

**Company Registration No. 10986594**  
**Registered Charity No. 1176782**

**The ELMA Foundation (UK)**

**Report and Financial Statements**

**Period from 28 September 2017 to 31 December 2018**

## **The ELMA Foundation (UK)**

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**The ELMA Foundation (UK)**

**For the period ended 31 December 2018**

**LEGAL AND ADMINISTRATIVE INFORMATION**

**GOVERNING DOCUMENT**

Memorandum and articles of Association dated 28 September 2017

**COMPANY NUMBER**

10986594

**CHARITY NUMBER**

1176782

**REGISTERED OFFICE**

Third Floor, 20 Old Bailey,  
London EC4M 7AN

**TRUSTEES**

C Calder  
R Calder-Harawi  
R Douglas  
E Graham  
M Lancaster

**BANKER**

J.P. Morgan Private Bank  
60 Victoria Embankment,  
London EC4Y 0JP

**SOLICITOR**

Withers LLP  
Third Floor, 20 Old Bailey,  
London EC4M 7AN

**AUDITOR**

Deloitte LLP  
1 New Street Square,  
London, EC4A 3HQ

**The ELMA Foundation (UK)**  
**For the period ended 31 December 2018**

**TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT)**

The ELMA Foundation (UK) (the "Charity") is a company limited by guarantee, incorporated on 28 September 2017 and registered as a charity in England and Wales on 23 January 2018.

The Trustees present their first annual report (including the Strategic Report) on the affairs of the charity, together with the financial statements and auditor's report for the period ended 31 December 2018. The Charity amended its accounting reference date from 30 September to 31 December and accordingly its first financial reporting period is for the extended period from 28 September 2017 to 31 December 2018.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 in the accounts and comply with the Charity's memorandum and articles of association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in January 2015 ("SORP").

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

Unless specified otherwise the Trustees were appointed on 28 September 2017, the date of incorporation. The Trustees, who are also directors of the charitable company, who served during the year and up to the date of this report, were:

C Calder  
R Calder-Harawi  
R Douglas  
M Lancaster  
E Graham (appointed 6 February 2018)  
P Michau (resigned 6 February 2018)

The Trustees were appointed by the initial member and any further trustees will be appointed on a similar basis. On appointment, new Trustees sign a trustee declaration statement committing them to giving their time and expertise. The Trustees are provided with an information pack on the Charity and are directed to the Charity Commission essential trustee guide. The Trustees give their time voluntarily and receive no remuneration or other benefits and are required to disclose all relevant interests and withdraw from decisions where a conflict of interest arises.

**OBJECTIVES AND ACTIVITIES**

The Charity has been established as a grant-making charity. The Charity supports a range of charities, predominantly those that are registered and based in the UK, which undertake activities and initiatives in Africa and the UK, which fall within the Charity's objects.

The objects of the Charity (the "Objects") are:

- (a) the relief of poverty, suffering and distress of children;
- (b) the advancement and the education of disadvantaged children and youth;
- (c) the improvement in the quality of life and needs of disadvantaged children and the families and households that support them;
- (d) the relief of sickness of children; and
- (e) the improvement of health care, health care facilities and health care infrastructure provided that children derive the primary benefit from the improvements

for the benefit of the public in the Continent of Africa and in the United Kingdom.

The grant-making activity of investing in organisations that improve the lives of children in Africa and in the United Kingdom is guided by the Charity's portfolio-based strategies that target the following six focus areas:

- **Build the workforce supporting children:** To increase the quality and quantity of the workforce supporting children.
- **Survive to thrive:** To make pregnancy and delivery safe for more women, and ensure newborns receive appropriate care.



**The ELMA Foundation (UK)**  
**For the period ended 31 December 2018**

**TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT) (CONTINUED)**

- **Early childhood development ("ECD"):** To improve access to quality early childhood care and education.
- **AIDS-free:** To ensure that children and adolescents with HIV are identified, treated early and maintained on treatment.
- **Eliminate neglected tropical diseases:** To control, and where possible, eliminate neglected tropical diseases.
- **Private sector solutions:** To demonstrate how the private sector can expand coverage of quality health and education.

A further category, Special Opportunities, denotes grants that are directly in furtherance of the Objects of the Charity but where the purpose of the grant spans across a number of focus areas and/or do not fall within any specific focus area. The respective approaches, targeted geographical locations, measures of success and what success looks like are articulated in the Charity's investment framework (the "Investment Framework") that guides its philanthropy in these focus areas.

The Trustees review the Investment Framework annually to ensure that the strategies continue to be fit for purpose in furtherance of the Objects.

**PUBLIC BENEFIT**

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives, planning future activities and setting the grant-making policy for the year. Despite receiving donation income, the Charity is not engaged in fundraising with the public, either directly or through third parties.

**MANAGEMENT AND GOVERNANCE ARRANGEMENTS**

The Trustees delegate the implementation of their decisions and day-to-day management of the affairs of the Charity to one of the Trustees, who together with her administrative staff voluntarily contribute their time and resources to administer the Charity's activities.

The Trustees annually review the risks that the Charity faces. To date these have been mainly to ensure that grant-making activities are in furtherance of the Objects and grants are made to reputable and impactful charities with programmes in Africa and the UK. These risks have been mitigated by ensuring that grants are made in accordance with the Investment Framework and the established grant-making policy.

**PROCEDURE AND POLICY FOR GRANT-MAKING**

The Trustees are committed to ensuring that the Charity's funds are used for purposes that are exclusively charitable under the law of England and Wales and are used effectively and for public benefit. To that end, they have formulated a grant-making policy, which may be amended from time to time, to set out clear guidelines to be followed by the Trustees when considering any proposed grant. The Charity does not consider unsolicited proposals for grant funding.

Most of the Trustees have extensive experience in grant-making within the sectors covered by the Objects and will apply such experience in the identification and selection of appropriate grant recipients for the Charity.

Additionally, the Trustees have appointed a grants advisory services provider to, in accordance with the Investment Framework, source potential funding programmes, to make funding recommendations to the Trustees as to possible grants and to monitor performance of grant recipients to ensure compliance with grant terms and conditions, achievement against specified performance criteria and specific outcomes.

Multi-year grants are funded in multiple disbursements. The Charity's multi-year grant agreement permits, for example, a three-year programme to be contracted for the full three-year term of the programme, but subject to annual reviews for compliance to specified conditions, performance criteria, outputs and outcome.

**The ELMA Foundation (UK)**  
**For the period ended 31 December 2018**

**TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT) (CONTINUED)**

For each new grant, a grant proposal, which includes the full programme budget and grant activities, is developed by the grant recipient. The Trustees collectively consider the grant and if approved, communicate their intention to grant up to the full grant term however only commit to fund the initial programme period (usually twelve months). The Trustees expense such disbursement, with each subsequent disbursement being subject to annual review for compliance with specified performance criteria and conditions for release of disbursement. During the annual review, the progress of the grant is assessed and if applicable, the subsequent year's work plan, budget, specified performance indicators, milestones and deliverables are agreed with the grant recipient and amended accordingly.

Further, failure to satisfactorily meet the grant conditions or if there are significant changes to any of the budgetary and other assumptions on which the Charity has relied in making the grant may result in the termination, suspension, adjusting the timing and/or amount of the grant, or alternate conditions being imposed thereon.

**ACHIEVEMENTS AND PERFORMANCE**

During the first reporting period of the Charity, the Trustees approved three grants; two grants amounting to £1,338,000 within the Neglected Tropical Disease and Private Sector Solutions focus areas and the third grant of £200,000 was categorised as 'Special Opportunities'. These grants are in line with the Investment Framework, which forms the Charity's objectives for the period.

**FINANCIAL REVIEW AND RESERVES**

The Charity neither seeks nor receives funding from the general public. Donations received were £7,030,000 and interest income was £3,612. Charitable expenditure amounted to £1,644,790, where grant funding accounted for 93.5% and support costs (including governance costs) accounted for 6.5% of total charitable expenditure.

The Charity's reserves policy is to maintain, at the end of each accounting period, cash and cash equivalent reserves to cover one year's grant disbursements on active grants plus one year's normal operating expenditure. As at 31 December 2018, the Charity had unrestricted reserves of £5,388,822, which was in excess of requirements of its reserves policy. As at 31 December 2018, forecast conditional disbursements that are subject to annual reviews during the year ending 31 December 2019 are at most £4,539,000 and operating expenditure are not expected to exceed £150,000.

**FUTURE PLANS**

The Charity intends to continue to support reputable and impactful charities whose ultimate beneficiaries are the children and young people in need in the continent of Africa and the UK, all in pursuance of its Objects, which are entirely charitable. It endeavours to further its Objects by pursuing the strategies outlined in the Investment Framework in the short to medium term.

Activities for the upcoming year include monitoring and reviewing the three existing grants and continuing to actively pursue grant-making opportunities that align with the Investment Framework.

The Trustees' Report, including the Strategic Report, was approved by the Board and signed on its behalf by:



Martin Lancaster  
Trustee



**The ELMA Foundation (UK)**  
**For the period ended 31 December 2018**

**TRUSTEES' RESPONSIBILITIES STATEMENT**

The Trustees (who are also directors of The ELMA Foundation (UK) for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the Trustees to prepare financial statements for each financial period which 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

# **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF The ELMA Foundation (UK)**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion the financial statements of The ELMA Foundation (UK) (the 'charitable company'):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of financial activities (including income and expenditure account);
- the balance sheet;
- the cash flow statement;
- the statement of accounting policies; and
- the related notes 2 to 9.

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).

### **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 auditor's 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 UK, including the Financial Reporting Council's (the 'FRC'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 are required by ISAs (UK) to report in respect of the following matters where:

- the trustees' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' report, other than the financial statements and our auditor's 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



## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF The ELMA Foundation (UK)**

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 respect of these matters.

### **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 purpose 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.

### **Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

### **Report on other legal and regulatory requirements**

#### **Opinions 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, which includes the strategic report and the directors' report prepared for the purposes of company law for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report included within the trustees' report.

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

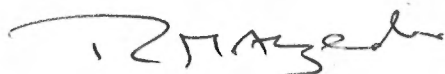
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are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

We have nothing to report in respect of these matters.

# **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF The ELMA Foundation (UK)**

## **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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Reza Motazedi FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, UK  
16 May 2019

**The ELMA Foundation (UK)**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(including income and expenditure account)**  
**Period ended 31 December 2018**

	Note	Unrestricted funds £	Total funds 15 months ended 31 December 2018 £
<b>INCOME FROM:</b>			
Donations	2	7,030,000	7,030,000
Interest income	2	3,612	3,612
<b>TOTAL INCOME</b>		<b>7,033,612</b>	<b>7,033,612</b>
<b>EXPENDITURE ON:</b>			
Charitable activities	3	1,644,790	1,644,790
<b>TOTAL EXPENDITURE</b>		<b>1,644,790</b>	<b>1,644,790</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>5,388,822</b>	<b>5,388,822</b>
<b>RECONCILIATION OF FUNDS:</b>			
Net movement in funds for the year		5,388,822	5,388,822
Total funds carried forward	8	<b>5,388,822</b>	<b>5,388,822</b>

There were no other recognised gains or losses other than those listed above and the net income for the year. All income and expenditure derives from continuing activities.

The notes on pages 12 to 15 form part of these financial statements.



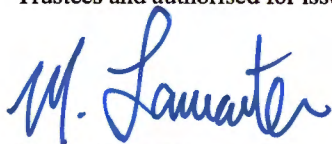
## The ELMA Foundation (UK)

### BALANCE SHEET At 31 December 2018

	Note	2018 £
<b>CURRENT ASSETS</b>		
Cash at bank and in hand		5,419,503
<b>CURRENT LIABILITIES</b>		
Creditors: amounts falling due within one year	7	30,681
<b>Total Assets less Current Liabilities being Net Current Assets</b>		5,388,822
<b>NET ASSETS</b>		<u>5,388,822</u>
<b>FUNDS</b>		
Unrestricted funds		5,388,822
<b>TOTAL FUNDS</b>	8	<u>5,388,822</u>

The notes on pages 12 to 15 form part of these financial statements.

These financial statements of The ELMA Foundation (UK) registered number 10986594 were approved by the Board of Trustees and authorised for issue on 16 May 2019. They were signed on its behalf by:



Martin Lancaster  
Trustee

**The ELMA Foundation (UK)**

**CASHFLOW STATEMENT**

**Period ended 31 December 2018**

	<b>15 months ended 31 December 2018</b>
	<b>£</b>
<b>Net cash provided by operating activities</b>	5,415,891
<b>Cash flows from investing activities</b>	
Interest received	3,612
<b>Net change in cash and cash equivalents in the period</b>	<u>5,419,503</u>
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	<u>5,419,503</u>
<b>Analysis of cash and cash equivalents</b>	
Cash in hand	5,419,503
Cash equivalents	-
<b>Total cash and cash equivalents</b>	<u>5,419,503</u>

	<b>15 months ended 31 December 2018</b>
	<b>£</b>
<b>Reconciliation of net income/(Expenditure) to net cash flow from operating activities</b>	
Net income for the year (as per the statement of financial activities)	5,388,822
Adjustments for:	
Increase in creditors	30,681
Investment income	<u>(3,612)</u>
<b>Net cash provided by operating activities</b>	<u>5,415,891</u>

## **The ELMA Foundation (UK)**

### **NOTES TO THE FINANCIAL STATEMENTS**

**Period ended 31 December 2018**

#### **1. ACCOUNTING POLICIES**

##### **Company and charitable status**

The ELMA Foundation (UK), (the “Charity”), Company Registration Number 10986594, was incorporated on 28 September 2017 in England and Wales as a company limited by guarantee not having a share capital. It is a Public Benefit Charity and is registered in England and Wales, Registered Charity Number 1176782. The Charity amended its accounting reference date from 30 September to 31 December and accordingly its first financial reporting period is for the extended period from 28 September 2017 to 31 December 2018.

##### **Basis of accounting**

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.

Assets and liabilities are recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The functional and presentational currency is Great Britain Pounds (GBP).

##### **Going concern**

In accordance with its reserves policy, the Charity has cash and cash equivalent reserves to cover one year’s grants disbursements on existing commitments and normal operating expenditure. It is considered to have sufficient resources to meet its obligations as they fall due for at least 12 months and there is no indication that the Charity would not be able to operate as a going concern for the foreseeable future. The Trustees, therefore, consider that the going concern assumption is an appropriate basis on which to prepare these financial statements.

##### **Income**

Income is recognised when there is an entitlement to the funds, it is probable that the income will be received and the amount can be measured accurately.

##### **Expenditure**

All expenditure are accounted for on an accrual basis. Expenditure includes attributable VAT, which cannot be recovered. Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on charitable activities includes grant funding, direct and support costs.

Grant funding is expensed in the period following execution of the grant award agreement and/or when the specified performance criteria and conditions for release of payment have been met by the grant recipient.

Direct costs are costs of grant-making and monitoring.

Support costs include governance costs consisting of audit, legal and company secretarial fees.

##### **Critical accounting judgements and key sources of estimation and uncertainty**

In the application of the Charity’s accounting policies, which are described in this note, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There are no critical accounting judgements or key sources of estimation uncertainty at the reporting date.



## The ELMA Foundation (UK)

### NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 December 2018

#### Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. Financial assets which qualify as basic financial instruments as laid out in FRS 102 paragraph 11.8, including trade and other receivables and cash and bank balances. These are valued at amortised cost and assessed for impairment at the end of each reporting period.

Financial assets are derecognised when and only when (a) the contractual right to the cash flows from the financial asset expire or are settled, (b) the Charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Charity after deducting all of its liabilities. All financial assets and liabilities are initially measured at transaction price (including transaction costs) unless the arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

#### Tax

The ELMA Foundation (UK), as a registered charity, is exempt from Corporation Tax under the Corporation Tax Act 2010 (chapters 2 and 3 of part ii, section 466 onwards) or section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes. The Charity is exempt from tax as all its income is applied for charitable purposes.

### 2. ANALYSIS OF TOTAL INCOME

	15 months ended 31 December 2018
Donations	7,030,000
Interest income	3,612
<b>Total</b>	<b>7,033,612</b>

### 3. ANALYSIS OF CHARITABLE EXPENDITURE

	Grant funding	Direct costs	Support costs	15 months ended 31 December 2018
	£	£	£	£
Grants to institutions (see note 4)	1,538,000			1,538,000
Grants advisory service (see note 5)		60,793		60,793
Legal and company secretarial services			28,324	28,324
Audit and tax advice			15,000	15,000
Miscellaneous cost			2,673	2,673
<b>Total</b>	<b>1,538,000</b>	<b>60,793</b>	<b>45,997</b>	<b>1,644,790</b>

## The ELMA Foundation (UK)

### NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 December 2018

#### 3. ANALYSIS OF CHARITABLE EXPENDITURE (continued)

None of the Trustees (or any persons connected with them) received any remuneration, benefits or reimbursement of expenses from the Charity during the period. There were no employees in the period. The support costs in the period include the governance costs incurred, being audit, legal and company secretarial services. All support costs above support grant-making activities.

#### 4. EXPENDITURE ON GRANTS

No grants were made to individuals. Grants have been made during the financial period to institutions within the following sectors:

Grants to institutions	Focus Areas	15 months ended 31 December 2018
		£
Royal Commonwealth Society for the Blind	Neglected Tropical Diseases	1,023,000
Absolute Return for Kids	Private Sector Solutions	315,000
CAMFED International	Special Opportunities	200,000
<b>Total</b>		<b>1,538,000</b>

Multi-year grants are funded in multiple disbursements. The Charity only commits to, and expenses one disbursement at a time, with each subsequent disbursement being subject to review for compliance with specified performance criteria and conditions for release of disbursement. If the specified performance criteria and conditions for release of disbursement are met, further funding of the subsequent disbursement is made.

The total grants relating to future years, not yet committed, amount to £15,227,000 and are anticipated to be paid as follows, provided that the conditions for release of payments are fully met:

	£
2019	4,539,000
2020	4,006,000
2021	3,637,000
2022	3,045,000
<b>Total</b>	<b>15,227,000</b>

#### 5. GRANTS ADVISORY SERVICE

The ELMA Philanthropies Services (US) Inc. ("Philanthropies") provides grants advisory service to the Charity to support its grant-making. Philanthropies is appointed on a commercial basis and on a rolling retainer whereby the Charity would be entitled to terminate on three months' notice at the end of any calendar quarter.

During the period, the Charity has received services for four consecutive calendar quarters commencing from Q1 2018, at US\$20,000 per quarter. The total charge for Philanthropies' service during the period was £60,793 (US\$80,000).

## **The ELMA Foundation (UK)**

### **NOTES TO THE FINANCIAL STATEMENTS**

**Period ended 31 December 2018**

#### **6. NET INCOME FOR THE PERIOD**

	<b>15 months ended 31 December 2018</b>
<b>Net income is stated after:</b>	<b>£</b>
<b>Auditor's remuneration:</b>	
Fees payable to the Charity's auditor for the audit of the Charity's annual financial statements	12,000
Fees payable to the Charity's auditor for taxation services	3,000

#### **7. CREDITORS**

	<b>15 months ended 31 December 2018</b>
Amounts falling due within one year:	<b>£</b>
Accrued expenses	<b>30,681</b>

#### **8. ANALYSIS OF UNRESTRICTED FUNDS**

	<b>General</b>
	<b>£</b>
At 28 September 2017	-
Net income	5,388,822
At 31 December 2018	<b>5,388,822</b>

#### **9. RELATED PARTIES**

Two of the five Trustees of the Charity are on the Board of Directors of The ELMA Philanthropies Services (US) Inc. ("Philanthropies") and accordingly are considered to be related parties. Without exception, the conflicted Trustees recuse themselves from decisions pertaining to the appointment and retention of Philanthropies for the provision of grants advisory service, and the setting of the quarterly fee for such grants advisory services. During the period, Philanthropies received £45,112 for services rendered and the amount payable as at 31 December 2018 was £15,681.