

Elton John AIDS Foundation

Annual report and financial statements

Our year

£9.7m

Value of grants awarded in 2015



20

Number of countries our awarded grants will impact



130,000

HIV tests funded by the Foundation in 2015



£100.7m

Grantees' estimate of leverage provided by Foundation grant



543,000

Individuals provided with direct support by the Foundation in 2015



14%

Cost to income ratio of our fundraising activities in 2015



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Annual report and financial statements

For the year ended 31 December 2015

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**The Trustees' Report incorporates the Strategic Report*

Chair and Executive Director's introduction

Support provided

During 2015 we committed greater support to people affected by or at risk from AIDS than ever before, distributing £7.2m of approved funding and authorising a further £9.7m for new programmes.

As a result of grants paid in 2015, we have been able to reach 544,000 people, this is an increase of 41% over the 387,000 people reached in 2014. We are particularly proud that in 2015, we funded 130,000 HIV tests, an increase of 75% over the 75,000 funded in 2014.

Our grantees report that as a result of our support they have secured a further £100.4m in funding from other institutions whose decisions are based on their confidence in Foundation-funded programmes.

The programmes we support vary widely but the goal in every instance is to identify the most effective and affordable way to reduce the number of people who become infected with HIV or get sick and die of an AIDS related illness. Providing HIV tests is therefore a core part of the work. In 2015 the Foundation funded over 130,000 tests. For those who test positive, our goal is that they be linked to HIV treatment that not only reduces their own risk of becoming sick, it dramatically minimises their chances of passing HIV on to anyone else. Almost 5,000 people were newly linked to treatment in 2015 from projects funded by the Foundation.



The Africa Aid Project, Zimbabwe

Advocacy

Another highlight in 2015 was the considerable success that the Foundation had in securing bilateral and unilateral resources in the global fight against HIV and in ensuring that such resources were appropriately weighted towards key drivers of the epidemic and those groups or populations most at risk. Our work in this area included testifying at a hearing of the Senate Appropriations Subcommittee on State, Foreign Operations and Related Programs. This was part of the work that ultimately contributed to US approval of \$6bn to combat HIV in financial year3 2016; \$244m more than had been requested in the budget by President Obama.



Sir Elton John with President Obama

The Foundation has also ensured that world political and business leaders are aware of the issues surrounding AIDS. Amongst others in 2015, the Foundation met with President Obama, US Special Envoy Randy Berry, President Poroshenko and Prime Minister Malcolm Turnbull to discuss these issues. The Foundation also hosted (jointly with Sir Richard Branson) a meeting for the founders and CEOs of a number of leading global companies to discuss the critical role of business in fighting stigma surrounding HIV, particularly for LGBT communities, in the workplace.

Fundraising

2015 was a year in which the Foundation reviewed its fundraising model and the external charity fundraising landscape. We began diversification to a new 3-year fundraising plan, initiating a broader range of income streams and opportunities to showcase our work and achievements beyond the premium events which have served as the mainstay of fundraising in previous years. This transition took much of the second half of 2015 to research, develop, staff and embed and will place the Foundation on a more stable footing in 2016 and beyond.



Guests at the 2015 Woodside Gallery Dinner

New initiatives already launched in 2016 include a “Circle of Life” membership scheme and targeted support for a “Young Survivors” programme aimed at adolescents living with HIV. Early response has been encouraging.

The announcement of a US\$5m grant from the United States Government’s PEPFAR programme to help LGBT people in Africa has also presented a fundraising option for our supporters.

Event activities are newly underpinned by a multi-year partnership with international jewellers Bulgari, approved in early 2016.



David Furnish
Chairman

Strategic Planning

In light of compelling findings across multiple clinical research trials into the efficacy of HIV medications not only to save lives but to prevent onward transmission of the disease, our Trustees feel a real window of opportunity now exists to accelerate progress in the fights against AIDS. The United Nations Sustainable Development Goal (SDG) 3 to end the global AIDS epidemic by 2030, agreed in September 2015 and underpinned by mid-term goals for 2020, adds urgency and momentum to such an opportunity. This is set against the threat of rapidly expanding HIV epidemics amongst adolescents, particularly young women, and vulnerable populations such as the LGBT community, as well as increasing pressure on multilateral and bilateral resources and new legislation hostile to homosexuality in many countries which fuels HIV stigma and transmission.

Trustees have therefore reviewed strategic options for the Foundation over five, and fifteen year time horizons with a view to spending down additional reserves on a surge of support to programmes that can act on clinical research to effectively and quickly reduce the spread of HIV. Spending will also be expanded for advocacy that highlights the drivers of HIV growth in specific areas. A revised funding model up to 2024 is being developed for review, together with an ambitious advocacy plan. These will be recommended for approval during 2016.

Thank you

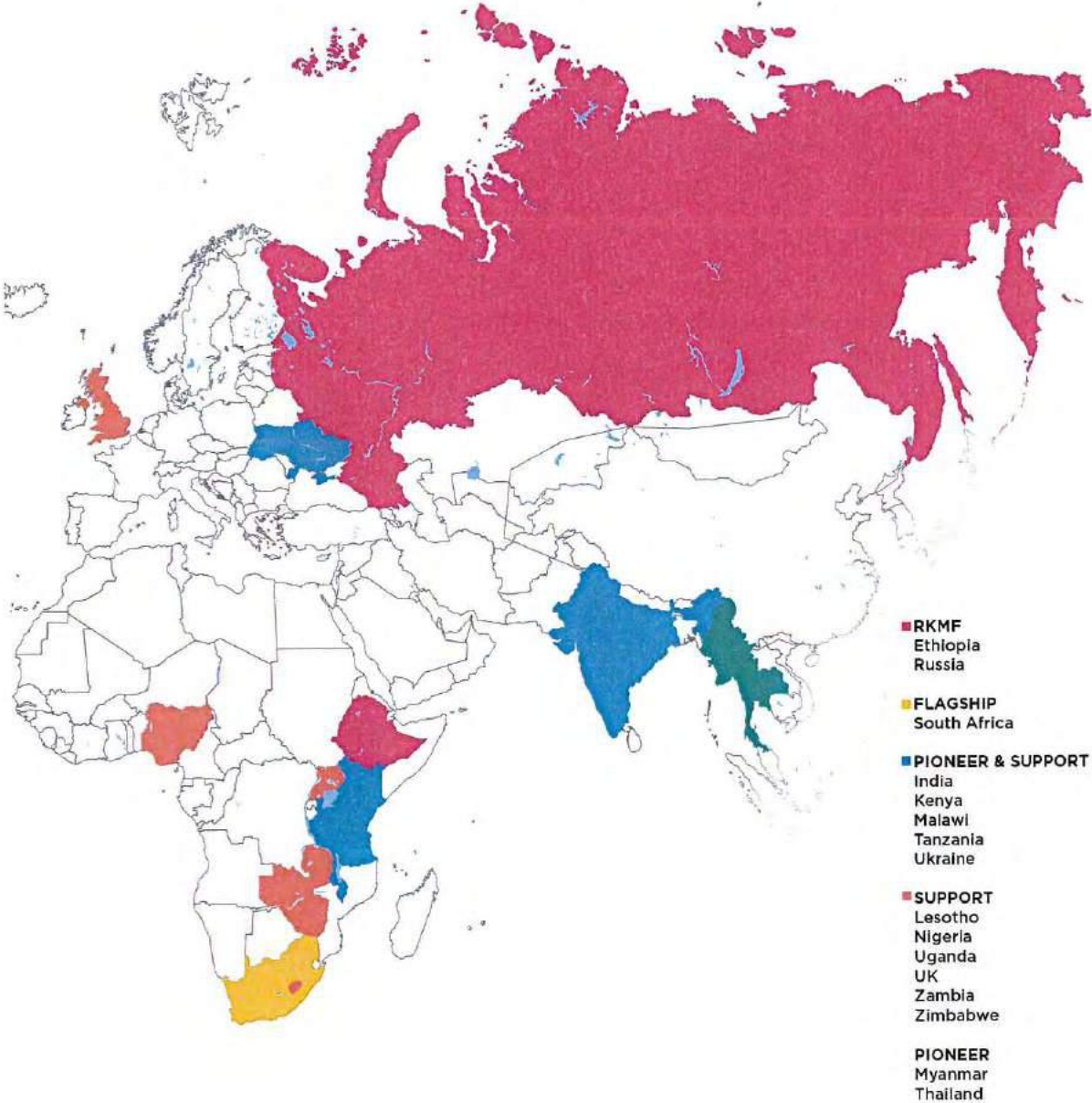
We are proud of our wonderful supporters. Whether it is the commitment of those who support specific areas of our work, the generosity of those who bid so determinedly in fundraising auctions, the energy of our individual supporters, or the passionate engagement of our volunteers and staff, each and every one of you is making a huge difference to the lives of people with HIV. Thank you for helping us get closer to an AIDS free future.



Anne Aslett
Executive Director

Where we operate

The Foundation provides grants to support for people affected by or at risk from HIV in Africa, Asia, Europe and Australasia. Currently the Foundation is providing grants in the following countries:



Objectives & activities

Purpose

The Foundation's vision is an AIDS free future. Our purpose is to contribute to making this vision a reality. An AIDS free future can only be achieved by eliminating new HIV infections and making sure that people do not become sick and die. Everyone needs access to non-discriminatory HIV information and services that allow them to keep healthy and safe. It is essential that those most at risk of HIV, and therefore most stigmatised because of that risk, are not left behind in the creation of an AIDS free future.

Our main contribution to this vision is through making grants, mainly to civic organisations that will improve people's access to services and get their rights addressed. The Foundation also supports these organisations to become more effective. EJAF believes that since collaboration between formal and non-formal sectors is essential in achieving this vision, it will use its influence with other grant makers, with governments and companies to leverage further funding and services and break down stigma and discrimination. It will also seek to engage and influence public policy and funding as it relates to HIV services.

Main activities undertaken

The Foundation continues to fund a broad range of services for those living with or affected by HIV, including education, peer support, medical care and commodities, HIV counselling and testing. The Foundation funds operational research but does not support pure medical research. Particular emphasis is given to the most disadvantaged or high risk groups, both nationally and internationally, and to community driven programmes that place people living with HIV at the centre of service provision.

Grant making activity

The Foundation's website provides information about how it views the current landscape and needs of the AIDS epidemic. It highlights case studies of responses it has made to those needs to date and

details the type of work it aims to fund going forward.

Advocacy and communications

The Foundation seeks to use its influence to secure bi-lateral and unilateral resources in the global fight against AIDS and to ensure that such resources are appropriately weighted towards key drivers of the epidemic and those groups or populations most at risk. It also seeks to bring new champions to the issue who have either resources, access or geographical reach to influence global impact.

Public benefit

The overall objectives of the Foundation, as defined in its mission statement, are:

The Elton John AIDS Foundation exists to empower people infected, affected and at risk of HIV/AIDS; to alleviate their physical, emotional and financial hardship, enabling them to improve their quality of life, live with dignity and exercise self-determination.

EJAF believes and values that:

- *Everyone is entitled to dignity and respect.*
- *Everyone has the right to access the best medicine.*
- *Everyone has the right to information, opportunities and choices as part of the empowerment process.*
- *Those most directly affected by the epidemic are central to finding effective solutions.*
- *Care and concern for each and every person, respect for their human and legal rights – particularly of the most vulnerable and marginalised – is central to any caring community.*

EJAF aims to:

- *Be transparent and accountable.*
- *Be effective and responsive as a grant making charity.*
- *Achieve a positive impact with its funding.*
- *Work in partnership with a wide range of stakeholders.*

- *Learn from its work and share knowledge gained.*

The Trustees consider that the Foundation has complied with Section 17 of the Charities Act 2011 in respect of Public Benefit, and the Trustees have had regard to the Charity Commission's guidance.

Performance evaluation and planning

An appraisal of the charity's performance against goals is reviewed annually by both staff and Trustees.

The charity's strategic plan, covering the period 2014-2018, was approved by the Board in December 2013. Work plans against the strategy are developed annually to fulfil governance, finance, fundraising and grant making objectives and monitored at Senior Management Team and committee meetings throughout the year. An end-of-year organisational review in December 2015 confirmed that the charity is on target to deliver against most goals, although certain fundraising initiatives had underperformed. The achievements of the Foundation are referred to in the Grant Making, Advocacy & Communications, Fundraising and Finance Reviews later in this report.

Grant making review

Review of the year

Grant commitments made	2015 £000	2014 £000
Flagship	-	3,200
Pioneer	5,680	1,584
Support	3,274	724
Advocacy	343	37
Robert Key Memorial Fund	121	35
Gross new commitments	9,719	5,580
Exchange movements and grants terminated or underspent	-513	-419
Net new commitments	9,206	5,161

During 2015, the Grants Team received 183 requests (2014: 535) for support, with a total value of £64m (2014: £123m). Additionally, the Robert Key Memorial Fund received requests totalling £7m (2014: £4m).

The current grants portfolio stands at £21m (2014: £18m).



The Vihda Association project, Kenya

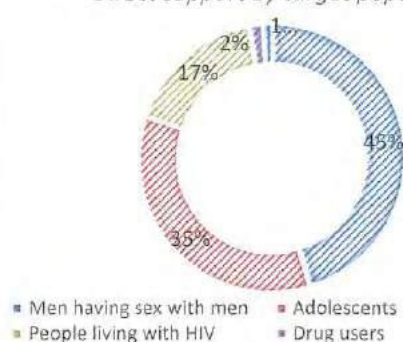
The Foundation is delighted to hear from 2015 grantees that, as a result of grants made by EJAF, they have received a further £100.4m in funding from other bodies.

Field trips were undertaken during the year to current and potential grantees in India, Malawi, South Africa, Thailand and Zimbabwe, as well as within the UK.

Populations supported

During 2015, the Foundation estimates that it provided direct support to 544,000 individuals (direct support includes anyone who has directly benefitted from a programme we have funded). This is a 41% increase on the 387,000 individuals helped in 2014. The beneficiaries by target population and type of support offered are as follows:

Direct support by target population



Type of support offered

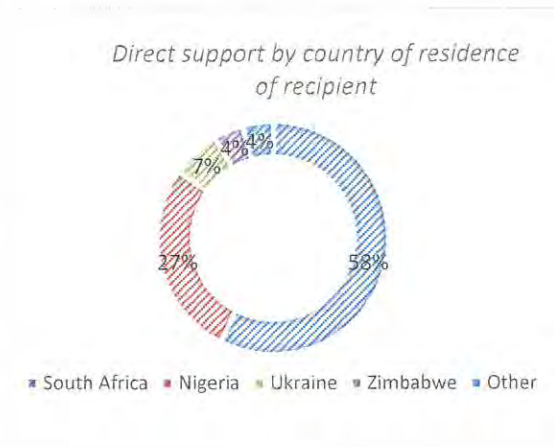


The 131,000 HIV tests that we funded in 2015 represents a 75% increase over the 75,000 we funded in 2014. The testing was to the following population groups:



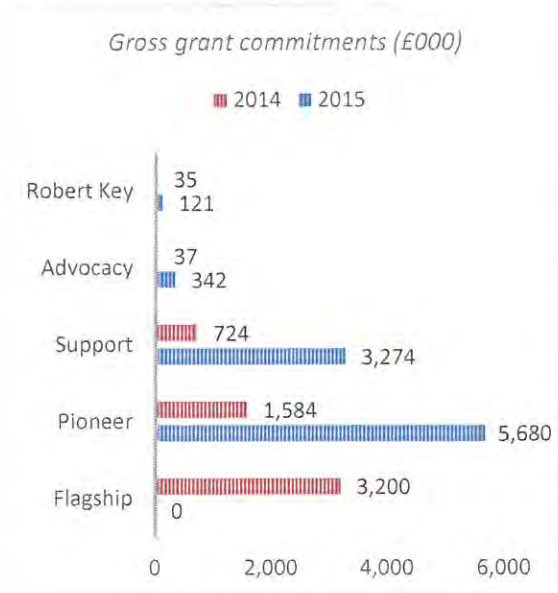
In addition to direct support the Foundation provides indirect support, such as the advice available on its website.

The direct support provided was in the following countries:



Grants made in 2015

Gross new commitments in 2015 totalled £9.7m (2014: £5.6m), and can be broken down by grant type as follows:



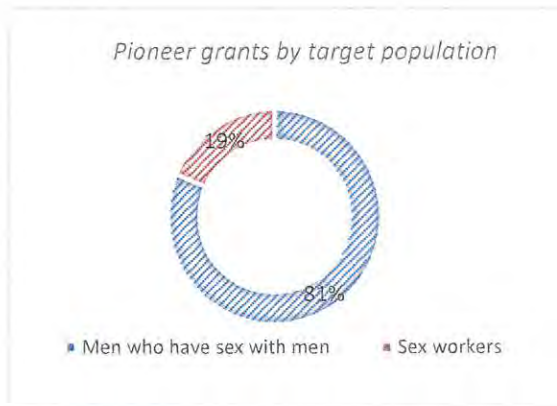
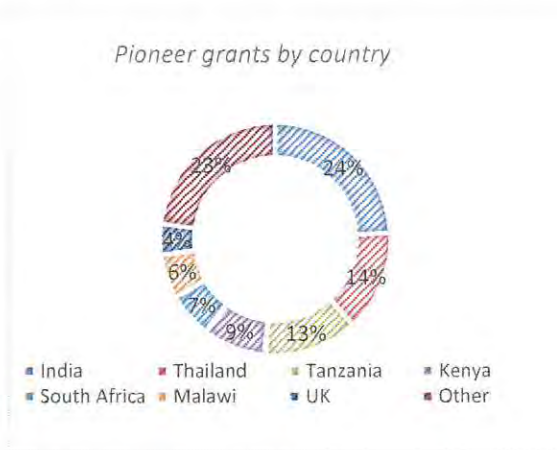
Flagship Grant

During 2015 no new flagships grants were entered into. Preparatory work was undertaken with Public Health England (PHE) and the National Health Service (NHS) to look at support work to reduce rates of HIV late diagnosis in The London Borough of Lambeth and Leeds. The aim of this project is to reduce the rate of late HIV infection diagnosis and to produce a measurable increase in the annual number of new HIV diagnoses (within a 12-month period) in a project area where there is likely to be a large number of undiagnosed HIV infections. This preparatory work is likely to result in a flagship grant being awarded in 2016.

Pioneer Grants

Where Flagship Grants advance a co-ordinated response amongst multiple stakeholders (such as government, civil society and the media) who are already deeply engaged in HIV work, Pioneer Grants by contrast are for new, standalone programmes that can act as proof of concept in how to deliver results for a particular beneficiary group, or in a particular geography, that has great need but is proving extremely challenging. Like Flagship grants, Pioneer grants prioritise key populations at higher risk – such as Men who have Sex with Men (MSM), sex workers and people who use drugs.

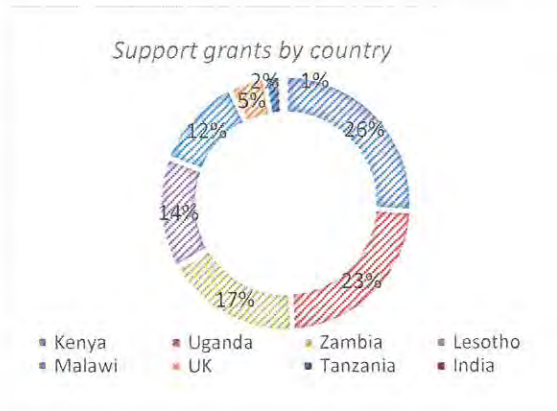
The chart below displays the countries in which EJAF awarded Pioneer Grants during 2015 totalling £5.7m.



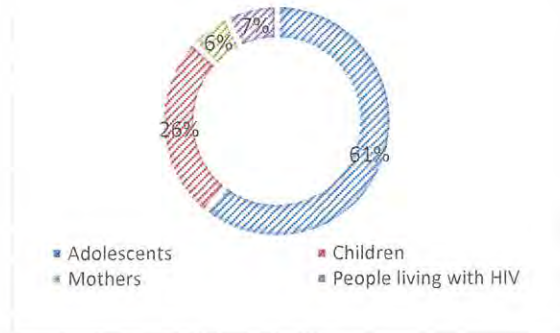
Support Grants

EJAF's Support Grants, which align with the UNAIDS Global Plan, are ones in which we are a part of a wider coalition helping to fight the epidemic within the generalised population.

The charts below analyse the Support Grants awarded by EJAF during 2015 totalling £3.3m.



Support grants by target population



Advocacy Grants

Recognising that the most effective responses must be shared quickly and widely to generate impact, Advocacy Grants aim to influence donors and countries to develop and implement effective initiatives that incorporate lessons learned by EJAF, its grantees and partners, and to increase funding for HIV from key donors (e.g. DfID, PEPFAR). These grants are part of an expanding area in our current strategy and in 2015 EJAF increased its commitment to the Advocacy portfolio by making 5 new grants.

During 2015 a total of £343,000 of Advocacy Grants were made.

Robert Key Memorial Fund Grants

These grants are named in memory of Robert Key MBE (1947-2009) who co-founded with Sir Elton John the UK arm of the Elton John AIDS Foundation. Robert was the first Executive Director of the Foundation. He had a personal mission to provide support to individuals who had no access to treatment or were shunned and shamed because of their links to HIV.

During 2015 a total of £121,000 of Robert Key Memorial Fund Grants were made.

Plans for future periods

The grants function will continue to monitor a pipeline of applications and performance of funded grants against the approved strategy.

In 2016, as the current Grants Strategy hits its mid-point, we will be commissioning a series of evaluations of progress against anticipated results across the grants portfolio and within specific areas as well as scanning the external landscape for

material changes since the strategy was developed. Learning from these evaluations will be widely shared internally and with other stakeholders across the HIV development sector.

We will recruit management and develop operating procedures for a new, multi-year \$10m LGBT fund in partnership with the President's Emergency Plan for Aids Relief (PEPFAR) operating across 10 countries over the next three years.

The grant making process



Members of the Foundation's staff visit the MAMTA "My life my choice" project, India

The Foundation's grant making activity operates on the following basis:

1. **How to Apply for a Grant.** Potential applicants are directed to the Grants section of the EJAF website, where they can view details of the 4 grant portfolios that EJAF awards funds under:
 - a. The Robert Key Memorial Fund, which is open all year round and applicants can submit a Concept Note at any time.
 - b. Pioneer Grants. Pioneer Grants are open for application at certain times of the year (usually 4 times per year, for 6 weeks at a time).
 - c. Support Grants which are by invitation only.
 - d. Flagship Grants– are also by invitation only.
 - e. Advocacy Grants – are also by invitation only.

Any applicant wishing to apply for grant must submit a Concept Note online (for Robert Key Memorial Fund and Pioneer Grants) or send through a Concept Note following an expression of interest (for Support/Flagship/Advocacy Grants). If EJAF approves the Concept Note, the applicant is invited to submit a full application online. In addition to the main application, applicants are requested to provide: Project Budget, Project Work Plan, Project Diagram,

Latest Accounts, 2 References, Constitution or Articles of Association, Financial Management Procedure and the EJAF Policy Questionnaire. Applicants have 4 weeks to submit their application.

2. **EJAF Review Process.** When an application has been submitted, the Grants Coordinator checks the content of the proposal to make sure all of the information provided is complete. Additionally, references, accounts and all other supplementary documentation is reviewed prior to a full review to ensure that the applicant meets our eligibility criteria. When reviewing an application, a number of areas are taken into account in order to gauge the suitability of the programme to address the identified problem. For example, whether the proposal fits our current grants strategy, and whether there is a clear idea of what the project is seeking to achieve. Similarly, the reviewer will take into account the financial viability of the proposal, whether it offers value for money in comparison to other grants and whether the applicant has sourced other income for the project. The proposal and accompanying comments are then sent to the Grants Panel for approval/rejection.

3. **EJAF/Grantee Relationship.** Once an application has been approved, the Grants Coordinator will notify the applicant of the formal approval via email. The applicant is then required to submit a preferred reporting and payment schedule, the start date of the grant, confirmation of project targets/goals, confirmation of their Senior Financial Representative (SFR), the CV of the SFR and an organogram. A Letter of Agreement is then drawn up and sent to the applicant for signing, with the first tranche of funds being paid out before the project start date. Usually, grantees will be required to report back on progress every 6 months (comprising of a narrative report, expenditure report and work plan report), with payment of each subsequent tranche of funds contingent upon a satisfactory project update.

4. **How EJAF Determines Impact.** At application stage, applicants are required to submit clear project outcomes, how these outcomes will be measured, and specific targets/indicators (such as Total Beneficiary Numbers, Higher Level Goals and Key Performance Indicators). When reporting to EJAF during the project period, grantees submit a narrative on project progress, a work plan report and submit up to date data against agreed targets. This enables the Grants

Team to gauge progress against the application, but this can also be assessed based on a project visit, discussions with other partners, or case studies. Applicants may also – but are not required to – submit additional information

regarding progress which will demonstrate the project's impact (i.e. an organisational 'Impact Report', detailed project data or news articles).

Providing stigma free doctor services in Ukraine

Globally, gay men and other men who have sex with men (MSM) are 19 times more likely to be living with HIV than the general population. Stigma is still HIV's deadliest symptom, but we know we can only achieve an AIDS free future if everyone has the chance to protect themselves. Ukraine's HIV epidemic among the general population has slowed in recent years but new infections among MSM are worryingly on the increase.



Although same-sex relationships are not criminalized in the country, 80% of people still hold negative attitudes towards homosexuality in Ukraine. These attitudes lead to stigma and discrimination against gay and bisexual men in every sphere of life. This high level of homophobia against the LGBT community means that MSM are often shunned by doctors and nurses or simply too afraid to visit public health care facilities. The Elton John AIDS Foundation is partnering with Tochka Opory – one of the leading LGBT organisations within the country – to create a welcoming, safe environment where MSM can get tested for HIV, receive counseling and be supported

through their treatment. Access to HIV services are under threat in Ukraine's current climate, but our work provides a lifeline to the LGBT community.

Vladimir has been one of the clients of the innovative 'Friendly Doctor' project. He says:

"The 'Friendly Doctor' office was the place where my partner and I were not scared to come and get tested for HIV. I love the way the way you can book an appointment with a doctor online. For me it's a great opportunity to feel safe and comfortable."

The project works in 9 regions of Ukraine and a network of gay-friendly doctors exist who test for HIV, provide free advice on safe sexual practices and help reduce the risk of infection for gay men. To date, over 17,500 MSM have received an HIV test and over 26,000 unique users have benefited from online services via the 'Friendly Doctor' website. Furthermore, following Sir Elton's speech at the Yalta European Strategy Annual Meeting in Kiev last year, Tochka Opory were instrumental in pushing for the adoption of a new law in the country which bans employment discrimination based on sexual orientation.

Using the power of football to reduce the incidence of HIV in Zimbabwe

Adolescents are the most vulnerable age group. While all other age groups are experiencing a 38% decline in AIDS-related deaths, young people are the only age group in which this is not the case. AIDS is the biggest killer of 10-19 year olds in Africa and every hour, 30 young people are infected with HIV. Having healthy, educated, skilled young people is crucial for Africa's future. Something must be done to end the AIDS epidemic in adolescents or we will see a lost generation.



Grassroots Soccer (GRS) began in Zimbabwe in 2002 to address just this issue. They focus on the needs of young people by utilizing the immense popularity and power that football commands in Africa to educate youth on topics such as making healthy decisions, avoiding risks and HIV testing and treatment. The interactive HIV prevention and life skills curriculum is run by a diverse group of local role models that young people – both boys and girls – look up to, respect and aspire to emulate. Most of these role models are young, female, living with HIV, professional footballers or graduates of the programme themselves. The ability of the coaches to bond with and mentor

young people ensures the programme achieves a greater impact and that the information learnt by participants is diffused throughout the community. Since their founding, GRS have expanded to operate flagship sites in South Africa, Zambia, Zimbabwe and Ukraine. GRS as a technical assistance partner have helped design and launch projects in 10 other countries.

Since 2010, the Elton John AIDS Foundation has awarded over £1.9m to support the work of GRS, testing over 50,000 young people for HIV and helping to educate, inspire, and mobilize young people to create an AIDS free generation.

Providing a lifeline for people who use drugs in Tanzania

It is estimated that 13% (1.7 million) of all people who inject drugs around the world are living with HIV. Thanks to global prevention efforts and increased availability of treatment, many countries are now seeing a decline in new HIV infections. However, for people who inject drugs, a combination of stigma, criminalization, poor services and underinvestment means that this population is being severely left behind in the global HIV response.

Credit Mia Collis

In 2014, the Elton John AIDS Foundation partnered with Doctors of the World to address a growing, but highly neglected, issue: the lack of HIV and harm reduction services for people who use drugs in Dar es Salaam, Tanzania. Based on a successful pilot, this highly innovative programme – which has also involved local religious leaders and police – represents the first intervention of its kind in Tanzania and is just one of a handful of programmes in Africa which provide people who inject drugs with essential HIV prevention and treatment services.

Rahema – who is HIV positive and someone who used drugs – benefited from training sessions in harm reduction and sexual health and is now an HIV counselor on the programme herself. She says

“The virus is still hiding. I have changed physically, of course, but I know that I shouldn’t stop taking my anti-retroviral.”

The programme has provided harm reduction services (such as clean injection materials and substitution therapy) to 15,000 people, and has enabled 4,000 individuals to test for HIV. Because of the success of the programme in demonstrating that HIV and harm reduction services can be provided in a non-judgmental and non-abstinence based way, the Tanzanian government now recognizes the need for clearer guidelines for people who use drugs in national HIV strategies.



Mohamed Osman

Grants Director

Advocacy & communications review

Review of the year

Fundraising income	2015	2014
	£000	£000
Advocacy & communications expenditure	39	23

To maintain the Foundation's influence in securing bilateral and unilateral resources in the global fight against HIV, a number of advocacy activities were undertaken, including:

Support for increased funding of PEPFAR FY 2016 and of Global Fund 2016 replenishment

Our work to support these funds (the two largest funds for HIV treatment and care worldwide) has included:

1. **US Visitor's Centre**, co-hosting a reception – 5 May 2015. EJAF invited the ONE Campaign to co-host a reception in the Capital to engage senators on the achievements and value of U.S. development assistance overseas through the President's Emergency Plan For Aids Relief (PEPFAR) which provides funding to expand and maintain HIV treatment and care to over 8 million people in developing countries. Senator Lindsey Graham Chairman of the Foreign Operations committee, and Senator Patrick Leahy, co-hosted the reception, which was attended by a bipartisan audience of over 80 representatives from the Senate and the House.



Sir Elton John addresses the ONE Foundation

2. **Senate Appropriations Subcommittee on State, Foreign Operations and Related**

Programs, testimony - 6 May 2015. Following from Sir Elton John's meeting with Secretary of State John Kerry in 2014 to launch our collaboration with PEPFAR in South Africa, and



Sir Elton John (Founder and Trustee), Mark Dybul (Trustee) and Deborah L. Bix (US PEPFAR Ambassador), at the Senate Appropriations Subcommittee

to aid bipartisan support for PEPFAR in the coming financial cycle, Sir Elton John provided testimony at a hearing of the Senate Appropriations Subcommittee on State, Foreign Operations and Related Programs. The relevant appropriations bill was subsequently approved by the Senate, who increased the budget allowance by \$244m over President Obama's initial request.

3. **Prime Minister Malcolm Turnbull**, meeting – 17 December 2015. During his Australian tour, Sir Elton John had a private meeting with the Australian Prime Minister to stress the critical importance of Australian overseas aid in the fight against HIV, including its valuable and highly leveraged investment in the Global Fund.



Sir Elton John meets Prime Minister Malcolm Turnbull

Ensuring funds to fight HIV/AIDS

Statistics indicate that key populations such as men who have sex with men are up to 20 times more vulnerable to HIV. We have met with leaders to ensure the needs of high risk populations are understood:

1. **President Obama.** On 6 May 2015 Sir Elton John and David Furnish met with President Obama at the White House to discuss LGBT discrimination, homophobic legislation in various countries in Africa and the corresponding impact on the AIDS epidemic in those territories. This meeting was timely as Secretary Kerry was in Kenya at the time and had championed the registration of the country's first formal LGBT organisation, which had been aided in their legal battle to register as an NGO by EJAF's grantee Human Diversity Trust. On his state visit to Kenya in July, President Obama explicitly highlighted LGBT rights at a press conference in Nairobi with his Kenyan counterpart.
2. **U.S. Special Envoy Randy Berry.** On 6 May 2015, a private lunch was hosted by the US and UK EJAF Foundations for Randy Berry, the US State Department's first ever Special Envoy for LGBT Human Rights.
3. **Yalta European Strategy (YES).** On 12 September 2015, Sir Elton John made a keynote speech at the YES Conference in Kiev to 200 business delegates and politicians, who were reviewing Ukraine's future governance, economy, alliances and society, on why LGBT inclusion was not only a human right, it made good business sense.
4. **President Poroshenko.** On 12 September 2015, Sir Elton John, David Furnish and Anne Aslett met with President Poroshenko of

Ukraine to discuss LGBT inclusion under Ukrainian law. Specific requests included changing the labour laws to prohibit discrimination based on sexual orientation at work, based on documented evidence that LGBT discrimination leads to greater HIV infection amongst this group. Ukraine's labour laws were subsequently amended on 12 November 2015 to protect LGBT rights in the workplace.

Engaging businesses leaders

Business leaders have a major influence on individuals and society in the fight against HIV. Our engagement work in 2015 has included:

1. **McKinsey GLAM 20th Anniversary.** In May 2015, to mark the 20th anniversary of its Gays & Lesbians At McKinsey (GLAM) network, the company held large seminars in London and New York for business leaders. David Furnish recorded a special video of congratulation which was screened at these events, urging continued leadership in creating diverse, LGBT-friendly workforces.
2. **Business Leaders' Dinner.** On 15 September 2015, Sir Elton John, David Furnish and Virgin founder Sir Richard Branson co-hosted a discussion session and dinner for 20 business leaders with significant operations in territories where homosexuality is illegal to review the business case for LGBT inclusion and diversity at work.
3. **UBS corporate awareness day.** On 27 November 2015, David Furnish and Anne Aslett were invited by UBS Chief Executive Andrea Orcel to deliver a special presentation to the bank for World AIDS Day.

Keeping the fight against HIV/AIDS on the public agenda

Public agenda activities included:

1. **World AIDS Day features.** On 1 December 2015 a 14-page pull out supplement devoted to HIV and global progress against the disease, headlined by a front page article from Sir Elton John, was distributed in all copies of the Independent. A similar insert on the history of AIDS, featuring an interview with David Furnish, was distributed through The Times newspaper.

Sir Elton John addresses the Winfield House reception

2. **Winfield House reception.** Mathew Barzun, US Ambassador to the UK, hosted a reception at the US Embassy to mark a new collaboration between the Foundation and PEPFAR to provide urgent funding for LGBT communities at risk of HIV in countries where homosexuality is illegal. HIV activists, policy makers, NGOs and the media attended the event, which was covered in the national press, on BBC news and in a special interview on CNBC.

Plans for future periods

The Foundation will continue to work with policy makers, business leaders and activists to keep the fight against HIV high on the public and policy agenda; to press for global resources to adequately fight the epidemic and to reduce laws and practices which significantly infringe the dignity and human rights of those living with or at high risk of HIV. We will also publicly champion evidence based innovation that can accelerate progress towards an AIDS free future.



Anne Aslett
Executive Director

In particular, 2016 sees a number of key meetings in relation to the global response to the AIDS epidemic including a High Level Meeting on AIDS convened by UN Secretary General Ban Ki Moon at the United Nations in June, the International AIDS Conference in Durban in July and replenishment of the Global Fund for AIDS, TB and Malaria, finalised in December 2016.

The Foundation will work with key stakeholders to amplify the influence of these events in raising both funding and global awareness as part of our drive to support meeting UNAIDS' interim goals by 2020 and SDG Goal 3 by 2030. This will include making our first grant awards from the LGBT Fund partnership with PEPFAR at the International AIDS Conference.

We will also continue to tailor communications to different audiences, using enhanced capability to describe impact and share personal stories from beneficiaries at both board and donor level, using digital and print media.

Fundraising review

Review of the year

Fundraising income	2015 £000	2014 £000
Total income	5,069	6,711
Less: investment income	(628)	(986)
trading costs	(150)	(864)
donations-in-kind	(149)	(130)
Total fundraising income	4,141	4,730
Fundraising costs	769	1,405
Less: investment costs	(13)	(14)
trading costs	(150)	(864)
donations-in-kind	(149)	(130)
Total fundraising costs	457	396
Fundraising cost to income ratio	11.0%	8.4%

Most of the income during the year was generated from events, merchandise, donations and income from grant making trusts. The consolidated gross income from fundraising activities and voluntary income amounted to over £4.4m for the year.



Ambassador Deborah Birx (US Global AIDS Co-ordinator), Ambassador Matthew Barzun (US Ambassador to the UK), Sir Elton John, David Furnish, and Brooke Barzun at the U.S. Ambassador's Residence in London for the launch of EJAF's new LGBT Fund in partnership with the US government

The Woodside Gallery Dinner (WGD), first introduced in 2014, again proved highly successful in generating £1.9m net income and raising awareness of HIV issues amongst the attendees.



David Furnish with guests at the 2015 Woodside Gallery Dinner

During the year we were delighted to support a fundraising dinner in aid of the Leonardo DiCaprio Foundation held at the Domain Bertrand Belieu Vineyard in Saint-Tropez which included a performance by Sir Elton John. The event auction included two lots to directly benefit the Foundation - a signed piano and a private performance – which raised a combined £1.2m.

Other fundraising highlights during 2015 included a Mothers' Day Fundraising reception generously hosted by Lord and Lady Rogers in their London home, the Life Ball in Vienna which Graham Norton attended on behalf of the Foundation and two Winq related events – a Spring Ball and the Winq Man of the Year Awards.



David Furnish, Jay Jopling, Deborah Birx (US Global AIDS Co-ordinator) and Sir Elton John with the event speakers at our Mothers' Day reception hosted by Ruth Rodgers

In 2014 an external agency was commissioned to review the charity's fundraising focus and performance over the last 3 years, benchmarking against the UK charity sector as a whole. As a result,

a new strategy has been developed and a new Fundraising Director, Jamie Webb, was appointed in 2015.

Plans for future periods

The priority for the Fundraising Team in 2016 is to implement the new fundraising strategy. Key features of the new strategy are:

- Reducing reliance on fundraising events from 80% to 40% by diversifying income streams within 3 years.
- Actively targeting all existing HNW supporters on the database and strategically engaging new HNWI with a programme of cultivation events - £3m annual income target.
- Actively targeting companies which have a history of supporting HIV projects - £2m annual income target.
- Developing three main initiatives in the near term to raise funds from corporates and major donors:
 - o Young Survivors fundraising appeal
 - o A fundraising appeal for LGBT projects tied into the PEPFAR grant
 - o A giving circle for major donors to thank them and recognise their support
- Proactively seeking opportunities to generate royalties from commercial partnerships £1m annual income target.
- Finally, we will continue to raise funds from an annual events programme - mainly from WGD but also from other opportunities - £4m annual income target.



Jamie Webb

Fundraising Director

Financial review

Review of the year

Consolidated financial outcome	2015	2014
	£000	£000
Income	5,069	6,711
Costs of raising funds	769	1,405
Expenditure on charitable activities	10,434	5,702
Net expenditure	(6,135)	(395)

The Foundation changed its accounting policy with regards to recognising grants commitments. These are now recognised in the Foundation's financial statements when a grant is contracted for (previously grants had been recognised when the grant was paid). The change was made to ensure compliance with the new Statement of Recommended Practice applying to charities. The impact of the change is detailed in the notes to the accounts.

Incoming resources

The Foundation's consolidated income was raised from the following sources:



The Foundation's reduced income in 2015 reflected a challenging year in which the fundraising function was in a period of transition: researching and developing a new fundraising strategy and recruiting against that strategy. The execution of the strategy has started in 2016.

The shortfall in 2015 income versus 2014 is largely attributable to a more modest performance from the Woodside Gallery Dinner than in 2014 and the deferment of a scheduled LGBT gala dinner (now

proposed for 2016). This resulted in a corresponding drop in direct costs, from £1.4m in 2014 to £0.8m.

Charitable expenditure

Consolidated Charitable Expenditure increased to £10.4m (2014: £5.7m). Some 88% of this total constitutes direct awards to implementing partners. The remainder is used to ensure that these partners and the projects are adequately supported, monitored and evaluated, that the charity is governed and managed effectively and appropriately and in support of further developing the effectiveness of the charity's fundraising.

Net income

Overall in 2015, the Foundation reports a net deficit of £6.1m (2014: deficit of £0.4m). This was the result of charitable expenditure increasing to £10.4m (2014: £5.7m), and incoming resources declining to £5.1m (2014: £6.7m).

Investments

The Foundation has an agreed Investment Policy. This provides delegated authority to the Finance & Investment Committee (FIC) to manage the Foundation's investments within stated parameters. The investment policy confirms that the Foundation will not make any investments which conflict with its aims.



Anne Aslett (Executive Director), David Furnish (Chairman) and UBS executives on World AIDS Day 2015

The Foundation seeks to produce the best financial return within an acceptable level of risk. The investment objective is to generate a return at least

matching inflation in the longer-term after expenses. This should allow the Foundation to maintain the real value of investable funds, before they are required for grant making. The Foundation adopts a total return approach to investment, generating investment return from income and capital gains or losses.

The trustees understand that capital values will fluctuate. Since 2013, the Trustees have invested a portion of the Foundation's investments in fixed income securities and preferences shares, in order to increase investment income while maintaining an acceptable level of risk.

During 2015 the Foundation's investments increased in value by £0.1m (2014: increase of £0.5m). The Foundation has taken out financial instruments to hedge the exposure of the Foundation's US Dollar denominated investments when converted to Sterling.

Reserves policy and going concern

The objective of the Foundation's reserves policy is to ensure that the level of unrestricted reserves will finance and accommodate the strategic plans of the Foundation, mindful of the economic environment in which it finds itself.

The Board, through its delegated authority to the Finance and Investment Committee agreed to maintain unrestricted reserves of £6m, which equates to 12 months of grant disbursements and sustainable operating costs. This is considered sufficient to safeguard ongoing commitments and operations.

Monies received by EJAF for specific initiatives, are classified as restricted. Each restricted pot is administered separately to ensure accurate allocation and compliance with the donors' requirements.



Patrick Aylmer
Finance Director

EJAF's total funds as at 31 December 2015 are £15.1m (2014: £21.2m) of which £1.5m are classified as restricted funds (2014: £1.7m) and £13.6m as unrestricted funds (2014: £19.5m). £0.2m of the unrestricted funds have been designated for the Robert Key Memorial Fund. This level of reserves is above the Foundation's target reserves level. However, the trustees believe it is acceptable given: (i) that the Foundation expects to operate a further deficit in 2016; and (ii) the Foundation has a continued requirement for additional investment in fundraising as the new fundraising strategy is developed and embedded.

The Board have reviewed the financial position of the Foundation and consider that adequate resources continue to be available to fund the activities of the Foundation for the foreseeable future. The Board are of the view that the Foundation is a going concern.

Plans for future periods

EJAF plans to increase levels of fundraising investment as a continuation of the strategy to grow and diversify the Foundation's income. Particular emphasis is being placed on developing greater opportunities for individual and corporate donors to support the work of the Foundation.

The expectation is that in 2016 the Foundation will again run at a substantial deficit. This reflects an agreed policy to make grants, capitalising on the availability of cheap, effective medical treatment and proven strategies to expand HIV testing and treatment where it is badly needed. Trustees have taken the view that this critical opportunity warrants the 'spending down' of reserves by making grant commitments in excess of expected fundraising income.

The charity's finance team will continue to ensure that resources are safeguarded. A particular priority will be to implement a new system of Key Performance Indicators to assist the Foundation in ensuring efficiency.

Structure, governance & management

Trustees report

The Trustees of the Elton John AIDS Foundation (EJAF) are pleased to present their report together with the financial statements of the charity for the year ended 31 December 2015. Since all Trustees are directors of the organisation, this report can also be considered as the Directors' report.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" effective 1 January 2015 together with applicable accounts standards and the Companies Act 2006.

The Foundation has maintained trustee indemnity insurance to indemnify trustees and other officers against the consequences of any neglect or default on their part.

Governing document

The Elton John AIDS Foundation was incorporated on 1 February 1993 and is governed by its Memorandum and Articles of Association.

Directors and Trustees

The governing body of the Foundation is its board of Trustees, who are also directors for the purposes of company law. The names of the Trustees who served during the year are set out under Reference & administrative details later in this report.

The appointment and induction of new Trustees is overseen by the Board. The Foundation currently operates with a Board of 9 Trustees that collectively offer a range of expertise in development, the non-profit sector, fundraising, financial management, marketing and legal affairs, as well as representing the views of those affected by and living with HIV/AIDS. A needs analysis of the Board's skill base is undertaken to ensure it retains sufficient expertise to govern the organisation. Trustees can be nominated by any existing board member and must be proposed at a board meeting. Trustees

appointed after 1 January 2013 serve a three year term with the option for further term's re-election, subject to unanimous vote.

A formal Trustee Handbook covers the legal objectives, mission and powers of the Foundation, how it operates, Board composition and terms of reference for the charity's Grant Making, Fundraising and Finance Committees. The handbook also sets out the role of Trustees (recruitment, responsibilities and leaving the Board) and provides guidance from the Charity Commission with respect to good governance and Trustees' responsibilities.

An induction planner and checklist for new Trustees are also included. In addition to the handbook, the Foundation has an assessment framework that includes an analysis of any conflicts of interest, a self-assessment questionnaire for the Board, a Trustee performance appraisal and a diversity perception questionnaire. This framework is reviewed every other year. Any new Trustees are, as part of their ongoing training and understanding of the organisation and the context of its activities, expected to attend one meeting of each of the grants, fundraising and finance committees and to take a particular role within one of these committees, in addition to visiting programmes in the field.

The Trustees (who are also directors of The Elton John AIDS Foundation 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).

Company law requires the Trustees to prepare financial statements for each financial year 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 accounting estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- 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.

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

Apart from the Executive Director, the Board of Trustees gives its time and expertise voluntarily and receives no remuneration or other emoluments from the Foundation. The Charity Commission has agreed that the Executive Director, who is also a Trustee, can be paid for her services to the organisation. This dispensation is specifically addressed within the Foundation's governing documents.

Governance structure

The Foundation's governing Board, which constitutes 9 Trustees, meets up to four times a year of which one meeting sets EJAF's overall policy and direction in all areas of its work for the coming year. This includes reviewing the Foundation's mission statement, its charitable aims, risks and current objectives.

Subsequent meetings take a particular focus on grant making, fundraising and finance respectively,

and are informed by specialist committees (further details of which are given below) that each convene up to three times per year. Each group consists of voting Trustees and honorary non-executives (a quorum of three), specialist advisers where appropriate and staff members. In this way, the Board collectively has both general oversight of the organisation's activities as well as detailed understanding of each of its key areas of operation.

Any new Trustees will be inducted according to processes set out in the Trustee Handbook and will join one of the Foundation's individual committees. Additional committee members will be sought to complement Trustee engagement.

The Board will review any additional or updated guidelines that the Charities Commission issue on Trustees' responsibilities.

The Grant Panel

The Grants Panel reviews the outputs, geographical spread and strategic focus of grants, as well as in-depth analysis of proposed individual grants. This analysis is provided in the form of electronic reports produced by grants staff who assess funding applications' merits in the context of EJAF's current goals, commitments and approved strategy. The Trustees have a 10-day window to consider assessments and discuss any issue directly with the Executive Director or grants staff by phone before submitting their vote against each application. Any voting member of the Grant Panel can request a meeting to discuss the grant application(s). Funding decisions are made by way of a majority vote and are ratified by the Board. There is an appeal procedure for grant applicants that are unsuccessful. Face-to-face meetings 1-2 times per year allow for reflection on achievements and a more in-depth review of progress against strategy, lessons learned and changes in funding landscape, all of which inform future strategic decisions.

3-4 trustees contributed to each of the four Grant Panel reviews held in 2015.

The Fundraising Development Group (FDG)

FDG has delegated authority to set overall fundraising strategy and goals, identify new opportunities and agree specific elements of critical fundraising projects, marketing and communications. Decisions are made by a majority vote or, where there is a significant financial outlay, risk or change in strategic direction, recommended to the full Board. The FDG meets a minimum of twice a year.

3-4 trustees contributed to each of the two FDG meetings in 2015.

The Finance and Investment Committee (FIC)

FIC has delegated responsibility for the organisation's financial, investment and risk management activities. It specifically reviews financial performance, advises on the Foundation's investment strategy and undertakes periodic reviews of organisational risk, internal controls and financial policies and procedures.

FIC met three times during the year, with each meeting attended by three Trustees who were supported by the Finance Director. The committee formally reviewed the organisation's financial performance and strategy, which included examining the 2014 audited accounts, managing and setting the risk appetite of the Foundation and reviewing the 2016 budget. During 2015 Monica Risam (General Counsel, Aviva Group) was appointed as an honorary non-executive member of the FIC. Since the year-end, Caroline Stockmann (CFO, British Council) and Sandra Thompson (Partner, EY) have also been appointed as honorary non-executive members of the FIC.

EJAF Trading Limited

The Foundation has a wholly owned trading subsidiary, EJAF Trading Limited, which provides the management for one-off fundraising events. All profits from its activities are paid to the charity. During 2015, EJAF Trading Limited generated sales of £2.9m (2014 - £3.2m) and a net profit of £nil (2014 - £nil). The Trustees are satisfied with the performance and results of the subsidiary for the year ended 31 December 2015.

EJAF Trading Limited (Company Registration Number 02951448) is based at 1 Blythe Road, London W14 0HG and its directors are:

Sir Elton John
David Furnish
Anne Aslett

George Kangis remains as Company Secretary.

Elton John Aids Foundation (South Africa)

The charity also has a partner company in South Africa - Elton John AIDS Foundation (South Africa) (EJAF SA) Registration number IT3473/2004 038-398-NPO. It was established in November 2004 to facilitate a fundraising event in Cape Town in January 2005. The net proceeds of any fundraising by EJAF SA are distributed within South Africa, by EJAF SA, to HIV/AIDS programmes. The funding guidelines of the partner company are the same as those of the UK Foundation.

Risk analysis

The Board of Trustees continue to review and assess the risks that the charity faces and potential impact they may have on the organisation. This analysis is undertaken both for the charity as a whole and for individual large scale grants.

The main components of the risk management system are as follows:

Area	Detail
Risk register	<ul style="list-style-type: none"> Our Risk Register" includes an assessment of key risks, their likelihood and significance and a description of how they will be managed and mitigated. During 2015, the Senior Management Team undertook a detailed review of the Foundation's Risk Register. This was subject to review and approval by both by FIC and the Board.
Grant review procedures	<ul style="list-style-type: none"> During 2015, following a competitive tender process, the Foundation appointed Crowe Clark Whitehill, the UK member firm of Crowe Horwath International, a major international firm of accountants to undertake a review process of selected grants. Crowe Clark Whitehill reported on 3 grant recipients during 2015.
Reporting	<ul style="list-style-type: none"> The Board is presented with the risk register at least annually. The Finance and Investment Committee reviews the risk register, assesses the adequacy of existing controls and reports its findings to the Board.

The Board has identified the following major risks to which the Foundation is exposed:

Risk	Mitigation strategy
Over reliance on a particular source of funds	<ul style="list-style-type: none"> • New fund raising strategy which seeks to both increase the amounts raised and to diversify the funding sources. • New Fundraising Director appointed in 2015.
Failure to raise anticipated funds	<ul style="list-style-type: none"> • A wider range of fundraising mechanisms are being deployed in 2016. • Sales plans being developed for all fundraising events. • High unrestricted reserves held.
Grantee uses the grant monies fraudulently or otherwise not in accordance with the grant letter	<ul style="list-style-type: none"> • Grants paid in instalments subject to measurable progress made. • Grantees suspended where there is concern that grants may have been misused. • Each grant reviewed every 6 months – KPI, financial, management, value for money and overall country risk assessment. • Grantees visited in country at least once a year to verify reports, performance and in country context in relation to HIV. • Random financial review of grantees conducted by External Reporting Accountants.
Liquidity & cash flow risk	<ul style="list-style-type: none"> • The Foundation’s investment policy sets out the minimum amounts of cash to be held in readily accessible form.
Investments underperform	<ul style="list-style-type: none"> • Investment judgement of FIC members. • High risk investments are avoided. • Investments reviewed at each FIC.

Price and credit risks are not regarded as major risks of the Foundation.

Management

The Executive Director is appointed by the Trustees to manage the day-to-day workings of the Foundation. To facilitate effective operations, the Executive Director has, within the terms of delegation approved by the Trustees, authority for

all operational matters, including grants, fundraising and finance.

The Senior Management Team (SMT) met regularly during the year to update on progress against goals for 2015 and to identify new opportunities and risks. The SMT has also developed a set of indicators to measure the charity’s performance at raising, managing and distributing funds and to ascertain how effectively we administer and govern at a Board and executive level. These indicators will be tracked from 2016 and in due course we aim to benchmark them against our peer organisations.

In the process of re-configuring the Foundation’s fundraising strategy and focus, a new Fundraising Director, Jamie Webb, was recruited during the year. Jamie joined EJAF from previous roles at The Prince’s Trust and Help for Heroes. His remit is to broaden the fund raising base and some excellent progress has already been made in this regard.

There is a clearly articulated and approved staff structure within which all staff have defined management lines, detailed job descriptions and a formal appraisal process. Appraisals are informed by individual work plans and goals. Staff meetings were held and minuted on average every 6 weeks throughout the year. A Staff Handbook outlines the Foundation’s relevant policies and procedures.

The Foundation’s principle on remuneration is to ensure the reward package is competitive with other equivalent organisations, so that it is able to recruit and retain staff. The Foundation will continue to identify further opportunities to develop staff members’ relevant professional qualifications and knowledge; deepen staff engagement with the work of Foundation grantees and explore discrete projects that create new staff teams.

Role and contribution of volunteers

In line with the mission statement, volunteers play a vital part in supporting the fundraising and charitable activities of the Elton John AIDS Foundation. During the year, the Foundation benefited from over 20 volunteers who supported critical fundraising activities, including the Woodside Gallery Dinner event and one regular volunteer to help with administrative office duties such as filing.

Internal control

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. These controls are periodically subject to governance review by the FIC.

Statement of disclosure to auditors

So far as the Trustees are aware, at the time of approving our Trustees Annual Report and Strategic Report, there is no relevant audit information of which the charitable company's auditors are unaware. Additionally, the Trustees have taken all the necessary steps that they ought to have taken as trustees in order to make themselves aware of

all relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

A resolution to reappoint Bournier Bullock as the Foundation's auditors will be proposed at the forthcoming Annual General Meeting.



On behalf of the board of Trustees

David Furnish

Trustee

Dated: 4.7.16



Children's HIV Association Summer Camp, UK

Reference & administrative details

Foundation information

Company number	02787008
Company type	Company limited by guarantee
Charity Commission Number	1017336
Registered office	1 Blythe Road, London W14 0HG
Website	www.ejaf.org

Advisers

Auditors:	Bourner Bullock, 212-224 Shaftesbury Avenue, London WC2H 8HQ
Bankers:	Barclays Bank, 1 Churchill Place, London E14 5HP
Solicitors:	Eversheds, 1 Wood Street, London EC2V 7WS

Directors and Trustees

The governing body of the Foundation is its board of Trustees, who are also directors for the purposes of company law. Trustees who served during the year are:

David Furnish	Chairman
Sir Elton John	Founder
Anne Aslett	Executive Director
Iain Abrahams	
Johnny Bergius	
Scott Campbell	
Mark Dybul (appointed 10 June 2015)	
Rafi Manoukian	
Graham Norton	

Iain Abrahams also serves as Honorary Treasurer. George Kangis remains as Company Secretary.

Management and staff

Anne Aslett	Executive Director
Patrick Aylmer	Finance Director
Mohamed Osman	Grants Director
Jamie Webb	Fundraising Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE ELTON JOHN AIDS FOUNDATION

We have audited the financial statements of The Elton John Aids Foundation for the year ended 31 December 2015 which comprise the Consolidated Statement of Financial Activity, the Consolidated and Parent Balance Sheet, the Consolidated Statement of Cash Flows, and the related notes. The financial reporting framework that has been applied in their preparation is 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".

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether accounting policies are appropriate to the group and parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent charitable company's affairs as at 31 December 2015 and of the group's 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND
TRUSTEES OF THE ELTON JOHN AIDS FOUNDATION

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company's 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.



David Matkins (Senior Statutory Auditor)
For and behalf of Bourner Bullock, Statutory Auditor

Chartered Accountants
Statutory Auditor
Sovereign House
212-224 Shaftesbury Avenue
London WC2H 8HQ

4 July 2016

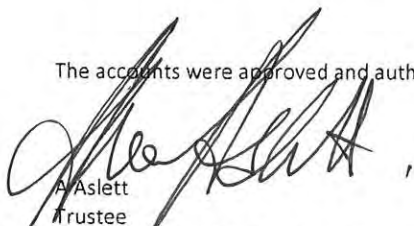
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2015 £	Restated Total 2014 £
Income						
Donation and legacies	2	354,181	-	1,176,105	1,530,286	2,516,510
Other Trading activities	3	2,910,598	-	-	2,910,598	3,208,485
Investments	4	627,043	-	1,205	628,248	986,478
Total income		3,891,822	-	1,177,310	5,069,132	6,711,473
Expenditure						
Costs of raising funds	5	619,854	-	149,495	769,349	1,404,629
Expenditure on charitable activities	6	9,220,260	126,946	1,087,307	10,434,513	5,701,758
Total expenditure		9,840,114	126,946	1,236,802	11,203,862	7,106,387
Net Expenditure		(5,948,292)	(126,946)	(59,492)	(6,134,730)	(394,914)
Transfers between funds		45,823	126,946	(172,769)	-	-
Net movement in funds		(5,902,469)	-	(232,261)	(6,134,730)	(394,914)
Reconciliation of funds						
Fund balances at 1 January 2015		19,274,986	200,000	1,764,619	21,239,605	21,634,519
Fund balances at 31 December 2015		13,372,517	200,000	1,532,358	15,104,875	21,239,605

CONSOLIDATED AND CHARITY BALANCE SHEETS
AS AT 31 DECEMBER 2015

	Notes	Group		Charity	
		2015 £	2014 £	2015 £	2014 £
Fixed assets					
Tangible assets	10	2,935	3,205	-	-
Investments	12	8,292,501	8,029,519	8,292,502	8,029,520
		<u>8,295,436</u>	<u>8,032,724</u>	<u>8,292,502</u>	<u>8,029,520</u>
Current assets					
Debtors	11	350,840	554,961	1,672,699	767,647
Investments	12	10,340,410	10,363,927	10,340,410	10,363,927
Cash at bank and in hand	20, 21	7,095,377	8,624,808	5,763,413	8,325,649
		<u>17,786,626</u>	<u>19,543,696</u>	<u>17,776,521</u>	<u>19,457,223</u>
Creditors: amounts falling due within one year	13	(6,113,776)	(3,516,839)	(6,100,737)	(3,427,162)
Net current assets		<u>11,672,850</u>	<u>16,026,857</u>	<u>11,675,784</u>	<u>16,030,061</u>
Total assets less current liabilities		<u>19,968,286</u>	<u>24,059,581</u>	<u>19,968,286</u>	<u>24,059,581</u>
Creditors: amounts falling due over one year	14	(4,863,411)	(2,819,976)	(4,863,411)	(2,819,976)
Net assets		<u>15,104,875</u>	<u>21,239,605</u>	<u>15,104,875</u>	<u>21,239,605</u>
Represented by:					
Unrestricted funds	15	13,372,517	19,274,986	13,372,517	19,274,986
Designated Funds	16	200,000	200,000	200,000	200,000
Total Unrestricted Funds		<u>13,572,517</u>	<u>19,474,986</u>	<u>13,572,517</u>	<u>19,474,986</u>
Restricted funds	17	1,532,358	1,764,619	1,532,358	1,764,619
Total charity funds		<u>15,104,875</u>	<u>21,239,605</u>	<u>15,104,875</u>	<u>21,239,605</u>

The accounts were approved and authorised for issue by the Board on 9.7.16



A. Aslett
Trustee

The Elton John AIDS Foundation
Company Registration Number 02787008
Charity Registration Number 1017336

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015		2014	
		£	£	£	£
Cash used in operating activities	19		(1,949,806)		(1,323,504)
Cash flows from investing activities:					
Investment Income received		505,622		501,792	
Payment to acquire current asset investments		(247,952)		(2,137,353)	
Proceeds on sale of current asset investments		162,705		1,062,973	
Net cash provided by/(used in) investing activities			420,375		(572,588)
Decrease in cash	20		(1,529,431)		(1,896,092)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

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.

The company 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 note(s).

1.1 Preparation of the financial statements on a going concern basis

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

1.2 Group financial statements

These financial statements consolidate the results of the charity and its wholly-owned subsidiary, EJAF Trading Limited on a line by line basis. A separate statement of financial activities for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006.

The charity received Gift Aid from EJAF Trading Limited of £2,710,667 (2014: £2,312,181) which has been eliminated on consolidation.

1.3 Income

Income consists of grants received, donations and gift aid on income when donations are made under Gift Aid or a Deed of Covenant. Income from grants and general donations is recognised when entitlement has been passed to the charity, it is probable the income will be received and the amount can be measured reliably. Bank interest is recognised when receivable.

Income from EJAF Trading Ltd is recognised when entitlement has been passed to the company, it is probable the income will be received and the amount can be measured reliably.

1.4 Legacy income

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Foundation that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executors intention to make a distribution. Where legacies have been notified to the charity or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

1.5 Donated services and facilities

Donated assets are included in incoming resources when legally transferred to the charity. The value attributed to the transfer is that which a willing buyer would have been prepared to pay for the assets.

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount charity would be willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable settlement will be required and the amount can be measured reliably.

Costs of raising funds comprise of commercial trading event costs and their associated support costs.

Charitable activities include expenditure associated with providing activities for the beneficiaries and includes both the direct costs and support costs relating to those activities; governance costs and general support costs for activities undertaken to further the purpose of the charity.

Staff costs are apportioned between activities on a time spent basis. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Furniture and equipment	Straight line over 3 years
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1.9 Pensions

The pension costs charged in the financial statements represent the contributions payable by the charity during the period in accordance with section 28 of FRS 102.

1.10 Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net movements in funds.

1.11 Grant Commitments

Grants now accounted for when the commitment arises. This is a change in accounting policy; in the 2014 accounts grant commitments were accounted for when payment was due on an accruals basis. The change in this accounting policy is detailed in note 18.

1.12 Accumulated Funds

Restricted Funds are subject to individual donors' specific terms and conditions as to their utilisation. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Designated Funds comprises the Robert Key Memorial Fund. The purpose of this fund is set out in the notes to the accounts.

1.13 Debtors

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

1.14 Cash at bank and in hand

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

1.15 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Creditors amounts falling due after more than one year are measured at amortised cost using the effective interest method.

1.16 Investments

Fixed asset investments are recognised at fair value calculated at closing market value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

Forward Contracts are recognised at the fair value of the gain or loss that would be recognised if the contract were to be closed at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

1.17 Company Status

The Company does not have share capital and is limited by guarantee up to a maximum of £1 for each member. The company satisfies the requirements of Section 60 (1) of the Companies Act 2006 and, having made a statutory declaration to this effect, is exempt from using the word 'Limited' in its name.

1.18 Transition to FRS 102

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the charities SORP FRS 102 the restatement of comparative items was required.

There has been a restatement in the figures of the accounts in relation to expenditure recognition of grants (see note 18). The notes and SOFA presentation has been restated to reflect new presentation requirements.

2 Donation and legacies

	Unrestricted funds	Restricted funds	Total 2015	Restated Total 2014
	£	£	£	£
Donations	354,181	857,228	1,211,409	2,170,667
Grants received	-	318,877	318,877	345,843
	<u>354,181</u>	<u>1,176,105</u>	<u>1,530,286</u>	<u>2,516,510</u>

Included in donations is £187,495 of intangible income (2014: £166,312). £38,000 (2014: £36,000) relates to office space provided free of charge for use by the Foundation. £149,495 (2014 £130,312) relates to items donated to the Foundation for auction at charity events.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

3 Trading Income

The wholly-owned trading subsidiary, EJAF Trading Limited (Company number 02951448), which is incorporated in the United Kingdom, pays all its distributable profits to the charity by Gift Aid. EJAF Trading Limited provides management of one-off fundraising events. The charity owns the entire issued share capital of 1 ordinary share of £1. A summary of the trading results is shown below:

	2015 £	2014 £
Turnover	2,910,598	3,208,485
Cost of sales	(149,914)	(864,330)
Administrative expenses	(50,775)	(33,406)
Interest receivable	758	1,432
	<u>2,710,667</u>	<u>2,312,181</u>
Net profit	2,710,667	2,312,181
Amount gifted to the charity	(2,710,667)	(2,312,181)
	<u>-</u>	<u>-</u>
Retained in the subsidiary	-	-
The assets and liabilities of the subsidiary were:		
Tangible assets	2,935	3,205
Current assets	1,481,035	607,837
Creditors: amounts falling due within one year	(1,483,969)	(611,041)
	<u>1</u>	<u>1</u>
Total net assets	1	1
Aggregate share capital and reserves	<u>1</u>	<u>1</u>

Cost of sales and administrative expenses includes auditors' remuneration of £8,700 (2014: £8,700)

4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Interest on cash deposits	102,918	1,205	104,123	78,898
Interest on other investments	434,495	-	434,495	428,478
Unrealised gains on investments	89,630	-	89,630	479,102
	<u>627,043</u>	<u>1,205</u>	<u>628,248</u>	<u>986,478</u>

5 Cost of raising funds

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Trading direct costs	149,914	-	149,914	864,330
Fundraising costs				
Intangible income expense	-	149,495	149,495	130,312
Investment management charge	12,627	-	12,627	13,550
Salaries	350,211	-	350,211	292,643
Other	107,102	-	107,102	103,794
	<u>619,854</u>	<u>149,495</u>	<u>769,349</u>	<u>1,404,629</u>

Intangible income expense relates to donated auction items from fundraising events.

6 Expenditure on charitable activities

	Flagship programmes £	Pioneer grants £	Advocacy grants £	Support grants £	Robert Key £	Total 2015 £
Grants committed	229,659	5,258,816	341,185	3,260,092	116,098	9,205,850
Payments to sub-contractors	309,382	377,764	-	15,640	-	702,786
Other Grants costs	16,585	7,651	1,215	40,736	200	66,387
Staff costs	6,851	147,696	9,545	91,278	3,232	258,602
Advocacy	1,026	22,126	13,674	485	1,430	38,741
Governance	1,266	27,289	16,865	597	1,764	47,781
General support	3,030	65,318	40,367	1,429	4,222	114,366
	<u>567,799</u>	<u>5,906,660</u>	<u>422,851</u>	<u>3,410,257</u>	<u>126,946</u>	<u>10,434,513</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

6.1	Grants committed to institutions	£
	YR Gaitonde Centre for AIDS Research and Education	993,674
	APCOM	789,799
	Elizabeth Glaser Pediatric AIDS Foundation	1,229,268
	Infectious Diseases Institute	745,165
	UHAI	986,908
	Jhpiego	744,485
	Other institutions	<u>3,716,551</u>
		<u>9,205,850</u>

6.2	Analysis of governance and support costs	Governance	General support	Basis of apportionment
	Audit Fees	14,123	-	Governance
	Staff costs	24,698	50,330	Allocated on time
	Legal and other professional fees	26	3,121	Invoice specific
	Depreciation	157	-	Governance use of asset
	Trustees insurance	2,574	-	Governance
	Trustee expenses	6,203	-	Governance
	General office	-	60,915	Office running expenses
		<u>47,781</u>	<u>114,366</u>	

7 **Gross Transfer between funds**
The Trustees agreed to maintain a designated fund of £200,000 per year to the Robert Key Memorial Fund, which was set up in 2009. The total of grants disbursed and costs from this fund (£126,946 2014: £67,949) is therefore shown as a reserves transfer.

8 **Trustees**
The Charity Commission has authorised payment of reasonable remuneration to one trustee for services undertaken in the administration of the charity, provided the trustee concerned withdraws from any meeting whilst the trustees remuneration is being discussed. The trustee concerned, Anne Aslett, was paid remuneration during the year, with the total, including national insurance, pension and healthcare, being £135,900 (2014: £137,380).
During the year £3,214 of travel and accommodation was reimbursed to 2 trustees in relation to their duties (2014: £2,772).
During the year the charity paid £2,574 (2014: £5,193) for trustees indemnity insurance to indemnify the trustees and other officers against the consequences of any neglect or default on their part.
During the year the charity paid £23,747 (2014: £23,747) to defined contribution pension schemes in respect of Anne Aslett.

9	Employment costs	2015	2014
		£	£
	Wages and salaries	540,930	517,191
	Social security costs	55,996	65,049
	Other pension costs	36,214	40,400
	Other employment costs	50,701	21,812
		<u>683,841</u>	<u>644,452</u>

The number of employees whose annual emoluments were £60,000 or more were:

	2015	2014
	Number	Number
<u>General management function</u>		
£60,000 - £69,999	-	-
£70,000 - £79,999	-	1
£80,000 - £89,999	2	1
£90,000 - £99,999	-	-
£100,000 - £110,000	1	1
	<u>3</u>	<u>3</u>

Contributions totalling £30,400 (2014: £35,866) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

Number of employees

The average monthly number of employees during the year was:

	2015	2014
	Number	Number
General management function	<u>8</u>	<u>10</u>

During the year, 1 employee (2014: nil) was made redundant at a cost of £53,000. This amount included an ex-gratia payment of £41,300.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

10 Tangible fixed assets - group and charity

	Furniture and equipment £	Charity total £	Subsidiary Furniture and equipment £	Group Total £
Cost				
At 1 January 2015	27,147	27,147	14,812	41,959
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 December 2015	27,147	27,147	14,812	41,959
Depreciation				
At 1 January 2015	27,147	27,147	11,607	38,754
Charge for the year	-	-	270	270
On disposals	-	-	-	-
At 31 December 2015	27,147	27,147	11,877	39,024
Net book value				
At 31 December 2015	-	-	2,935	2,935
At 31 December 2014	-	-	3,205	3,205

11 Debtors

	Group 2015 £	2014 £	Charity 2015 £	2014 £
Trade debtors	64,344	315,063	30,000	106,570
Other debtors	114	-	114	-
Amounts owed by group undertakings	-	-	1,470,929	521,364
Prepayments and accrued income	286,381	239,898	171,656	139,713
	350,840	554,961	1,672,699	767,647

12 Investments

	Group 2015 £	2014 £	Charity 2015 £	2014 £
Market Value at 1 January 2015	18,335,247	16,781,763	18,393,447	16,781,764
Additions to Investments at Cost	370,740	2,195,552	370,740	2,195,552
Disposal of Investments at Cost	(162,705)	(1,062,973)	(162,705)	(1,062,973)
Net gain/ (loss) on revaluation	89,630	479,103	89,630	479,103
Market Value at 31 December 2015	18,632,912	18,393,446	18,691,112	18,393,447

Of the 2015 total, £8,292,502 (both Group and Charity) and £1 (Charity) relates to fixed asset investments. £10,340,410 (both Group and Charity) relates to current asset investments.

All investments are held primarily to provide investment return for the charity.

Investments held are as follows:

	Market Value £	Percentage of Total Investments %	UK Investments	Non UK
Fixed Asset Investments				
UK Gilts	4,015,668	21.6%	4,015,668	-
Other Fixed Asset Investments	4,276,834	23.0%	-	4,276,834
Current Asset Investments				
Notice Accounts	10,319,000	55.4%	10,319,000	-
Other Current Asset Investments	21,410	0.1%	-	21,410
	18,632,912	100.0%	14,334,668	4,298,244

Fixed asset investments are recognised at fair value calculated at closing market value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

13 Creditors: amounts falling due within one year

	Group		Charity	
	2015 £	2014 Restated £	2015 £	2014 Restated £
Trade creditors	22,072	123,133	19,977	42,456
Taxes and social security costs	1,095	29,481	1,095	29,481
Other creditors	2,020	18,813	-	18,813
Grant commitments	5,894,190	3,232,846	5,894,190	3,232,846
Accruals and deferred income	71,611	54,367	62,687	45,367
Derivative financial instruments	122,788	58,199	122,788	58,199
	<u>6,113,776</u>	<u>3,516,839</u>	<u>6,100,737</u>	<u>3,427,162</u>

14 Creditors: amounts falling due after more than one year

	Group		Charity	
	2015 £	2014 £	2015 £	2014 £
Grant commitments	4,863,411	2,819,976	4,863,411	2,819,976
	<u>4,863,411</u>	<u>2,819,976</u>	<u>4,863,411</u>	<u>2,819,976</u>

15 Analysis of group net assets between funds

	Unrestricted fund	Designated fund	Restricted fund	Total
	£	£	£	£
Fixed assets	8,295,436	-	-	8,295,436
Current assets	15,222,218	231,310	2,333,098	17,786,626
Creditors: amounts falling due within one year	(5,336,046)	-	(777,730)	(6,113,776)
Creditors: amounts falling due after more than one year	(4,809,091)	(31,310)	(23,010)	(4,863,411)
	<u>13,372,517</u>	<u>200,000</u>	<u>1,532,358</u>	<u>15,104,875</u>

16 Designated funds

The income funds of the charity include designated funds comprising the following balances, which are ring-fenced for future use.

	Movement in funds				Balance at 31 December 2015 £
	Balance at 1 January 2015 restated £	Income received £	Utilised/ transferred £	Fund Transfers £	
The Robert Key Memorial Grant	200,000	-	(126,946)	126,946	200,000
	<u>200,000</u>	<u>-</u>	<u>(126,946)</u>	<u>126,946</u>	<u>200,000</u>

The Robert Key Memorial Grant

Robert Key MBE co-founded the Elton John AIDS Foundation with Sir Elton John in 1993. He was instrumental in its development and growth as both Executive Director and trustee until his death in October 2009. In his memory, the trustees of the Foundation established a new fund to honour Robert's passion and dedication to advancing the rights and needs of those most marginalised by the AIDS epidemic. The fund is used to support programmes that provide a direct and tangible benefit to those living with HIV/AIDS from marginalised communities and/ or facing exceptionally difficult circumstances.

17 Restricted funds

The income funds of the charity include restricted funds comprising the following balances of donations and grants held on trust for specific purposes:

2014 Restated	1 January 2014 £	Income received £	Utilised £	Fund Transfers £	31 December 2014 £
Mother and Baby - Sub Saharan Africa	149,750	-	-	(149,750)	-
Zachary & Elijah Fund	105,458	-	(30,000)	-	75,458
Woodside Gallery Dinner 2014	663,229	-	(663,229)	-	-
Ukraine Street Children	123,994	-	(59,565)	-	64,429

THE ELTON JOHN AIDS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

17 Restricted funds

	Restated Balance at 1 January 2015 £	Income received £	Movement in funds Utilised £	Fund Transfers £	Balance at 31 December 2015 £
The Vodafone Group Foundation	139,798	-	-	(139,798)	-
Mylan	47,401	-	-	-	47,401
Life Ball - Funds to support programmes for MSM at risk in Eastern Europe	268,205	-	-	-	268,205
Mother and Baby - Sub Saharan Africa	-	5,000	(5,000)	-	-
Frankie Knuckles Fund	12,439	4,610	-	-	17,049
Reducing HIV infection in the UK	18,926	-	-	-	18,926
Comic Relief	-	25,000	(25,000)	-	-
Elena Franchuk ANTIAIDS Foundation and Victor Pinchuk Foundation	257,621	-	(5,123)	-	252,498
Improving the Lives of HIV-positive Children and their Families in Ukraine	14,455	-	-	-	14,455
Zachary & Elijah Fund	75,458	12,613	-	-	88,071
Construction of Nwamitwa Community Centre, Limpopo, South Africa	205,288	-	-	-	205,288
Public Health England/NHS Lambeth	-	240,000	(240,000)	-	-
Mothers Event	-	149,013	(148,402)	-	611
Funders' Collaborative For Children	484,310	1,205	(410,350)	30	75,195
Ukraine Street Children	64,429	-	-	-	64,429
Fair Play - Tackling HIV in Ukraine	176,289	-	-	-	176,289
Woodside Gallery Dinner 2014	-	-	3,065	-	3,065
Young Survivors	-	5,000	-	-	5,000
Woodside Gallery Dinner 2015	-	355,000	(80,000)	(33,000)	242,000
Lifeball 2015	-	176,498	(176,498)	-	-
Big Lottery	-	40,306	-	-	40,306
Children's Investment Fund	-	13,570	-	-	13,570
	<u>1,764,619</u>	<u>1,027,815</u>	<u>(1,087,308)</u>	<u>(172,768)</u>	<u>1,532,358</u>

The Vodafone Group Foundation

The Foundation was awarded a one off grant of £624,264 in 2004 to be spent on HIV/AIDS projects as agreed between The Vodafone Group Foundation and The Elton John AIDS Foundation. The grant's original restriction related to the incorporation of mobile technology in the programme concept. The funds were originally used to support a programme delivered by U.S. non-profit PATH (Partners for Advanced Transportation Technology) in which information and awareness on HIV was delivered via a mobile phone treasure hunt competition. Due to a significant exchange gain made by PATH with funds for this programme, there was a considerable surplus beyond the budget which was not required to deliver the programme. The funds have now been released to unrestricted funds through an agreement with The Vodafone Group Foundation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

17 Restricted funds

(continued)

Mylan

The Foundation teamed up with Mylan Inc., one of the world's leading pharmaceutical companies, to give a combined \$1 million to the Business Leadership Council (BLC) for a Generation Born HIV Free for the elimination of mother-to-child transmission of HIV in Nigeria. The Saving One Million Lives initiative aims to prevent the deaths of one million mothers and children under five by 2015. Nigeria is home to 3.4 million people living with HIV, with approximately 60,000 children newly infected with the virus in 2012 alone – the most of any nation in the world. For many years, the mother-to-child transmission rate there has remained at 30%, despite other countries – from the U.S. to Botswana – virtually eliminating mother-to-child transmission of HIV. The BLC, in collaboration with many other private funders, is now supporting the Save One Million Lives team within the Government of Nigeria to apply this successful model across a dozen more high-priority states. The \$1 million commitment by Mylan and EJAF has supported this scale up effort through 2015, contributing to the national goal of testing 90% of pregnant mothers and treating those who are HIV-positive. The funding is initially targeting 2 of the 13 highest priority states for eMTCT in Nigeria – Plateau and Federal Capital Territory.

Life Ball - Funds to support programmes for MSM at risk in Eastern Europe

The Foundation is supporting a consortium made up of Phoenix Plus – Orel, menZDRAV Foundation – Moscow and LGBT Assistance - Nizhny Novgorod to provide HIV prevention and treatment services targeted at the Men who have Sex with Men (MSM) community.

Mother & Baby – Sub-Saharan Africa

Pledges made at the Woodside End of Summer Party in 2014 contributed to EJAF's continued push to end mother-to-child transmission of HIV. Focusing on sub-Saharan Africa, we will partner with trusted organisations to prevent the unnecessary death of mothers and children and speed up efforts to eliminate perinatal HIV transmission. This programme will infuse 'catalytic talent' into prevention of mother to child transmission of HIV (PMTCT) leadership teams in Sub Saharan countries such as Kenya and Uganda thereby leading to considerable refinement and optimisation of government programmes fighting mother to child transmission of HIV.

Frankie Knuckles Fund

The Elton John AIDS Foundation, in collaboration with Judy Weinstein and Def Mix Productions, has established the Frankie Knuckles Fund to support HIV information, testing and treatment. Following the tragic death of the man known to millions as the "Godfather of House Music," on March 31st, 2014, the Elton John AIDS Foundation has been chosen to establish a Fund in Knuckles' memory. Black men remain at very high risk of HIV. They are 40% more likely than white men to be diagnosed with HIV late. This is particularly dangerous as people who are diagnosed late with HIV are 10 times more likely to die of AIDS. Donations fund the charity's work with men at high risk of HIV in Africa, African communities in the UK and African American communities in the U.S.A.

Reducing HIV infection in the UK

Testing Faith is an initiative that seeks to increase HIV testing amongst Black African Christian and Muslim communities by creating a step change in the way Faith leaders, understand and access sexual health promotion. By collaborating with local GUM provision and delivering HIV testing within worship centres, the programme is targeting faith leaders from African Christian & Muslim congregations as part of the national response to reduce undiagnosed HIV infection and support the aims and objectives of the THINK and Halve it Campaigns.

Comic Relief - Tanzania

"Familia Salama" (Healthy Families) aims to reduce the number of infants born with HIV by strengthening the demand for health services by pregnant women and testing an alternative PMTCT drug regimen.

Elena Franchuk ANTI/AIDS Foundation and Victor Pinchuk Foundation

EJAF received a USD\$2.5m donation to support a range of programmes within Ukraine in line with the Foundation's country strategy. The Foundation has commissioned contextual analysis into the vulnerabilities and needs of young women infected and at risk of HIV/ AIDS in Ukraine, with a view to identifying programmes that address these needs. A proportion of this fund will support this work. Further work has been undertaken to identify programmes targeting street children, which is also a key strategic focus for the Foundation's work in Ukraine. £721,151 of the fund has been allocated to 'Improving the Lives of HIV-Positive Children and their Families' (see below).

Improving the Lives of HIV-Positive Children and their Families in Ukraine

This restricted award represents a five year collaborative project to deliver support and referral services to children affected by HIV/ AIDS in Ukraine. The programme is funded by the Big Lottery Fund, the Elena Franchuk ANTI/AIDS Foundation and Victor Pinchuk Foundation. It is being implemented by the All Ukrainian Network of People Living with HIV/ AIDS at ten centres across the country delivering support and referral services to children infected and affected by HIV/AIDS. The programme will also address stigma and discrimination against such children in 3,000 kindergarten and primary schools and introduce a staged disclosure process for an estimated 1,500 HIV positive children who are unaware of their status. Technical support is provided by the Romanian Angel Appeal.

Zachary & Elijah Fund

The Zachary & Elijah Fund was established in 2014 to provide a dedicated source of funding for the Foundation in tackling HIV/AIDS issues connected with young people under the age of 18. The Zachary & Elijah Fund is designed primarily to help young people and babies who have tested HIV positive. However, it will also provide support to young people whose family and community have been impacted by HIV/AIDS. There is no geographic constraint on where the fund can be applied.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

17 Restricted funds

(continued)

Construction of Nwamitwa Community Centre, Limpopo, South Africa

The Nwamitwa Community Centre is a replication of the award-winning Etafeni Trust model of holistic support by and for communities infected with HIV. Funds for its construction were raised at the White Tie & Tiara Ball 2010. In one of the highest HIV prevalence areas of Limpopo province, the Centre's programmes will provide a refuge for mothers living with HIV; give them skills, help them to earn an income, provide home based care to those who are sick, support their antiretroviral treatment adherence and ensure they are food secure. AIDS-affected and vulnerable children will be receiving food, educational and emotional support. A life skills and employment programme will be provided for AIDS-affected youth. In total, an estimated 20,000 adults and children will benefit from the range of services.

The Nwamitwa Centre is the second replica of the Etafeni model; previous centres having been established in Nyanga and Vrygrond in Cape Town province, both with support from EJAF.

Public Health England/NHS

The greatest risk of excess mortality in people living with HIV in the UK is late diagnosis. 42% of people diagnosed with HIV in 2013 were diagnosed late and those diagnosed late are ten times more likely to die in the first year after diagnosis. Over the last decade, 81% of the 2,000 AIDS-related deaths in England and Wales were attributable to late diagnosis. Late diagnosis also means that a person has remained unaware of their HIV status for several years, increasing the risk of onward transmission. In collaboration with Public Health England (PHE) we are supporting work to reduce rates of HIV late diagnosis. We will focus on two local authority areas within England, one within Greater London and one outside London. The London Borough of Lambeth has been identified as the London based Local Authority for this project while Leeds is the other local authority. The aim of this initiative is to reduce the rate of late HIV infection diagnosis and to produce a measurable increase in the annual number of new HIV diagnoses in a project area where there is likely to be a large number of undiagnosed HIV infections.

Mothers' Event

While HIV can devastate indiscriminately, it's most lethal aim is at young women and their children. AIDS remains the greatest killer of women of reproductive age in the world. More than 7,000 young women – many young mothers – are infected with HIV each week. When mothers get sick, their illness also threatens the next generation as HIV-infected women pass the virus to their babies during or after pregnancy. Nearly 700 children are newly infected with HIV in this way every day. Without effective treatment, more than half of all babies born with HIV will die before their second birthday – over 3,600 each week. It is possible to stop new HIV infections among children and keep their mothers alive. All they need is reliable access to cheap, life-saving antiretroviral drugs. By caring for kids and young mothers who need treatment now, we are on the cusp of creating the world's first AIDS free generation. We need just £5 to help a mum protect her baby, and £300 a year to provide treatment to a child who did not get protection in time.

Funders' Collaborative For Children

In January 2012 EJAF assumed overall management responsibility of the Funders' Collaborative for Children (FCFC) Portfolio in Malawi. The goal of the (consortium-funded) FCFC is to improve the lives of 65% vulnerable children in Salima, Malawi across four domains; education, health, livelihood and social welfare. The programme aims to 'surround the child' by providing a package of high quality interventions that constitute the continuum of care for the child, family and the community.

Woodside Gallery Dinner 2014 - Myanmar, Zimbabwe and Ukraine

Three projects were chosen as 'Cases for Support' at the Woodside Gallery Dinner in 2014. These projects demonstrate EJAF's new strategy in action; support for Key Populations and Adolescents.

The last mile - Young People in Zimbabwe

Teenagers with HIV are dying in larger numbers than babies or adults who are similarly infected. The Foundation wants to stop that happening. Through this programme - delivered by Africaid - we pair adolescents living with HIV with a young HIV-positive volunteer who is healthy, already on treatment, and who will help them access the same support so they can get over their fears and get well. We want to make Harare the first city in Africa to reach all its young people who are living with HIV/AIDS. If we can stop them becoming sick and dying, we can also stop them passing HIV to anyone else. This 'last mile' is how we are making an AIDS free generation: one child at a time until no one is at risk.

New hope for the forgotten of Myanmar

Myanmar has one of the worst HIV epidemics amongst injecting drug users globally. Estimates show that a third of all people who inject drugs have HIV, with Kachin one of the most highly affected areas. Only now are international organisations able to assess the scale of the problem and confront a rising HIV epidemic that could threaten the whole region. The Elton John AIDS Foundation and the Clinton Health Access Initiative (CHAI) are at the centre of this new response. We will support a pilot programme that offers a safe space for people to access the care they need to break the cycle.

Drug users in Ukraine, the missing piece

Through our partnership with the International HIV/AIDS Alliance, this innovative programme will target 6,000 young drug users across Ukraine, intervening to provide immediate care and attention. We will pioneer a model of HIV treatment and prevention, as well as link young people to drug rehabilitation and counselling services which have been severely lacking for so long. This programme will represent a turning point in service provision for young people. It will help us better understand this neglected population and ensure young people who use drugs can look forward to a life free of HIV.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

17 Restricted funds

(continued)

Ukraine Street Children

This project aims to improve the lives of vulnerable and hard to reach girls and young women in Ukraine who are affected by HIV, homelessness and instability. The project will establish two halfway houses in Kyiv and Donetsk for street girls and their young children. It will also strengthen existing services, build provider capacity and seek the sustainability and replicability of these models.

Fair Play - Tackling HIV in Ukraine

In partnership with the Ukrainian government, local NGOs, international agencies, and the Ukrainian Football Federation the project seeks to develop an initiative to use football to break the silence around HIV in Ukraine. This project aims to encourage young people to think and speak critically about their health and future, ensure they have the information and support that they need in order to protect themselves, and inspire them to create an AIDS free generation.

Young Survivors

Most AIDS-related deaths among adolescents today are the result of HIV infections from at least a decade ago – the majority of these being mother-to-child transmission. Many of these young people don't know they are living with HIV either because they were not diagnosed at the time or were diagnosed and never followed up. Those adolescents that have been diagnosed are considerably less likely to be receiving treatment than adults. Stigma is still HIV's most deadly symptom. Many children slipped out of care and treatment programmes years ago, and others fear the discrimination they might suffer if they do disclose their condition. Our young survivors appeal will raise £5m to save the lives of adolescents living with HIV in five African cities. It will focus on scaling up HIV testing to ensure that more adolescents are diagnosed. And it will provide the right care and support for adolescents who know they are living with HIV will use our current partnerships with dynamic, youth-focused organisations to tap into what children really love doing.

Woodside Gallery Dinner 2015

Pledge 1 - TEST & PROTECT: Supported a football tournament or music festival where 5,000 young people can receive HIV prevention and testing services. At the Foundation, we know how to work with young people. Through our current partnerships with dynamic, youth-focused organisations, we tap into what children really love and by doing so, ensure that as many children and teenagers as possible can look forward to an AIDS-free future. It costs £5,000 to plan, publicise, equip, staff and run a football or music event that reaches 5,000 kids. This is how we will find adolescents living with HIV in our key cities – by attracting them with what they love and understand.

Pledge 2 -CASTING THE NET: Connected to 50,000 adolescents every week with critical information about their HIV risk. Africa is the fastest growing mobile market in the world. Even when young people don't have enough to eat, they will often still have a working mobile. This technology offers an unprecedented opportunity to reach thousands of young people with information they can trust in a format they love. It costs £20,000 to establish a 'magazine' format for mobile phones that serves 50,000 young people, becoming a trusted source of information and support.

Pledge 3 - REACH OUT: Funded a youth team to get 500 young people who are sick with HIV/AIDS on life saving treatment. Adolescents with HIV are dying in larger numbers around the world than babies or adults who are similarly infected, but typically not before their family has exhausted its assets trying to save them. It costs £40,000 to train, resource and manage a CATS team of 12. Each Adolescent Treatment Supporter can take on up to 50 clients for intensive, life saving support.

Lifeball 2015

The HIV prevalence in Malawi stands at around 10%, representing around 1 million people. Though much progress has been made over the last decade in addressing the epidemic in the general population, at-risk groups such as Men who have Sex with Men (MSM) continue to be under-represented in the national response to HIV. This programme - delivered by one of Malawi's leading Human Rights organisations - will operate in the country's three most populous cities over the course of 36 months and aims to provide 8,000 MSM with access to HIV counselling and testing. Although being one of Africa's success stories with regard to prevention, Kenya still ranks as having one of the largest HIV epidemics in the world. Over the last 10 years, mass scale up of HIV testing centres saw a huge increase in the number of people accessing health services, however for Kenya's MSM population, criminalisation of homosexuality and widespread stigma prevent thousands of people from accessing the services they desperately need. Through this intervention we hope to be able to demonstrate the effectiveness of a comprehensive 'test and treat' programme for MSM. As one of the most prominent service providers for marginalised populations in Kenya, LVCT have an excellent track record of working with MSM and will roll out the TOUCH Project in high density areas of the country, namely Nairobi, Mombasa, Kisumu and Kilifi.

Big lottery

The Elton John AIDS Foundation is working with the London Borough of Lambeth to set up a Social Impact Bond (SIB) to increase HIV testing in the Borough. This will fill a gap in the current provision of HIV tests for undiagnosed people living with HIV (PLWH) not actively looking for a test. This gap sits in stark contrast to the high quality of HIV care available, and the abundant provision of tests to those actively looking for them (in specialised sexual health clinics and online). Increased HIV testing in Lambeth will have an immense social impact by reducing late diagnosis of HIV among men who have sex with men (MSM) and black Africans, the two groups most affected by HIV in Lambeth. Reducing the rate of late diagnosis (estimated at 42% of PLWH in England by Public Health England), has multiple benefits: Firstly, earlier diagnosis will improve health outcomes of PLWH in Lambeth. Secondly, earlier diagnosis will reduce HIV care costs significantly. Thirdly, earlier diagnosis and consequent earlier viral suppression will prevent a significant number of onward transmissions of HIV.

Childrens Investment Fund Foundation

Though the rate of mother-to-child transmission of HIV among Global Plan countries (the 22 countries with the highest number of pregnant women living with HIV) has experienced a significant reduction in recent years (currently ~16%, UNAIDS 2014 Progress Report on the Global Plan), efforts need to be intensified in order to meet the 5% target set by UNAIDS. Funds from CIFF will contribute to sustaining the virtual elimination of mother to child transmission of HIV (eMTCT), and will contribute to achieving optimal ARV treatment for HIV infected mothers.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

18 Reconciliation with previous generally accepted accounting practice

	2015 £	2014 £
<u>Prior year policy</u>		
Grants Disbursed	5,724,119	4,653,567
Creditors: amounts falling due within one year	587,325	38,376
Creditors: amounts falling due after more than one year	-	-
Net movement in funds	(1,978,899)	112,403
Funds brought forward original policy	27,254,051	27,141,648
Funds carried forward original policy	<u>25,275,152</u>	<u>27,254,051</u>
<u>New policy</u>		
Grants Disbursed	9,879,949	5,160,884
Creditors: amounts falling due within one year	5,894,190	3,232,845
Creditors: amounts falling due after more than one year	4,863,411	2,819,977
Net movement in funds	(6,134,730)	(394,914)
Funds brought forward new policy	21,239,605	21,634,519
Funds carried forward new policy	<u>15,104,875</u>	<u>21,239,605</u>

In prior years grants disbursed were accounted for when payment was due. Grants creditors only included grants due to be paid in the financial year that were not processed at the bank until the following period. The new accounting policy means grants are now accounted for when the commitment is made.

The change in policy means a more reliable and relevant reflection, of what the charity is committed to spending, in the financial statements. It also brings the accounts in line with FRS 102 and the charities SORP FRS 102 requirements for expenditure recognition.

The change in policy means the 2015 financial statements will show £4,115,830 (2014: £507,317) more grants disbursed; creditors will increase by £10,170,277 (2014: £6,014,446) and funds c/f will decrease by £10,170,277 (2014: £6,014,446).

19 Reconciliation of net movement in funds to net cash inflow from operating activities

	2015 £	Restated 2014 £
Net movement in funds	(6,134,730)	(394,914)
Investment Income receivable	(538,618)	(78,898)
Gain/Loss on investments	(89,630)	(479,102)
Depreciation of tangible fixed assets	270	329
Decrease in debtors	237,121	319,951
Increase in creditors	4,575,781	1,061,112
Net cash used in operating activities	<u>(1,949,806)</u>	<u>(1,323,504)</u>

20 Reconciliation of group net cash flow to movement in net funds

	2015 £	2014 £
Decrease in cash	(1,529,431)	(1,896,092)
Net funds at 1 January 2015	8,624,808	10,520,900
Net funds at 31 December 2015	<u>7,095,377</u>	<u>8,624,808</u>

21 Analysis of net funds for the group

	2014 £	Cashflow £	2015 £
Cash at bank and in hand	8,624,808	(1,529,431)	7,095,377

22 Contingent Assets

The foundation had an ongoing legacy donation claim of £157,000 in 2015 (2014: nil). The grant of probate had not been granted in 2015. The income has not been recognised in the 2015 accounts due to the probable income criteria not being met.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

23 Pension costs

Defined contribution

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity.

	2015 £	2014 £
Contributions payable by the charity for the year	<u>36,214</u>	<u>40,400</u>

24 Revaluation reserve

The Unrestricted Reserves include unrealised gains/ (losses) on investments, which are recognised in a revaluation reserve.

	Balance at 1 January 2015 £	Incoming Resources including gains £	Outgoing Resources including losses £	Transfers £	Balance at 31 December 2015 £
Revaluation reserve	-	89,630	-	(89,630)	-
	<u>-</u>	<u>89,630</u>	<u>-</u>	<u>(89,630)</u>	<u>-</u>

25 Comparative Statement Of Financial Activities -restated

	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2014 £
Income				
Donation and legacies	1,297,688	-	1,218,822	2,516,510
Other Trading activities	3,166,485	-	42,000	3,208,485
Investments	505,983	-	1,393	507,376
Total income	<u>4,970,156</u>	<u>-</u>	<u>1,262,215</u>	<u>6,232,371</u>
Expenditure				
Costs of raising funds	1,274,318	-	130,311	1,404,629
Expenditure on charitable activities	3,139,355	67,949	2,494,454	5,701,758
Total expenditure	<u>4,413,673</u>	<u>67,949</u>	<u>2,624,765</u>	<u>7,106,387</u>
Gains on investments	479,102	-	-	479,102
Net income/(Expenditure)	<u>1,035,585</u>	<u>(67,949)</u>	<u>(1,362,550)</u>	<u>(394,914)</u>
Transfers between funds	33,529	67,949	(101,478)	-
Net movement in funds	<u>1,069,114</u>	<u>-</u>	<u>(1,464,028)</u>	<u>(394,914)</u>
Reconciliation of funds				
Fund balances at 1 January 2014	18,205,873	200,000	3,228,646	21,634,519
Fund balances at 31 December 2014	<u>19,274,987</u>	<u>200,000</u>	<u>1,764,618</u>	<u>21,239,605</u>

26 Net income/(expenditure) for the year

This is stated after charging:

	2015 £	2014 £
Depreciation	270	328
Audit fees	14,123	14,760
Gains and losses on exchange	28,500	(22,245)

27 Related Parties

Aggregate donations received during the year from trustees and parties connected to the trustees given without conditions placed on the charity were £666,000 (2014: £1,412,700).

In addition a donation of £100,000 was received from Mr R Manoukian, a trustee of the charity, in the year ended 31 December 2014 (2015 - nil). This amount was used to establish the Zachary and Elijah restricted fund. Details of this fund are set out in note 17 to the accounts.

3-4 trustees contributed to each of the two FDG meetings in 2015.

The Finance and Investment Committee (FIC)

FIC has delegated responsibility for the organisation's financial, investment and risk management activities. It specifically reviews financial performance, advises on the Foundation's investment strategy and undertakes periodic reviews of organisational risk, internal controls and financial policies and procedures.

FIC met three times during the year, with each meeting attended by three Trustees who were supported by the Finance Director. The committee formally reviewed the organisation's financial performance and strategy, which included examining the 2014 audited accounts, managing and setting the risk appetite of the Foundation and reviewing the 2016 budget. During 2015 Monica Risam (General Counsel, Aviva Group) was appointed as an honorary non-executive member of the FIC. Since the year-end, Caroline Stockmann (CFO, British Council) and Sandra Thompson (Partner, EY) have also been appointed as honorary non-executive members of the FIC.

EJAF Trading Limited

The Foundation has a wholly owned trading subsidiary, EJAF Trading Limited, which provides the management for one-off fundraising events. All profits from its activities are paid to the charity. During 2015, EJAF Trading Limited generated sales of £2.9m (2014 - £3.2m) and a net profit of £nil (2014 - £nil). The Trustees are satisfied with the performance and results of the subsidiary for the year ended 31 December 2015.

EJAF Trading Limited (Company Registration Number 02951448) is based at 1 Blythe Road, London W14 0HG and its directors are:

Sir Elton John
David Furnish
Anne Aslett

George Kangis remains as Company Secretary.

Elton John Aids Foundation (South Africa)

The charity also has a partner company in South Africa - Elton John AIDS Foundation (South Africa) (EJAF SA) Registration number IT3473/2004 038-398-NPO. It was established in November 2004 to facilitate a fundraising event in Cape Town in January 2005. The net proceeds of any fundraising by EJAF SA are distributed within South Africa, by EJAF SA, to HIV/AIDS programmes. The funding guidelines of the partner company are the same as those of the UK Foundation.

Risk analysis

The Board of Trustees continue to review and assess the risks that the charity faces and potential impact they may have on the organisation. This analysis is undertaken both for the charity as a whole and for individual large scale grants.

The main components of the risk management system are as follows:

Area	Detail
Risk register	<ul style="list-style-type: none"> Our Risk Register" includes an assessment of key risks, their likelihood and significance and a description of how they will be managed and mitigated. During 2015, the Senior Management Team undertook a detailed review of the Foundation's Risk Register. This was subject to review and approval by both by FIC and the Board.
Grant review procedures	<ul style="list-style-type: none"> During 2015, following a competitive tender process, the Foundation appointed Crowe Clark Whitehill, the UK member firm of Crowe Horwath International, a major international firm of accountants to undertake a review process of selected grants. Crowe Clark Whitehill reported on 3 grant recipients during 2015.
Reporting	<ul style="list-style-type: none"> The Board is presented with the risk register at least annually. The Finance and Investment Committee reviews the risk register, assesses the adequacy of existing controls and reports its findings to the Board.