                      |
| Purchase of tangible fixed assets                      |             | (1,558)                  | (1,595)                  |
| <b>Net cash used in investing activities</b>           |             | (1,516)                  | (1,436)                  |
| <b>Change in cash and cash equivalents in the year</b> |             | (420,652)                | (990,569)                |
| Cash and cash equivalents brought forward              |             | 981,753                  | 1,972,322                |
| <b>Cash and cash equivalents carried forward</b>       | 18          | 561,101                  | 981,753                  |

The notes on pages 14 to 23 form part of these financial statements.

# **EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED**

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## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2017**

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### **1. ACCOUNTING POLICIES**

#### **1.1 Basis of preparation of financial statements**

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

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

#### **1.2 Company status**

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

#### **1.3 Fund accounting**

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

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

#### **1.4 Donations**

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

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

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

#### **1.5 Grants payable**

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 Interest receivable**

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

**1.7 Foreign currencies**

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

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

Exchange gains and losses are recognised in the Statement of Financial Activities incorporating Income and Expenditure Account.

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

**1.8 Pensions**

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

**1.9 Resources expended**

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

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

**1.10 VAT**

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

**1.11 Tangible fixed assets and depreciation**

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

|                    |                     |
|--------------------|---------------------|
| Computer equipment | - 25% straight line |
|--------------------|---------------------|

**1.12 Debtors**

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.13 Cash at Bank and in hand**

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

**1.14 Liabilities**

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

**1.15 Financial instruments**

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

**2. INCOME FROM DONATIONS**

|                        | Unrestricted<br>funds<br>2017<br>\$ | Restricted<br>funds<br>2017<br>\$ | Total<br>funds<br>2017<br>\$ | Total<br>funds<br>2016<br>\$ |
|------------------------|-------------------------------------|-----------------------------------|------------------------------|------------------------------|
| Donations and gift aid | 1,334,790                           | 33,731                            | 1,368,521                    | 1,159,346                    |
| <i>Total 2016</i>      | 1,159,346                           | -                                 | 1,159,346                    |                              |

In 2016, of the total income from donations and legacies, \$978,863 was to unrestricted funds and \$180,483 was to restricted funds.

**3. INVESTMENT INCOME**

|                          | Unrestricted<br>funds<br>2017<br>\$ | Restricted<br>funds<br>2017<br>\$ | Total<br>funds<br>2017<br>\$ | Total<br>funds<br>2016<br>\$ |
|--------------------------|-------------------------------------|-----------------------------------|------------------------------|------------------------------|
| Bank interest receivable | 42                                  | -                                 | 42                           | 159                          |
| <i>Total 2016</i>        | 159                                 | -                                 | 159                          |                              |

**EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED****(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE 2017****4. INCOME FROM CHARITABLE ACTIVITIES**

|                        | <b>Unrestricted<br/>funds<br/>2017<br/>\$</b> | <b>Restricted<br/>funds<br/>2017<br/>\$</b> | <b>Total<br/>funds<br/>2017<br/>\$</b> | <b>Total<br/>funds<br/>2016<br/>\$</b> |
|------------------------|---|---|--|--|
| Fundraising activities | 888,713                                       | -   | 888,713                                | 989,360                                |
| <i>Total 2016</i>      | 989,360                                       | -   | 989,360                                |  |

**5. GRANTS PAYABLE**

|                          | <b>Grants to<br/>Institutions<br/>2017<br/>\$</b> | <b>Total<br/>2017<br/>\$</b> | <b>Total<br/>2016<br/>\$</b> |
|--------------------------|---|------------------------------|------------------------------|
| Grant funding activities | 1,006,650   | 1,006,650                    | 1,489,150                    |

In the current year, of the total grants payable, \$972,869 was from unrestricted funds and \$30,870 was from restricted funds.

In 2016, of the total grants payable, \$1,308,667 was from unrestricted funds and \$180,483 was from restricted funds.

**6. DIRECT COSTS**

|                               | <b>Fundraising<br/>activities<br/>\$</b> | <b>Total<br/>2017<br/>\$</b> | <b>Total<br/>2016<br/>\$</b> |
|-------------------------------|--|------------------------------|------------------------------|
| Management fees to EMpower US | 608,659                                  | 608,659                      | 809,346                      |
| <i>Total 2016</i>             | 809,346                                  | 809,346                      |                              |

**EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED**

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2017**

**7. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE**

|  | <b>Staff costs<br/>2017<br/>\$</b> | <b>Depreciation<br/>2017<br/>\$</b> | <b>Other costs<br/>2017<br/>\$</b> | <b>Total<br/>2017<br/>\$</b> | <b>Total<br/>2016<br/>\$</b> |
|--|------------------------------------|-------------------------------------|------------------------------------|------------------------------|------------------------------|
| Grant funding activities<br>including management fee | -                                  | -                                   | 1,615,309                          | 1,615,309                    | 2,298,496                    |
| Support costs  | 199,715                            | 156                                 | 226,519                            | 426,390                      | 532,219                      |
| <b>Total 2017</b>                                    | <b>199,715</b>                     | <b>156</b>                          | <b>1,841,828</b>                   | <b>2,041,699</b>             | <b>2,830,715</b>             |
| <b>Total 2016</b>                                    | <b>209,371</b>                     | <b>-</b>                            | <b>2,621,344</b>                   | <b>2,830,715</b>             |                              |

**8. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

|  | <b>Activities<br/>undertaken<br/>directly<br/>2017<br/>\$</b> | <b>Grant<br/>funding of<br/>activities<br/>2017<br/>\$</b> | <b>Support<br/>costs<br/>2017<br/>\$</b> | <b>Total<br/>2017<br/>\$</b> | <b>Total<br/>2016<br/>\$</b> |
|--|---|--|--|------------------------------|------------------------------|
| Grant funding activities<br>including management fee | 608,659   | 1,006,650  | -  | 1,615,309                    | 2,298,496                    |
| Support costs  | -   | -  | 426,390                                  | 426,390                      | 532,219                      |
| <b>Total 2017</b>                                    | <b>608,659</b>  | <b>1,006,650</b>   | <b>426,390</b>                           | <b>2,041,699</b>             | <b>2,830,715</b>             |
| <b>Total 2016</b>                                    | <b>-</b>  | <b>2,298,496</b>   | <b>532,219</b>                           | <b>2,830,715</b>             |                              |

Included within support costs are governance costs totalling \$258,309 (2016: \$377,420).

**9. NET INCOME/(EXPENDITURE)**

This is stated after charging:

|  | <b>2017<br/>\$</b> | <b>2016<br/>\$</b> |
|--|--------------------|--------------------|
| Depreciation of tangible fixed assets:<br>- owned by the charity | 156                | -                  |
| Pension costs  | 10,747             | 8,284              |
| Auditors' remuneration - audit                                   | 15,097             | 10,869             |
| Auditors' remuneration - other services                          | 7,548              | 5,435              |
| Exchange losses/(gains)  | 5,628              | 77,555             |

**EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED****(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE 2017**

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**10. STAFF COSTS**

Staff costs were as follows:

|                       | <b>2017</b>    | <b>2016</b>    |
|-----------------------|----------------|----------------|
|                       | <b>\$</b>      | <b>\$</b>      |
| Wages and salaries    | 172,429        | 181,222        |
| Social security costs | 16,539         | 19,865         |
| Other pension costs   | 10,747         | 8,284          |
|                       | <u>199,715</u> | <u>209,371</u> |

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

|                         | <b>2017</b> | <b>2016</b> |
|-------------------------|-------------|-------------|
|                         | <b>No.</b>  | <b>No.</b>  |
| Average number of staff | 3           | 3           |

No employee received remuneration amounting to more than £60,000 in either year.

None of the Trustees, who are considered to be the charity's key management personnel, received any remuneration or reimbursement of expenses during the year (2016 - £nil).

**11. TAXATION**

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

**EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED****(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE 2017****12. TANGIBLE FIXED ASSETS**

|                       | <b>Computer<br/>equipment<br/>\$</b> |
|-----------------------|--------------------------------------|
| <b>Cost</b>           |                                      |
| At 1 July 2016        | 1,595                                |
| Additions             | 1,558                                |
| Disposals             | (1,594)                              |
| At 30 June 2017       | <u>1,559</u>                         |
| <b>Depreciation</b>   |                                      |
| At 1 July 2016        | -                                    |
| Charge for the year   | 156                                  |
| At 30 June 2017       | <u>156</u>                           |
| <b>Net book value</b> |                                      |
| At 30 June 2017       | <u><u>1,403</u></u>                  |
| At 30 June 2016       | <u><u>1,595</u></u>                  |

**13. DEBTORS**

|                                 | <b>2017<br/>\$</b> | <b>2016<br/>\$</b> |
|---------------------------------|--------------------|--------------------|
| Grants and donations receivable | 191,691            | 38,536             |
| Gift aid recoverable            | 351,745            | 200,588            |
| Other debtors                   | -                  | 157                |
| Prepayments and accrued income  | 12,245             | 28,679             |
|                                 | <u>555,681</u>     | <u>267,960</u>     |

**14. CREDITORS: Amounts falling due within one year**

|                                    | <b>2017<br/>\$</b> | <b>2016<br/>\$</b> |
|------------------------------------|--------------------|--------------------|
| Amounts owed to group undertakings | 30,111             | 152,246            |
| Other creditors                    | 104,046            | 78,111             |
| Grants payable                     | 179,500            | 432,000            |
|                                    | <u>313,657</u>     | <u>662,357</u>     |

**EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED****(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE 2017****15. STATEMENT OF FUNDS****STATEMENT OF FUNDS - CURRENT YEAR**

|                                  | Balance at<br>1 July 2016<br>\$ | Income<br>\$     | Expenditure<br>\$  | Balance at<br>30 June<br>2017<br>\$ |
|----------------------------------|---------------------------------|------------------|--------------------|-------------------------------------|
| <b>Unrestricted funds</b>        |                                 |                  |                    |                                     |
| General Funds                    | (11,049)                        | 2,223,545        | (2,007,968)        | 204,528                             |
| Reserves                         | 600,000                         | -                | -                  | 600,000                             |
|                                  | <u>588,951</u>                  | <u>2,223,545</u> | <u>(2,007,968)</u> | <u>804,528</u>                      |
| <b>Restricted funds</b>          |                                 |                  |                    |                                     |
| Emerging Markets Benefit Limited | -                               | 33,731           | (33,731)           | -                                   |
| Total of funds                   | <u>588,951</u>                  | <u>2,257,276</u> | <u>(2,041,699)</u> | <u>804,528</u>                      |

**STATEMENT OF FUNDS - PRIOR YEAR**

|                                       | Balance at<br>1 July 2015<br>\$ | Income<br>\$     | Expenditure<br>\$  | Balance at<br>30 June<br>2016<br>\$ |
|---------------------------------------|---------------------------------|------------------|--------------------|-------------------------------------|
| <b>Unrestricted funds</b>             |                                 |                  |                    |                                     |
| General Funds                         | 670,801                         | 1,968,382        | (2,650,232)        | (11,049)                            |
| Reserves                              | 600,000                         | -                | -                  | 600,000                             |
|                                       | <u>1,270,801</u>                | <u>1,968,382</u> | <u>(2,650,232)</u> | <u>588,951</u>                      |
| <b>Restricted funds</b>               |                                 |                  |                    |                                     |
| Private Foundation                    | -                               | 142,107          | (142,107)          | -                                   |
| Emerging Markets Benefit Limited fund | -                               | 38,376           | (38,376)           | -                                   |
|                                       | <u>-</u>                        | <u>180,483</u>   | <u>(180,483)</u>   | <u>-</u>                            |
| Total of funds                        | <u>1,270,801</u>                | <u>2,148,865</u> | <u>(2,830,715)</u> | <u>588,951</u>                      |

**Reserves**

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

**Restricted funds:**

These comprise donations received for the specific projects that the charitable company administers and are as follows:

**EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED****(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE 2017****15. STATEMENT OF FUNDS (continued)****Emerging Markets Benefit Limited fund:**

Amounts received from this donor for specific projects to be undertaken by the Charity.

**16. ANALYSIS OF NET ASSETS BETWEEN FUNDS****ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

|                               | Unrestricted<br>funds<br>2017<br>\$ | Restricted<br>funds<br>2017<br>\$ | Total<br>funds<br>2017<br>\$ |
|-------------------------------|-------------------------------------|-----------------------------------|------------------------------|
| Tangible fixed assets         | 1,403                               | -                                 | 1,403                        |
| Current assets                | 1,116,782                           | -                                 | 1,116,782                    |
| Creditors due within one year | (313,657)                           | -                                 | (313,657)                    |
|                               | <u>804,528</u>                      | <u>-</u>                          | <u>804,528</u>               |

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

|                               | Unrestricted<br>funds<br>2016<br>\$ | Restricted<br>funds<br>2016<br>\$ | Total<br>funds<br>2016<br>\$ |
|-------------------------------|-------------------------------------|-----------------------------------|------------------------------|
| Tangible fixed assets         | 1,595                               | -                                 | 1,595                        |
| Current assets                | 1,249,713                           | -                                 | 1,249,713                    |
| Creditors due within one year | (662,357)                           | -                                 | (662,357)                    |
|                               | <u>588,951</u>                      | <u>-</u>                          | <u>588,951</u>               |

**17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

|  | 2017<br>\$       | 2016<br>\$       |
|--|------------------|------------------|
| Net income/(expenditure) for the year (as per Statement of Financial Activities) | 215,577          | (681,850)        |
| <b>Adjustment for:</b>   |                  |                  |
| Depreciation charges   | 156              | -                |
| Interest income  | (42)             | (159)            |
| Loss on the sale of fixed assets   | 1,595            | -                |
| Increase in debtors  | (287,722)        | (183,201)        |
| Decrease in creditors  | (348,700)        | (123,923)        |
| <b>Net cash used in operating activities</b>                                     | <u>(419,136)</u> | <u>(989,133)</u> |

**EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED****(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE 2017**

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**18. ANALYSIS OF CASH AND CASH EQUIVALENTS**

|              | <b>2017</b>    | <b>2016</b>    |
|--------------|----------------|----------------|
|              | <b>\$</b>      | <b>\$</b>      |
| Cash in hand | 561,101        | 981,753        |
| Total        | <u>561,101</u> | <u>981,753</u> |

**19. PENSION COMMITMENTS**

The Charity contributes to a group personal pension scheme.

The pension costs per the Statement of Financial Activities represent contributions due from the company and amounted to \$10,747 (2016 - \$8,284).

At the year end the charity had a \$nil (2016 - \$102) pension liability.

**20. RELATED PARTY TRANSACTIONS**

At the balance sheet date \$709 (2016 - \$117,191) was due to EMpower - The Emerging Markets Foundation, a not for profit organisation incorporated in the United States of America (EMpower US), in which Marta Cabrera is also a Trustee. Marta Cabrera, secretary of the charity is also an employee of EMpower - the Emerging Markets Foundation. The balance is unsecured, interest free and repayable on demand.

During the year, management fees of \$608,659 (2016 - \$809,346) were payable to EMpower - The Emerging Markets Foundation for providing operating support.

At the balance sheet date \$29,402 (2016: \$35,055) was due to Empower HK - The Emerging Markets Foundation, a not for profit corporation based in Hong Kong (EMpower HK), which shares common directors. The balance is unsecured, interest free and repayable on demand.

The aggregate donations received by related parties for which there are no conditions during the year was \$652,317 (2016: \$456,033).

**21. PARENT ENTITY**

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