

Registered number: 05889426
Charity number: 1118916

EMPOWER - THE EMERGING
MARKETS FOUNDATION LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2018

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 2018

Trustees	Marc Balston Marta Cabrera Xavier Corin-Mick Eric Levine Jeremy Llewelyn Pontso Mafethe Parvoleta Shtereva Ozan Tarman Aditi Thorat Bradley Wickens Helene Williamson Francisco Ybarra Jonathan Bayliss Rafael Biosse-Duplan Marcin Wiszniewski Kunal Shah Fernando Ortega Pierre-Yves Bareau Peter Tolhurst Michael Lekan Angela Labombarda Stephen Jefferies Murtaza Ahmed
Company registered number	05889426
Charity registered number	1118916
Registered office	C/o Finisterre Capital 10 New Burlington Street London W1S 3BE
Principal operating office	C/o Finisterre Capital 10 New Burlington Street London W1S 3BE

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 2018

Advisers (continued)

Company secretary Marta Cabrera

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

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

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

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

TRUSTEES' REPORT
FOR THE YEAR ENDED 30 JUNE 2018

The Trustees present their annual report together with the audited financial statements for EMPOWER - The Emerging Markets Foundation Limited (the 'Company' or 'Charity') for the ended 30 June 2018. 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
Parvioleta Shtereva
Ozan Tarman
Aditi Thorat
Bradley Wickens
Helene Williamson
Francisco Ybarra
Jonathan Bayliss
Rafael Biosse-Duplan
Marcin Wiszniewski
Kunal Shah
Fernando Ortega
Pierre-Yves Bareau
Peter Tolhurst
Michael Lekan
Stephen Jefferies (appointed 24 August 2017)
Angela Labombarda (appointed 30 November 2017)
Murtaza Ahmed (appointed 25 June 2018)

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
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2018

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
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2018

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 organization, 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
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2018

ACHIEVEMENTS AND PERFORMANCE

During the year ended 30 June 2018, the Charity disbursed \$1,332,776 to 34 organisations. All of these grants helped to further the Charity's mission of empowering at-risk youth around the world. The organizations funded with these grants are all dedicated to supporting programs advancing the health, education, and livelihoods development of marginalized young people. For a list of these grants, kindly visit www.empowerweb.org.

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

FINANCIAL REVIEW

During the financial year the Charity recognised incoming resources totalling \$2,767,973. This represented individual and institutional donations (including Gift Aid) and investment income.

On the expenses side, the Charity expended a total of \$2,334,356, which was incurred directly to the fulfilment of the Charity's objectives, together with the support costs relating to these activities. The Charity donated \$1,332,776 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 \$126,282. The dinner generated \$1,375,178 of fundraising income, consisting of \$1,339,769 in dinner donations and \$35,409 of matched and supplementary funding from corporate and individual underwriters, as well as promoting an expansion of awareness of the Charity throughout its core constituency of financial professionals.

At the year end, the charity had unrestricted reserves of \$1,238,145 which consisted of a Board designated reserve of \$600,000 and a general reserve for operation of \$618,145. 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 Francine de Boer, UK Development and Communications Assistant, at fdeboer@empowerweb.org.

EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2018

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 18/02/19 and signed on their behalf by:



Marta Cabrera
Company Secretary

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

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

OPINION

We have audited the financial statements of Empower - The Emerging Markets Foundation Limited (the 'charitable company') for the year ended 30 June 2018 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).

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 2018 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 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.

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

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

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

USE OF OUR REPORT

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



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: 22/2/19

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

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2018

	Note	Unrestricted funds 2018 \$	Total funds 2018 \$	Total funds 2017 \$
INCOME FROM:				
Donations	2	1,291,627	1,291,627	1,368,521
Charitable activities	3	1,476,046	1,476,046	888,713
Investments	4	300	300	42
TOTAL INCOME		<u>2,767,973</u>	<u>2,767,973</u>	<u>2,257,276</u>
EXPENDITURE ON:				
Charitable activities		<u>2,334,356</u>	<u>2,334,356</u>	<u>2,041,699</u>
TOTAL EXPENDITURE	6	<u>2,334,356</u>	<u>2,334,356</u>	<u>2,041,699</u>
NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES		433,617	433,617	215,577
NET MOVEMENT IN FUNDS		433,617	433,617	215,577
RECONCILIATION OF FUNDS:				
Total funds brought forward		<u>804,528</u>	<u>804,528</u>	<u>588,951</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>1,238,145</u></u>	<u><u>1,238,145</u></u>	<u><u>804,528</u></u>

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

All income and expenditure in 2017 related to unrestricted reserves except where highlighted in the notes.

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

REGISTERED NUMBER: 05889426

BALANCE SHEET

AS AT 30 JUNE 2018

	Note	\$	2018 \$	\$	2017 \$
FIXED ASSETS					
Tangible assets	12		1.091		1.403
CURRENT ASSETS					
Debtors	13	561,890		555,681	
Cash at bank and in hand		1,604,339		561,101	
		<u>2,166,229</u>		<u>1,116,782</u>	
CREDITORS: amounts falling due within one year	14	<u>(929,175)</u>		<u>(313,657)</u>	
NET CURRENT ASSETS			<u>1,237,054</u>		<u>803,125</u>
NET ASSETS			<u>1,238,145</u>		<u>804,528</u>
CHARITY FUNDS					
Unrestricted funds	15		<u>1,238,145</u>		<u>804,528</u>
TOTAL FUNDS			<u>1,238,145</u>		<u>804,528</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 18 February 2019 and signed on their behalf, by:





Jeremy Llewelyn
Co-chair

Parvoleta Shtereva
Co-chair

Marc Balston
Treasurer

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

EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	17	1,042,938	(419,136)
Cash flows from investing activities:			
Dividends, interest and rents from investments		300	42
Purchase of tangible fixed assets		-	(1,558)
Net cash provided by/(used in) investing activities		300	(1,516)
Change in cash and cash equivalents in the year		1,043,238	(420,652)
Cash and cash equivalents brought forward		561,101	981,753
Cash and cash equivalents carried forward	18	1,604,339	561,101

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

EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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.

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

1.2 Company status

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

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the 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
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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.

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
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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
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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 funds 2018 \$	Restricted funds 2018 \$	Total funds 2018 \$	Total funds 2017 \$
Donations and gift aid	1,291,627	-	1,291,627	1,368,521
	<u>1,291,627</u>	<u>-</u>	<u>1,291,627</u>	<u>1,368,521</u>
Total 2017	<u>1,334,790</u>	<u>33,731</u>	<u>1,368,521</u>	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 \$	Total funds 2018 \$	Total funds 2017 \$
Fundraising activities	1,476,046	1,476,046	888,713
	<u>1,476,046</u>	<u>1,476,046</u>	<u>888,713</u>
Total 2017	<u>888,713</u>	<u>888,713</u>	

EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

4. INVESTMENT INCOME

	Unrestricted funds 2018 \$	Total funds 2018 \$	Total funds 2017 \$
Bank interest receivable	300	300	42
Total 2017	42	42	

5. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2018 \$	Grant funding of activities 2018 \$	Support costs 2018 \$	Total 2018 \$	Total 2017 \$
Grant funding activities including management fee	578,123	1,332,776	-	1,910,899	1,615,309
Support costs	-	-	423,457	423,457	426,390
Total 2018	578,123	1,332,776	423,457	2,334,356	2,041,699
Total 2017	608,659	1,006,650	426,390	2,041,699	

Included within support costs are governance costs totalling \$215,790 (2017: \$258,309) which include a foreign exchange gain of \$99,980 (2017: loss of \$26,247) and fundraising expenditure of \$183,606 (2017: \$127,804) of which \$126,282 (2017: \$66,675) is attributable to the annual dinner.

6. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2018 \$	Depreciation 2018 \$	Other costs 2018 \$	Total 2018 \$	Total 2017 \$
Grant funding activities including management fee	-	-	1,910,899	1,910,899	1,615,309
Support costs	235,944	312	187,201	423,457	426,390
Total 2018	235,944	312	2,098,100	2,334,356	2,041,699
Total 2017	199,715	156	1,841,828	2,041,699	

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FOR THE YEAR ENDED 30 JUNE 2018

7. DIRECT COSTS

	Fundraising activities \$	Total 2018 \$	Total 2017 \$
Management fees to EMpower - The Emerging Markets Foundation (EMpower US)	578,123	578,123	608,659
Total 2017	608,659	608,659	

8. GRANTS PAYABLE

	Grants to Institutions 2018 \$	Total 2018 \$	Total 2017 \$
Grant funding activities	1,332,776	1,332,776	1,006,650
Total 2017	1,006,650	1,006,650	

In the current year, of the total grants payable, \$1,332,776 was from unrestricted funds and \$nil was from restricted funds.

In 2017, of the total grants payable, \$972,869 was from unrestricted funds and \$30,870 was from restricted funds.

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 \$	2017 \$
Depreciation of tangible fixed assets: - owned by the charity	312	156
Pension costs	7,804	10,747
Auditors' remuneration - audit	14,331	15,097
Auditors' remuneration - other services	7,165	7,548

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

10. STAFF COSTS

Staff costs were as follows:

	2018	2017
	\$	\$
Wages and salaries	210,188	172,429
Social security costs	17,952	16,539
Other pension costs	7,804	10,747
	<u>235,944</u>	<u>199,715</u>

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

	2018	2017
	No.	No.
Average number of staff	3	3

The number of higher paid employees was:

	2018	2017
	No.	No.
In the band £60,001 - £70,000	2	0

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 (2017 - £nil).

11. TAXATION

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

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

12. TANGIBLE FIXED ASSETS

	Computer equipment \$
Cost	
At 1 July 2017 and 30 June 2018	1,559
Depreciation	
At 1 July 2017	156
Charge for the year	312
At 30 June 2018	468
Net book value	
At 30 June 2018	1,091
At 30 June 2017	1,403

13. DEBTORS

	2018 \$	2017 \$
Grants and donations receivable	120,742	191,691
Amounts owed by group undertakings	410,904	-
Gift aid recoverable	18,054	351,745
Prepayments and accrued income	12,190	12,245
	<u>561,890</u>	<u>555,681</u>

14. CREDITORS: Amounts falling due within one year

	2018 \$	2017 \$
Amounts owed to group undertakings	32,337	30,111
Other creditors	473,838	104,046
Grants payable	423,000	179,500
	<u>929,175</u>	<u>313,657</u>

EMPOWER - THE EMERGING MARKETS FOUNDATION LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

15. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 July 2017 \$	Income \$	Expenditure \$	Balance at 30 June 2018 \$
Unrestricted funds				
General Funds	204,528	2,767,973	(2,334,356)	638,145
Reserves	600,000	-	-	600,000
Total funds	804,528	2,767,973	(2,334,356)	1,238,145

STATEMENT OF FUNDS - PRIOR YEAR

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

Reserves

The Reserves fund of \$600,000 included within unrestricted funds is a Board designated fund 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 were as follows in the prior year:

Emerging Markets Benefit Limited

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

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2018 \$	Total funds 2018 \$
Tangible fixed assets	1,091	1,091
Current assets	2,166,229	2,166,229
Creditors due within one year	(929,175)	(929,175)
	<u>1,238,145</u>	<u>1,238,145</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 \$	Total funds 2017 \$
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>804,528</u>

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

	2018 \$	2017 \$
Net income for the year (as per Statement of Financial Activities)	433,617	215,577
Adjustment for:		
Depreciation charges	312	156
Interest income	(300)	(42)
Loss on the sale of fixed assets	-	1,595
Increase in debtors	(6,209)	(287,722)
Decrease in creditors	615,518	(348,700)
Net cash provided by/(used in) operating activities	<u>1,042,938</u>	<u>(419,136)</u>

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 \$	2017 \$
Cash in hand	1,604,339	561,101
Total	<u>1,604,339</u>	<u>561,101</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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 \$7,804 (2017 - \$10,747).

At the year end the charity had a \$326 (2017 - \$nil) pension liability.

20. RELATED PARTY TRANSACTIONS

At the balance sheet date \$410,904 (2017 - \$709 due to) was due from 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 US. The balance is unsecured, interest free and repayable on demand.

During the year, management fees of \$578,123 (2017 - \$608,659) were payable to EMpower US.

At the balance sheet date \$32,337 (2017 - \$29,402) due to Empower HK - The Emerging Markets Foundation, a not for profit corporation based in Hong Kong (EMpower HK), which shares common directors. The balance is unsecured, interest free and repayable on demand.

The aggregate donations received from related parties during the year, for which there were no conditions, was \$783,345 (2017 - \$652,317).

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.