



**Elton John AIDS Foundation**

**Annual report and financial statements**

£12.2m

Total Income in 2017



12

Number of countries our  
awarded grants will  
impact



1,098,012

HIV tests funded by the  
Foundation in 2017



57,850

Of those who tested  
positive started on HIV  
treatment



1,800,000

Individuals provided with  
direct support in 2017



15%

Cost to income ratio of  
our fundraising activities  
in 2017



# Contents

---

## Annual report and financial statements

For the year ended 31 December 2017

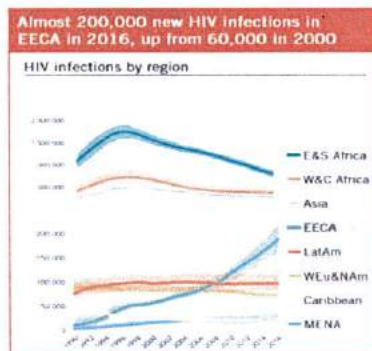
	Chair and Executive Director's Introduction	2
Trustees Report*	Objectives & activities	4
	Grant making review	6
	Advocacy & communications review	10
	Grant income review	13
	Event and Partnerships review	14
	Financial review	17
	Structure, governance and management	19
	Reference & administrative details	24
	Independent auditor's report	25
Financial Statements	Consolidated statement of financial activities	28
	Consolidated and charity balance sheets	29
	Consolidated statement of cash flows	30
	Notes to the financial statements	31

*\*The Trustees' Report incorporates the Strategic Report*

# Chair and Executive Director's introduction

## Support provided

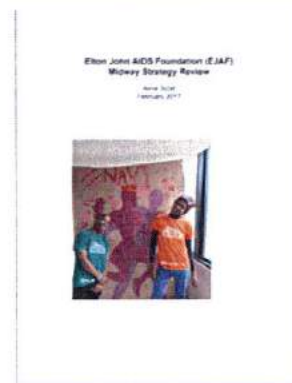
In 2017, we completed a set of external reviews of our work under the current strategic plan: programmes working with the LGBT community, with people who inject drugs, and across the entire portfolio. The conclusion from these reviews is that we are funding the right people in the right places with the right things. Examples of this focus include increasing, by over 300%, the number of people linked to life saving services in East and Southern Africa where HIV numbers are highest; providing 123,331 of the 444,370 HIV tests for highly vulnerable men who have sex with men (MSM) in South Africa, and launching a new Eastern Europe & Central Asia Key Populations Fund (EECAKP Fund) in a region which is experiencing the fastest HIV growth in the world. In total over 1.8 million people were reached with services during 2017 alone, including 1,098,012 people who received an HIV test. Most importantly 57,850 people living with HIV/AIDS were directly linked to life saving care.



UNAIDS Data Report 2017

The external reviews highlight our success in leveraging new funding for the programmes we have launched and supported. The £28 million we invested in projects between 2013-2016 has enabled our grantees to secure a further £59 million for this work, helping to safeguard its sustainability. Beyond financial support, grantees interviewed for the reviews repeatedly cited the value of Sir Elton John's voice in championing marginalised groups to ensure those most vulnerable to the AIDS epidemic are not left behind. In addition, the external reviews synthesised key learnings and recommendations for future work which will both inform the next grant

strategy period and offer opportunities to disseminate and share good practice.



## Advocacy

The last twelve months have been a period of global political turbulence. During 2017 we used the external reviews described above to develop a greater evidence base for the impact and cost effectiveness of our work. This has given us the opportunity to respond to evolving policies in the UK and around the world with compelling evidence. In parallel, we have expanded our advocacy strategy, more explicitly linking high level engagement by senior management and trustees with funded work in the field so that when we participate in external dialogue, we draw on our direct experience of what is most needed and what works. This has enabled us to engage more donor governments, global corporations, activists and media outlets. Our priorities for these audiences remain advocating to ensure sufficient funds are available to fight the global AIDS epidemic and highlighting the need for renewed focus and support to key populations and adolescents. This includes developing a major new campaign aimed at adolescents in sub Saharan Africa for launch in 2018 and funding the 'Support Don't Punish' campaign for people who inject drugs living

with HIV, which rolled out in 200 cities across 90 countries during the year.



Elton John AIDS Foundation, UK team- 'Support Don't Punish' campaign

## Fundraising

In 2017, 54% (2016: 44%) of our income was derived from institutional grant funding demonstrating increasing confidence in the breadth and expertise of our work from bilateral and multilateral donors. Individual donor and events revenue also performed well, raising over £4 million during the year (2016: £5 million). Our annual Woodside Gallery Dinner event expanded capacity by almost 20% and we ended the year with our most successful London-based event ever, Club Love, which generated £1.1 million. Cultivation events held throughout the year contributed £80,000 of the total event income.

## Strategic Planning



The global community has agreed a set of targets for 2020 which must be reached if we are to stay on track to achieve the Sustainable Development Goals (SDG) of defeating AIDS by 2030. This makes 2018 – the Foundation's 25<sup>th</sup> anniversary year – a critical one. A series of interlinked fundraising, grant making and advocacy activities during 2018 will celebrate our achievements, consolidate our learning and drive our vision and work for an AIDS free future.

We will also use our 25<sup>th</sup> anniversary to more closely integrate with our sister organisation – Elton John AIDS Foundation US. This will greatly expand our collective reach, impact and voice. As we look to the end of the UK Foundation's current strategic plan, we will be developing new, shared strategies for global fundraising and grant-making, advocacy and communications and the resources required to deliver them.

## Our Promise

Today, the Elton John AIDS Foundation is the sixth largest philanthropic funder out of 500 private funders worldwide; the third largest of 25 HIV-specific funders and the third largest philanthropic funder of those key populations who are most vulnerable to HIV/AIDS. These place a big burden of responsibility to do as much as we possibly can, as efficiently as we can, for as many people as we can. We promise all those whom we are fortunate enough to have with us in this fight - donors, volunteers, partners - that we will double down on what is proven to work; hone our understanding of cost effectiveness in a very broad range of settings, pair our resources with evidenced need and, with a loud and compassionate message, maintain momentum towards an AIDS free future.



**David Furnish**  
Chairman



**Anne Aslett**  
Executive Director

# 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. The Foundation 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. 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 unlock 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.*

*The Foundation 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 person, respect for their human and legal rights – particularly of the most vulnerable and marginalised – is central to any caring community.*

*The Foundation 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 Strategy Day and organisational review in December 2017, as well as external grants reviews,

confirm that the charity is on target to deliver against most goals. 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	2017 £000	2016 £000
LGBT Fund	5,254	2,999
Pioneer	3,048	4,330
Support	1,515	556
Advocacy	87	430
Robert Key Memorial Fund	90	60
Flagship	20	
New commitments	10,014	8,375
Exchange (gain)/loss	308	(615)
Grant support costs	811	608
<b>Expenditure on charitable activities</b>	<b>11,133</b>	<b>8,368</b>

In 2017, the Grants team received 655 requests for support (2016: 457), with a total value of £98.4 million (2016: £143 million). The current grants portfolio stands at £36.3 million (2016: £27.9 million).

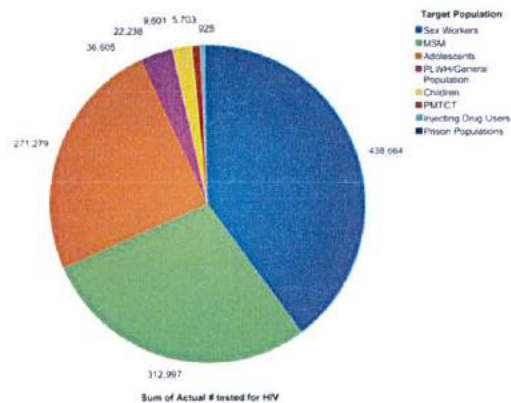
The Foundation was delighted to hear from 2017 grantees that they have reached over 1.8 million individuals (2016: 1 million) with various HIV services including testing, access to treatment and prevention.

Field trips were undertaken during the year to current and potential grantees in Russia, Ukraine, Vietnam, Indonesia, Zambia, Kenya, Tanzania, Uganda, Nigeria, Malawi, South Africa, Mozambique as well as within the UK.

## Populations supported

During 2017, the Foundation estimates that it provided HIV testing to 1,098,012 individuals (248,495 in 2016) of whom 293,517 were children and adolescents, (2016: 86,222).

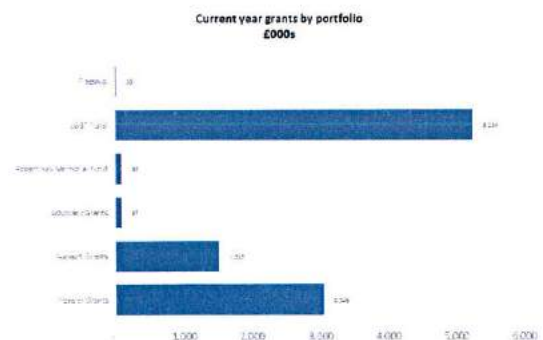
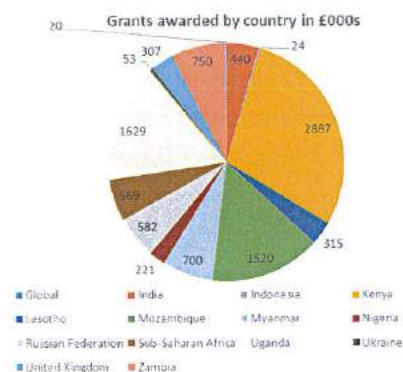
The beneficiaries by target population and type of support offered are as follows:



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

## Grants made in 2017

New grant commitments in 2017 totalled £10.1 million (2016: £8.4 million), and can be broken down by country and grant portfolio type as follows:



## Flagship Grants

During 2017 no new flagships grants were awarded although there were minor costs relating to prior



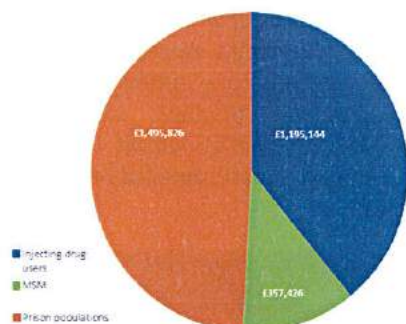
year commitments. Feasibility work was undertaken to explore a multi-layered Flagship intervention in the UK to reduce the rate of late HIV diagnosis which currently stands at approximately 40%. We have established a social impact bond to achieve this in the London Boroughs of Lambeth, Southwark and Lewisham which is likely to result in a flagship grant being awarded in 2018.

### LGBT Fund

In 2015 we established a \$10 million Rapid Response Fund to address stigma, discrimination and violence faced by Lesbian, Gay, Bisexual and Transgender (LGBT) people. In 2017, a total of £5.3 million of LGBT Grants were awarded.

### Pioneer Grants

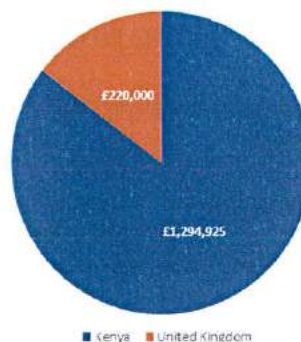
Where Flagship Grants advance a co-ordinated response amongst multiple stakeholders (such as government, civil society and the media) who are already deeply engaged in HIV work, Pioneer Grants by contrast are for new, standalone programmes that can act as proof of concept in how to deliver results for a beneficiary group, or in a 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 above displays the focus of the Foundation's Pioneer Grants awarded in 2017 totalling £3 million.

### Support Grants

The Foundation'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.



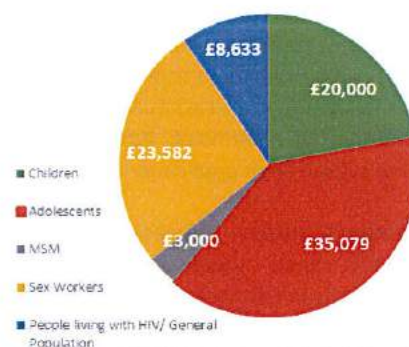
The chart above shows Support Grants awarded by the Foundation in 2017, totalling £1.5 million.

### Advocacy Grants

Please refer to the Advocacy & Communications Review on page 10.

### 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 2017 a total of £90k of Robert Key Memorial Fund Grants were awarded.

### Plans for future periods

As we look to the end of the current grants strategic plan, we will commission an end of strategy review and develop a new global grant making strategy in partnership with Elton John AIDS Foundation US. We plan to conduct more field visits and grantee engagements. In addition, the International AIDS Conference in Amsterdam offers us an opportunity to consolidate our learning and drive our vision and work for an AIDS free future.

## The grant making process

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

**How to Apply for a Grant.** Potential applicants are directed to the Grants section of the Foundation website, where they can view details of the five grant portfolios that the Foundation awards funds under:

- a. The Robert Key Memorial Fund is open all year round and applicants can submit a Concept Note at any time.
- b. Pioneer Grants are open for application at certain times (usually 4 times per year, for 6 weeks at a time).
- c. Support Grants are by invitation only.
- d. Flagship Grants are by invitation only.
- e. Advocacy Grants are by invitation only.

Any applicant wishing to apply for a 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 the Foundation 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 Foundation Policy Questionnaire. Applicants have four weeks to submit their application.

**The Foundation's Review Process.** When an application has been submitted, the Grants Coordinator checks the content of the proposal to make sure all the information provided is complete. Additionally, references, accounts and all other supplementary documentation are reviewed prior to a full review to ensure that the applicant meets our eligibility criteria. When reviewing an application, several areas are considered 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 consider 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.

**The Foundation /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 six 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.

**How the Foundation 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 the Foundation 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).



The Foundation's Grants Director, Mohamed Osman (front, centre) and Grants Portfolio Manager Friedrich Conrad (back, left) meet with LVCT health staff in Kenya.

## Spotlight on our LGBT work

### Courage in the face of stigma, violence and repression

International Day Against Homophobia, Transphobia and Biphobia is a day of solidarity and global action by individuals, communities and politicians to strike a blow against the stigma and secrecy that surrounds HIV and AIDS.

This stigma, sometimes propped up by discriminatory laws has a secret but deadly impact on the ground. According to UNAIDS, men who have sex with men in East and Southern Africa have the highest HIV prevalence rate in the world. These men steer clear of government run HIV services where they can often be met with hostility and abuse; some die needlessly.

The Elton John AIDS Foundation is the leading HIV philanthropic donor in this fight. To truly achieve zero new infections and zero deaths by 2030 - the global goal of the United Nations - reaching and supporting these men is crucial. We have made it our mission to work with local organisations doing the dangerous work of offering HIV testing, treatment, counselling and advice, to stand with them in this climate of fear and repression.

In February, we went to Kenya, Uganda, Malawi, Zambia and South Africa, crossing East and Southern Africa, to see for ourselves the daily challenges faced by organisations reaching men who have sex with men, LGBT communities and sex workers and learn how they strive, innovate and save lives. We saw first-hand how organisations we fund tackle this challenge on different fronts.



John Mathenge of HOYMAS, a community based organisation for hard-to-reach sex workers in Kenya.

Fundamentally, homophobic laws need to change, so in Malawi we work with CEDEP, which advocates for legal change and provides human rights education. Nurses, doctors and administrators in hospitals and clinics also risk violent backlash by

serving LGBT patients, so CEDEP works intensively to sensitise and support these frontline workers, helping them to provide safe, secure, unprejudiced support.

Grass roots services are also crucial. In Kenya, LVCT Health runs community clinics, makes home visits, drives out to local community hubs with mobile outreach services, or supports men through social media and text messaging. Reaching sex workers in the region is some of the most challenging and invisible, under-the-radar work carried out by grassroots organisations. Discrimination and fear drives sex work underground and HIV prevalence and AIDS deaths are many times higher for sex workers than the general population.

The HOYMAS clinic, located in Nairobi is festooned with rainbow-coloured curtains and walls, comfortable rooms where people can sit and talk, where staff treat visitors with warmth, dignity and respect, a far cry from the stigma and discrimination experienced by these men elsewhere. To maintain this clinic as a safe space, these brilliant interiors are camouflaged by a sharply contrasting, sober exterior - so much so that no one can guess who works there or who visits, and for what purpose. Another clinic we visited is hidden behind a car mechanic's workshop.

Friedrich Conrad, Grants Portfolio Manager, feels strongly that "the most important lesson we've learned from seeing the frontline work up close and personal is that even where stigma is endemic and resources are extremely limited, lives can be saved with care and tenacity. With leadership, imagination and understanding of the local context, these organisations and their workers are saving lives in near-impossible situations."

Through our funding over the past 12 months, organisations in East and Southern Africa have reached over 575,000 men who have sex with men, with 80,000 people receiving a HIV test.

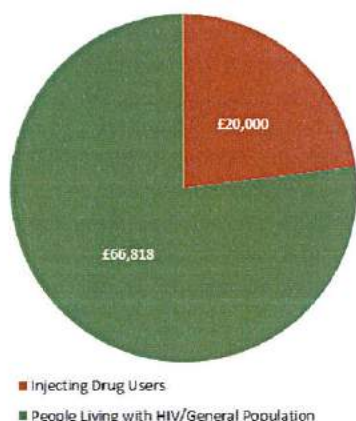
Anne Aslett, Executive Director of the Elton John AIDS Foundation adds, "We have made it our mission at the Foundation to support these organisations, because ending AIDS means we cannot leave anyone behind. Everyone deserves the information and services to protect themselves and others. If we don't support this work, who will?"

# Advocacy & communications review

## Review of the year

Advocacy & Comms Expenditure	2017 £000	2016 £000
Advocacy & communications expenditure	22	49
Advocacy grants	87	430

In a year when international aid resources were under threat due to expanding crises in the Middle East, Eastern Europe and the Caribbean, it was imperative for the Foundation to continue its advocacy activities and sharpen its focus on a set of core goals.



The chart above displays the focus of the Foundation's Advocacy Grants awarded in 2017 totalling £86,818.

### Selecting Change Objectives

We carried out external research and in-depth interviews with a range of experts in different countries, as well as an internal review of our achievements to date in leveraging resources and political will for the global AIDS fight. As a result, we expanded our advocacy objectives in scope and depth, fully integrating them with our grant capabilities, strategy and setting related targets for communications, organisational outcomes and overall impact.

Within an overarching goal to continue to champion the need for global resources to fight the AIDS epidemic and reach the Sustainable Development Goal, we identified two key areas of expanded focus: Eastern and Central Europe and Sub-Saharan Africa.

### Eastern Europe & Central Asia (EECA) and Key Populations

Seventy per cent of people living with HIV will be in middle income countries in 2020 and infection rates are growing fastest in EECA particularly amongst people who use drugs and the LGBT community. At the same time, multilateral and bilateral aid is withdrawing from many middle-income countries, leaving a huge funding gap in an expanding epidemic. Our response was twofold: articulate the need for greater focus on this region and its most vulnerable populations to a wide audience of multilateral and bilateral funders, opinion formers and policy makers and, with grant partners, expand the work we fund as a charity so that we are not merely commentators but have the institutional experience to speak with authority about what is needed and what can deliver impact.

The partnership we established in 2017 with the International Aids Society - Lancet Commission on 'The Future of Global Health and the HIV Response' is providing compelling, impartial evidence from which to articulate our message of the need for greater focus on the EECA region. A report published by the Commission for World AIDS Day 2017 evidenced HIV rates in Russia and its neighbours at a much more alarming rate than previously documented.

In parallel, establishing a new, unique programme - the Eastern Europe & Central Asia Key Populations Fund (EECAKP Fund) - has been effective at mobilizing alternative funding to provide targeted support where it is needed. Over £5 million was secured for this Fund during the year, (see Grants Income below) which was profiled in the media, including as part of a special World AIDS Day supplement in the *Daily Telegraph*.



World AIDS Day supplement in Daily Telegraph

Regional and national support for the EECAKP Fund is also critical. Sir Elton John, David Furnish and Anne Aslett travelled to Moscow to meet with the Minister of Health and review options for partnership in Russia, one of the Fund's programme countries. Similar trips will be undertaken to other EECAKP Fund programme countries in 2018.

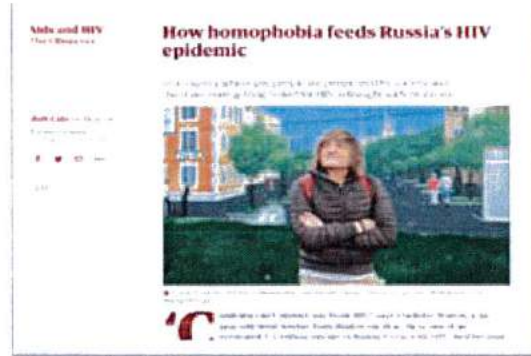


Sir Elton John with Veronika Skvortsova, Minister of Health, Russian Federation

### Sub-Saharan Africa (SSA) and Adolescents

Sub-Saharan Africa, our second area of expanded focus, remains the region with the largest number of people living with HIV globally. Yet it has seen reductions in new HIV infections amongst all age groups, except for young people. More than 200,000 adolescents are newly infected with HIV each year and without significant and effective intervention, this number is set to rise alarmingly, especially considering the unfolding youth bulge.

We reviewed this challenge with a range of international stakeholders, from which there was a clear consensus that, unlike adult epidemics, the drivers of adolescent HIV are not yet sufficiently understood. In collaboration with the Global Fund for AIDS, TB & Malaria (GFATM), we therefore commissioned intensive research in two countries to examine the underlying causes of the rise in HIV infections amongst youth as well as their barriers to testing and treatment. This work will inform the launch of a significant new public campaign in 2018 aimed at stemming adolescent infections in SSA, for which we have initiated a new coalition of funders, researchers, service providers and the corporate sector including WPP- the multinational advertising, branding, marketing and communications agency.



LGBT Fund in Sub Saharan Africa

High profile communications and campaigning for this work will be paired with targeted programmatic initiatives. In the case of adolescents, we will partner with the Children's Investment Fund Foundation (CIFF), UNITAID and others to develop new, youth-centred delivery programmes.

Our strategy of achieving these change objectives are mutually reinforcing. Developing new programmes and forging new partnerships enables the Foundation to fund, learn from, and give visibility to, what is needed and what works. This in turn pushes AIDS onto the agenda of decision makers, translating into an increase in funding to fight the pandemic.

### Advocacy in the UK

In the UK, the Foundation's longstanding support for the introduction of PrEP medication to prevent onward infection of HIV helped reverse a previous decision by NHS England not to make the treatment available within the health system. A PrEP trial involving 10,000 people started in the UK in September. The Foundation worked with several publications to highlight this development, including *Attitude* magazine, whose editor wrote a powerful article in support of PrEP that was subsequently circulated in national broadsheets and on the BBC.

The 20<sup>th</sup> anniversary of the death of Diana, Princess of Wales was also a chance to recognise her extraordinary contribution to the AIDS cause. Sir Elton John and HRH Prince Harry undertook a visit to London Lighthouse – a former AIDS hospice - to reflect on the impact that the multiple visits to the Lighthouse by Prince Harry's mother had on reducing stigma related to the disease. The visit formed part of a BBC documentary tribute to the former Princess of Wales's life and work.



Sir Elton John and HRH Prince Harry at the London Lighthouse

At the end of the year we completed 18 months of our two-year, \$10 million LGBT Fund partnership with the U.S. government. This fund supports vital work in sub-Saharan African countries where homosexuality is illegal and there is a high rate of HIV amongst LGBT. It has provided support to 22,969 individuals in 20 countries to date. Three international sportsmen – John Amaechi, Mark Foster and Gareth Thomas – who are openly gay highlighted the importance and the achievements of the LGBT Fund at our World AIDS Day fundraiser which was covered by the UK print and online media.



John Amaechi, Sir Elton John, David Furnish, Gareth Thomas & Mark Foster at Club Love fundraising event for World AIDS Day

## Plans for future periods

During 2018, we will execute the enhanced advocacy strategy, using key moments such as the Commonwealth Summit in April and the International AIDS Conference (IAC) in Amsterdam in July to drive our change objectives. The IAC will provide an opportunity to bring our grant partners

together and to share updates on the EECAP and LGBT Funds with key stakeholders and the media.

The Amsterdam conference will also see the launch of our new strategic collaboration of bilateral and multilateral stakeholders, NGOs, the media and commercial sector for a new campaign aimed at reducing HIV amongst young people in Africa. This will be launched at IAC by Elton John.

At the end of the year, we will run a new high-profile fundraising campaign in the UK, produce a final report on our impact over the current 2014-2018 strategy period and launch a new global funding strategy.

Our advocacy work with policy makers, business leaders and activists is designed 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. Increasingly, this work and the partnerships it forges across different sectors are also enabling the Foundation to enter into more ambitious and far reaching collaborations so that we not only champion what we believe to be essential in the fight against AIDS, we can secure grant income to execute it. This further enables us to publicly advocate for evidence-based innovation that can accelerate progress towards an AIDS free future.



**Anne Aslett**  
Executive Director

# Grant Income review

## Review of the year

Grant income	2017 £000	2016 £000
Grant income received	6,502	4,089

The Foundation continued to grow its grant income in 2017 due to increased institutional support.

We established a new initiative, the Key Populations Fund for Eastern Europe and Central Asia (EECAKP Fund) to help address the HIV epidemic in the region through increased advocacy and service delivery for people living with and at risk of HIV.

In addition to the new initiative in Eastern Europe and Central Asia, we partnered with ViiV Healthcare, with the Vitol Foundation and with BVLGARI to support young people. Our partnership with ViiV Healthcare assists gay and bisexual men in South Africa to access HIV services, BVLGARI have continued their support for our project with Save the Children to help prevent the spread of HIV among girls and young women in Kenya and the Vitol Foundation joined us in supporting our Young Survivors initiative in Kenya, Uganda and Mozambique which aims to increase the number of young people getting tested and treated for HIV. AIDS LIFE, through Life Ball 2017, supported our PrEP promotion in Europe. We also have launched a social impact bond in conjunction with Lambeth, Southwark and Lewisham councils.

## EECAKP Fund

Over 1.5 million people are living with HIV in Eastern Europe and Central Asia (EECA). New HIV infections in the region have increased by over 50% since 2010. People who inject drugs, sex workers, and gay men, as well as their sexual partners make up over 96% of those infected. Most people living with HIV in EECA are not on treatment. Co-infections with hepatitis C are also widespread with an estimated 60 - 98% of people living with HIV who inject drugs co-infected with hepatitis C, depending on the country.



Young Ukrainian AIDS activist advocates for prevention

The EECAKP Fund will reach an estimated 20,000 people with HIV prevention, testing and treatment.

Mirroring a current \$10m Fund that the Foundation runs for LGBT populations in countries in Africa, the EECAKP Fund will also include a Rapid Response element to address emergencies, including the physical safety of people living with HIV. The EECAKP Fund will also develop "Lighthouse" grants that support HIV and hepatitis C care within the public health system.

Funding for the new initiative includes financial contributions from Gilead Sciences. The request for proposals for the fund will be issued in June 2018.



**Mohamed Osman**

Grants Director

# Events and Partnerships review

## Review of the year

Event & Partnership income	2017	2016
	£000s	£000s
Event and partnership income	4,373	4,985
Event and partnership costs	(1,751)	(1,788)
<b>Net event and partnership income</b>	<b>2,622</b>	<b>3,197</b>



### Woodside Gallery Dinner

Sir Elton John and David Furnish hosted their annual fundraising dinner in benefit of the Elton John AIDS Foundation in partnership with BVLGARI, the iconic Italian jeweller, at their private gallery in the grounds of their home. The private, black-tie dinner saw over 150 VIP guests and the Foundation's supporters treated to the first ever duet between legendary artist Joan Baez and Sir Elton John, as well as solo performances by both musicians.



Joan Baez performing at Woodside Gallery Dinner

The event raised £2.6 million to help reduce adolescent AIDS amongst 13-15 year-olds in sub-Saharan Africa, to assist with the creation of an HIV unit within the newly established Kwazulu-Natal Children's Hospital in Durban. At the event, an inspirational film of Sir Elton John and David Furnish's recent visit to the hospital was presented followed by a Q&A session hosted by the Foundation's Executive Director Anne Aslett with the hospital's founder Dr Arthi Ramkissoon and 17-year-old, Durban-born Lindiwe Nyathikazi who shared her moving story about her adolescence with AIDS. In addition, the former US Secretary of State John Kerry spoke of his commitment to continuing his support of global AIDS initiatives.



Anne Aslett with Dr Arthi Ramkissoon and Lindiwe Nyathikazi

David Walliams OBE acted as Master of Ceremonies and contributed to the auction with the promise to write a bespoke children's book for the winning bidder. The event also featured a thrilling performance by the award-winning magician, Dynamo.

### Club Love

To mark World AIDS Day, Club Love was a fun, cabaret experience at the former Fountain Studios in London. The colourful black-tie dinner and cabaret, presented by Trustee and Master of Ceremonies for the night Graham Norton, saw 450 guests treated to solo performances by Sam Smith and Anne Marie.



Sam Smith performing at Club Love



£0.7 million was raised for our LGBT Fund to help LGBT people across the world access the health and HIV services they need. Club Love was the most successful London-based large event that the Foundation has hosted to date.

Lord Harry Dalmeny of Sotheby's performed the auction and the guests were entertained by a line-up of cabaret artists. Sculptural installations by Italian artist, Edoardo Tresoldi, created dramatic talking points. A magnificent "Kabuki" curtain drop and glitter storm marked the opening of the Belvedere RED After-Party with fairground attractions and a lively dancefloor inspired by DJ sets from Me & Mrs Jones (Sophie Ellis-Bextor and Richard Jones), DJ Fat Tony and Kitty Glitter.

### BVLGARI

This is the second of three years of sponsorship from BVLGARI. As part of an agreement, which covers the main events for both the UK and US Foundations, BVLGARI sponsored the Woodside Gallery Dinner and Club Love, as well as providing jewellery to be auctioned at both dinners. BVLGARI are keen to develop the relationship with the Foundation and, on the 8th September, Sir Elton John and David Furnish made a special appearance at the BVLGARI Gem Table in Rome. Sir Elton John met BVLGARI Jewellery Creative Director Lucia Silvestri and

together they designed a special creation that will be auctioned off at our next event in June 2018 to commemorate our 25th anniversary in the UK.

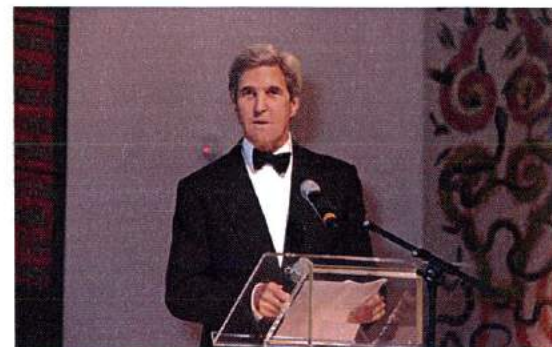


David Furnish, Lucia Silvestri, Sir Elton John, Victor Pinchuk & Elena Pinchuk

### Cultivation Events

We continued to cultivate new and potential major donors by holding four cultivation events, hosted by trustees or other key supporters of the Foundation including Lord Browne, Graham Norton and David Furnish.

These events served as excellent opportunities to involve existing donors as well as engage new prospects and contacts with our work.





### Plans for 2018 – our 25<sup>th</sup> Anniversary Year

- The Argento Ball will mark our 25th Anniversary on Wednesday 27th June 2018 with a large gala event staged in a marquee setup donated by our long-term friends and donors, Bob and Tamar Manoukian, in association with BVLGARI. The event will feature a special performance by Ed Sheeran.
- For the first time, we will take our signature event style to the South of France on Thursday 26th July 2018 with the inaugural Elton John AIDS Foundation Summer Party.
- Host Committees for both events will be established to assist with promoting the events, ticket sales and acquiring sponsors and auction lots.
- Cultivation events will continue throughout the year and we will ask our key patrons and helpers to host a variety of different events.
- A smaller events programme will feature in the later part of the year.



Glenn Horder

Head of Events and Partnerships

# Financial review

## Review of the year

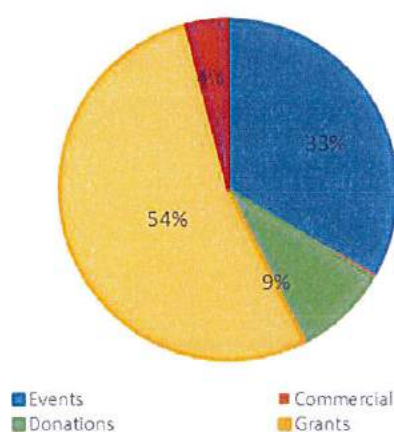
Consolidated financial outcome	2017 £000	2016 £000
Income	12,177	10,662
Costs of raising funds	(1,751)	(1,788)
Expenditure on charitable activities	(11,133)	(8,369)
Gains on investment	65	697
Net surplus/(deficit)	(642)	1,202

The Foundation continued its growth in income in 2017. This was due mainly to increased institutional support which reflects the high quality of our internal and external grants management. To assist with ensuring good financial governance, Crowe Clark Whitehill conducted financial reviews of four large international grants, offering significant assurance on policies and procedures.

The Foundation is delighted to welcome Tracy Blackwell as the new Treasurer. Tracy has been the Chief Executive Officer at Pension Insurance Corporation Plc since July 2015 and previously was the Chief Investment Officer for nine years.

### Incoming resources

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



### Charitable expenditure

Consolidated Total Expenditure on Charitable Activities increased to £11.1 million (2016: £8.4 million) due to increased grant commitments, 90% (2016: 93%) of total expenditure in the year is direct awards to implementing partners. The remaining

10% 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 surplus/(deficit)

Overall in 2017, the Foundation reported a planned net deficit totalling £0.6 million (2016: surplus of £1.2 million). This was the result of consolidated total expenditure increasing to £12.8 million (2016: £10.2 million) and incoming resources increasing to £12.2 million (2016: £10.7 million).

## 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. FIC is chaired by the Treasurer and reports to the Board.

The Foundation seeks to produce the best financial return within an acceptable level of risk to enable maintaining the real value of investable funds, before they are required for grant making.

## Reserves policy and going concern

The objective of the reserves policy is to ensure that the level of unrestricted reserves will finance the strategic plans of the Foundation, mindful of the economic environment in which it finds itself. The Board, through its delegated authority to FIC, agreed to maintain unrestricted reserves of £6 million, which equates to 12 months of grant disbursements and sustainable operating costs.

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

The Foundation's total funds as at 31 December 2017 were £15.7 million (2016: £16.3 million) of which £6.0 million are classified as restricted funds (2016: £1.8 million) and £9.7 million as unrestricted

funds (2016: £14.5 million). £2.0 million (2016: £nil) of the unrestricted funds have been designated for the EECA KP Fund and £0.2 million (2016: £0.2 million) for the Robert Key Memorial Fund.

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

With our new Treasurer now in place, we will be reviewing our Investment Policy in 2018 to ensure that we maximise our return on investment whilst safeguarding our assets. Alongside this, we will be implementing a new finance system which will integrate with the grants management system and the fundraising system.

A new subsidiary, EJAF Social Impact CIC, was incorporated in 2017 to create a Social Investment Partnership. The aim of the partnership is to reduce HIV transmission in South East London by bringing

additional investment to fund the commissioning of new evidence-based interventions.

The subsidiary will become fully operational in 2018 and will be consolidated in the 2018 financial statements.



**Fiona Russell**

Finance Director

# Structure, governance & management

---

## Trustees report

The Trustees of the Elton John AIDS Foundation (The Foundation) are pleased to present their report together with the financial statements of the charity for the year ended 31 December 2017. Since all Trustees are directors of the organisation, this report can also be considered as the Directors' report.

As part of the process of greater integration with EJAF US, trustees of both EJAF UK and its sister foundation in the USA voted to engage the services of an independent consultant to review the governance structures of both organisations and opportunities for integration of global activities. The conclusions from this consultation, which may result in proposed changes to current structure, governance and management of EJAF UK as outlined below, will be reviewed by the Board in early 2018.

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 Foundation was incorporated on 1 February 1993 and is governed by its Memorandum and Articles of Association, which were reviewed in 2017 as part of an ongoing process to facilitate greater integration between the activities of the UK and US Foundations (see above).

## 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 ten Trustees that collectively offers 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. Two new Trustees were appointed during the year: Tracey Blackwell joined as Trustee and Honorary Treasurer to the Board and Chair of the Finance & Investment Committee and Evgeny Lebedev joined as Trustee and undertook a field visit to Russia with the Chairman, Founder and Executive Director to review opportunities and challenges related to the Foundation's new Eastern Europe & Central Asia Key Populations Fund.

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 role within one of these committees, in addition to visiting programmes in the field.

### Statement of Trustees' Responsibilities

The trustees (who are also the directors for company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees must prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the 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.

The trustees confirm that so far as they are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as trustees to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

### Governance structure

The Foundation's governing Board, which constitutes ten Trustees, meets up to four times a year of which one meeting sets the Foundation'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 specific 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 are inducted according to processes set out in the Trustee Handbook and join one of the Foundation's individual committees. Additional committee members are sought, as needed, 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 the Foundation'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.

Up to three trustees contributed to each of the four Grant Panel reviews held in 2017.

#### **The Fundraising Development Group (FDG)**

FDG has delegated authority to set 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 once a year.

#### **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 four times during the year, with each meeting attended by 3-4 members who were supported by the Finance Director. The committee formally reviewed the organisation's financial performance and strategy, which included examining the 2016 audited accounts, managing and setting the risk appetite of the Foundation and reviewing the 2018 budget.

## **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 2017, EJAF Trading Limited generated sales of £3.0 million (2016 - £2.8 million) and a net profit of £nil (2016 - £nil). The Trustees are satisfied with the performance and results of the subsidiary for the year ended 31 December 2017.

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

## **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.

## **International Friends of Elton John AIDS Foundation UK**

To accommodate multiple US based donors who wished to support our work in Africa and Asia, the Foundation established a US subsidiary, the International Friends of Elton John AIDS Foundation UK ("International Friends").

International Friends of Elton John AIDS Foundation UK (Employer Identification Number 81-2095910) was incorporated in March 2016 and is based at Crowe Horwath LLP, 225 W. Wacker Drive, Suite 2600, Chicago, IL 60606. Its directors are:

Anne Aslett  
Monica Risam  
Jamie Cooper

## **EJAF Social Impact (1) CIC**

The Foundation established a community interest company, EJAF Social Impact (1) CIC in November 2017. This company is a vehicle for the first Social Impact Bond around HIV and it will focus on early identification and support for people with HIV in London. The first year-end for this entity is 31 December 2018. There has been no activity in the period to 31 December 2017, consequently it has not been included in the 2017 financial statements.

EJAF Social Impact (1) CIC (Company Registration Number 11059787) is based at 1 Blythe Road, London W14 0HG and its members are:

Anne Aslett  
Elton John Aids 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 and for individual large-scale grants.

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

Area	Detail
Risk register	<p>The Risk Register includes key risks, their likelihood and significance and how they are managed and mitigated.</p> <p>During 2017, 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.</p>
Grant review procedures	<p>During 2017, Crowe Clark Whitehill, the UK member firm of Crowe Horwath International, a major international firm of accountants, conducted a review of four selected grants and reported on the four grant recipients during 2017.</p>
Reporting	<p>The Board is presented with the risk register at least annually.</p> <p>FIC reviews the risk register, assesses the adequacy of existing controls and reports its findings to the Board.</p>

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

Risk	Mitigation strategy
Repetition of event structure may result in donor fatigue	An innovative format of event was introduced in 2017 which generated income of £1.1 million.
Substantial reliance on Sir Elton John's attendance to generate event income	A new event strategy is being developed jointly with the US Foundation to reduce the attendance required from Sir Elton John.
Inadequate resources are allocated to ensure high standards are achieved across the organisation	Grants, fundraising and finance systems have been reviewed to enable existing systems to be upgraded or replaced in 2018 to enhance functionality.
Insufficient numbers of industry standard research papers are published resulting in EJAF not being viewed as a high-quality grant maker	A series of peer-reviewed research papers on programmes funded by the Foundation have been identified for publication during 2018.

Staff are not developed effectively to ensure continual improvement

Formal staff development plans are being introduced in 2018.

Investments underperform

A new investment strategy is being developed with the Treasurer.

## Management

The Executive Director is appointed by the Trustees to manage the operations of the Foundation. To facilitate this effectively, 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 2017 and to identify new opportunities and risks. The SMT also reviewed the key performance indicators which measure the charity's performance at raising, managing and distributing funds and ascertain how effectively we administer and govern at a Board and executive level. These indicators are tracked quarterly.

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, to enable recruitment and retention of 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 eleven volunteers who supported critical fundraising activities, including the Woodside Gallery Dinner event, and one regular volunteer who also helps with administrative office duties such as filing.



## Fundraising standards and complaints

In 2017, there were no failures by the charity, or by any person acting on its behalf, to comply with fundraising standards or scheme for fundraising regulation that the charity or the person acting on its behalf has voluntarily subscribed to. There were no complaints received by the charity, or by a person acting on its behalf for the purposes of fundraising, about the fundraising activities that the charity has done.

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

## Auditors

In line with best practice, the audit was put out to tender and a resolution to appoint UHY Hacker Young as the Foundation's auditors was approved at the Annual General Meeting.

On behalf of the board of Trustees



David Furnish  
Trustee

Dated: 23. 04. 2018

# Reference & administrative details

---

## Foundation information

Company number	02787008
Company type	Limited by guarantee
Charity Commission Number	1017336
Registered office	1 Blythe Road, London W14 0HG
Website	<a href="http://www.ejaf.org">www.ejaf.org</a>

## 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

## Photographer

Dave Bennett, Getty Images, photographs on pages 15 and 16

## 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
Tracy Blackwell	Treasurer
(appointed December 2017)	

Johnny Bergius  
Scott Campbell  
Mark Dybul  
Evgeny Lebedev  
Rafi Manoukian  
Graham Norton

## Management and staff

Anne Aslett	Executive Director
Glenn Horder	Head of Events & Partnerships
Mohamed Osman	Grants Director
Fiona Russell	Finance 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 (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 December 2017 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.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

---

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matter prescribed by the Companies Act 2006**

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

- the information given in the trustees' report (including the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (including the strategic report) has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report (including the strategic report).

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 group and parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the group and parent charitable 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.

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

---

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 20, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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

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



**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

Date 23 April 2018

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2017

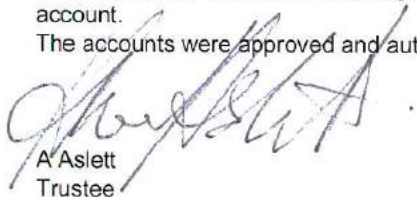
	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2017 £	Total 2016 £
<b>Income</b>						
Donations and legacies	2	1,833,273	-	6,906,380	8,739,653	7,488,794
Other trading activities	3	2,958,147	-	-	2,958,147	2,818,249
Investments	4	450,241	-	29,189	479,430	355,278
<b>Total income</b>		<b>5,241,661</b>	<b>-</b>	<b>6,935,569</b>	<b>12,177,230</b>	<b>10,662,321</b>
<b>Expenditure</b>						
Costs of raising funds	5	1,751,169	-	-	1,751,169	1,788,022
Expenditure on charitable activities	6	4,098,475	86,181	6,948,277	11,132,933	8,368,640
<b>Total expenditure</b>		<b>5,849,644</b>	<b>86,181</b>	<b>6,948,277</b>	<b>12,884,102</b>	<b>10,156,662</b>
Gains on investments	11	65,211	-	-	65,211	697,034
<b>Net income/(expenditure)</b>	<b>9</b>	<b>(542,772)</b>	<b>(86,181)</b>	<b>(12,708)</b>	<b>(641,661)</b>	<b>1,202,693</b>
Transfers between funds	16	(6,324,454)	2,086,181	4,238,273	-	-
<b>Net movement in funds</b>		<b>(6,867,226)</b>	<b>2,000,000</b>	<b>4,225,565</b>	<b>(641,661)</b>	<b>1,202,693</b>
<b>Reconciliation of funds</b>						
Fund balances at 1 January 2017		14,349,109	200,000	1,758,460	16,307,569	15,104,875
<b>Fund balances at 31 December 2017</b>	<b>15</b>	<b>7,481,883</b>	<b>2,200,000</b>	<b>5,984,025</b>	<b>15,665,908</b>	<b>16,307,568</b>

CONSOLIDATED AND FOUNDATION BALANCE SHEETS  
AS AT 31 DECEMBER 2017

	Notes	Group		Foundation	
		2017 £	2016 £	2017 £	2016 £
<b>Fixed assets</b>					
Tangible assets	10	9,701	13,608	2,372	4,151
Investments	11	2,866,041	3,057,994	2,866,041	3,057,995
		<u>2,875,742</u>	<u>3,071,602</u>	<u>2,868,413</u>	<u>3,062,146</u>
<b>Current assets</b>					
Debtors	12	3,381,366	241,107	4,040,749	1,465,370
Investments	11	-	5,226,903	-	5,226,902
Cash at bank and in hand	20,21	22,506,751	20,368,505	21,801,209	19,026,606
		<u>25,888,117</u>	<u>25,836,514</u>	<u>25,841,958</u>	<u>25,718,877</u>
Creditors: amounts falling due within one year	13	(10,962,367)	(8,860,442)	(10,908,879)	(8,821,309)
<b>Net current assets</b>	15	<u>14,925,750</u>	<u>16,976,072</u>	<u>14,933,079</u>	<u>16,897,568</u>
Total assets less current liabilities		17,801,492	20,047,674	17,801,492	19,959,714
Creditors: amounts falling due over one year	14	(2,135,584)	(3,740,105)	(2,135,584)	(3,740,105)
<b>Net assets</b>	15	<u>15,665,908</u>	<u>16,307,569</u>	<u>15,665,908</u>	<u>16,219,609</u>
<b>Represented by:</b>					
<b>Unrestricted funds</b>	15	7,481,883	14,349,109	7,481,883	14,730,529
<b>Designated Funds</b>	16	2,200,000	200,000	2,200,000	200,000
<b>Total Unrestricted Funds</b>		<u>9,681,883</u>	<u>14,549,109</u>	<u>9,681,883</u>	<u>14,930,529</u>
<b>Restricted funds</b>	17	5,984,025	1,758,460	5,984,025	1,289,080
<b>Total Foundation funds</b>		<u>15,665,908</u>	<u>16,307,569</u>	<u>15,665,908</u>	<u>16,219,609</u>

The Foundation has taken advantage of the exemption under S408(3) to not present the Foundation's profit and loss account.

The accounts were approved and authorised for issue by the Board on... 23.04.2018



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 2017

	Notes	2017		2016	
		£	£	£	£
<b>Net cash provided by/(used in) operating activities</b>	<b>19</b>		(3,659,521)		1,773,984
<b>Cash flows from investing activities:</b>					
Investment income received		313,703		467,656	
Payment to acquire fixed assets		-		(13,560)	
Payment to acquire current asset investments		-		(65,327)	
Proceeds on sale of current asset investments		5,226,900		5,157,033	
Proceeds on sale of fixed asset investments		257,164		5,953,342	
<b>Net cash provided by investing activities</b>			5,797,767		11,499,144
<b>Increase/(decrease) in cash</b>	<b>20, 21</b>		2,138,246		13,273,128
<b>Cash balance at 1 January 2017</b>			20,368,505		7,095,377
<b>Cash balance at 31 December 2017</b>			22,506,751		20,368,505



**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 Foundation 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 notes.

**1.1 Preparation of the financial statements on a going concern basis**

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

**1.2 Group financial statements**

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

The Foundation received Gift Aid from EJAF Trading Limited of £2,172,009 (2016: £2,352,438) which has been eliminated on consolidation.

The Foundation received donations from International Friends of Elton John AIDS Foundation UK of \$1,693,505 (£1,278,308) which has been eliminated on consolidation. In 2016 the Foundation received \$1,200,000 (£975,483).

**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 Foundation, 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 Limited 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 Foundation 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 Foundation has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Foundation or the Foundation 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 Foundation. 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 Foundation 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 Foundation 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 Foundation which is the amount the Foundation 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 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 Foundation.

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
-------------------------	----------------------------

**1.8 Pensions**

The pension costs charged in the financial statements represent the contributions payable by the Foundation during the period which are recognised when they are due.

**1.9 Foreign currency translation**

Transactions denominated in foreign currencies are recorded at the rates 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.

**1.10 Grant Commitments**

Grants are accounted for when the commitment arises. Commitments at the year end are therefore recorded as grant creditors. Grant creditors are classified as amounts falling due within one year based on the payment dates to be made. Grant creditors are classified as amounts falling due over one year based on the payment dates to be made. Grant creditors falling due over one year have been discounted to reflect the present value of the grant commitment as at the balance sheet date. The discount rate used represents the opportunity cost of the average interest which could be received by the company if the funds were to be invested in the company's bank accounts.

**1.11 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 Note 17 to the financial statements.

Designated Funds comprises the EECA KP Fund and the Robert Key Memorial Grant. The purpose of these funds are set out in Note 16 and 17.

**1.12 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.

**1.13 Cash at bank and in hand**

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

**1.14 Creditors and provisions**

Creditors and provisions are recognised where the Foundation 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

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

**1.15 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

Investments in subsidiaries are held at cost less any impairments.

**1.16 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.

**1.17 Judgements and estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events, that are believed to be reasonable under the circumstances.

The Group makes estimates and judgements regarding the following areas: depreciation, intangible income relating to office space and intangible income for auction items.

**2 Donations and legacies**

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Donations	1,833,273	404,485	2,237,758	3,400,011
Grants received	-	6,501,895	6,501,895	4,088,783
	<u>1,833,273</u>	<u>6,906,380</u>	<u>8,739,653</u>	<u>7,488,794</u>

Included in donations is £822,732 of intangible income (2016: £883,307). £56,300 (2016: £82,500) relates to office space provided free of charge for use by the Foundation. £821,753 (2016: £800,807) relates to items donated to the Foundation for auction at charity events. £144,679 (2016: Nil) relates to pro bono work provided by Freshfields Bruckhaus Deringer LLP to assist in the establishment of a social impact bond.

**3.1 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 Foundation by Gift Aid. EJAF Trading Limited provides management of one-off fundraising events. The Foundation owns the entire issued share capital of 1 ordinary share of £1. A summary of the trading results is shown below.

	2017 £	2016 £
Turnover	2,363,828	2,818,249
Cost of sales	(775,186)	(447,864)
Administrative expenses	(13,268)	(19,244)
Interest receivable	201	1,297
Net profit	1,575,575	2,352,438
Amount gifted to the Foundation	(1,575,575)	(2,352,438)
Retained in the subsidiary	-	-

The assets and liabilities of the subsidiary were:

	2017 £	2016 £
Tangible assets	7,329	9,457
Current assets	865,292	389,878
Creditors: amounts falling due within one year	(872,620)	(399,332)
Total net assets	1	1

Aggregate share capital and reserves

	2017 £	2016 £
Aggregate share capital and reserves	1	1

Administrative expenses includes auditor's remuneration of £8,943 (2016: £9,519)

**3.2 US subsidiary**

The wholly-owned US charitable subsidiary, International Friends of Elton John AIDS Foundation UK (EIN 81-2095910), which is incorporated in the US, pays all its distributable profits to the Foundation

	2017 £	2016 £
Donations and legacies	713,274	1,071,513
Trading income	594,319	-
Administrative expenses	(55,576)	(8,071)
Net profit	1,252,017	1,063,442
Amount gifted to the Foundation	(1,278,308)	(975,483)
Net income	(26,291)	87,959
Reserves brought forward	87,959	-
Reserves carried forward	61,668	87,059

The assets and liabilities of the subsidiary were:

	2017 £	2016 £
Current assets	61,668	1,092,760
Creditors: amounts falling due within one year	-	(1,004,801)
Total net assets	61,668	87,959

Aggregate share capital and reserves

	2017 £	2016 £
Aggregate share capital and reserves	61,668	87,959

**3.3 UK subsidiary**

EJAF Social Impact (1) CIC was incorporated on 13 November 2017 as a private company limited by guarantee. Due to inactivity and the first year end date of 31 December 2018, the subsidiary has not been consolidated in these accounts.

**4 Investment income**

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Interest on cash deposits	6,540	29,189	35,729	116,166
Interest on other investments	443,701	-	443,701	239,112
	<u>450,241</u>	<u>29,189</u>	<u>479,430</u>	<u>355,278</u>

**5 Cost of raising funds**

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Trading direct costs	618,162	-	618,162	447,864
Fundraising costs				
Intangible income expense	822,732	-	822,732	883,307
Investment management charge	-	-	-	12,987
Salaries	244,291	-	244,291	337,202
Other	65,994	-	65,994	100,662
	<u>1,751,180</u>	<u>-</u>	<u>1,751,180</u>	<u>1,788,022</u>

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

6 Expenditure on charitable activities

	Flagship grants £	LGBT fund £	Pioneer grants £	Advocacy grants £	Support grants £	Robert Key fund £	Total 2017 £	Total 2016 £
Grants committed (note 6.1)	19,862	5,254,116	3,048,396	86,818	1,514,925	90,294	10,014,411	8,375,192
Movement of discount on grant liability	5,187	5,228	33,730	8,332	7,236	-	59,713	25,188
Exchange (gains)/losses and contributions	767	160,967	94,331	2,912	46,587	2,763	308,327	(614,875)
Other grants costs	876	57,965	33,031	958	16,713	999	111,143	57,883
Staff costs	2,771	182,988	106,168	3,024	52,761	3,145	350,857	303,298
Advocacy	177	11,713	6,796	194	3,377	201	22,458	48,880
Governance (see note 6.2)	1,484	97,983	56,849	1,619	28,251	1,684	187,870	57,426
General support (see note 6.2)	617	40,780	23,649	674	11,753	701	78,154	115,648
	<u>31,743</u>	<u>5,811,720</u>	<u>3,403,550</u>	<u>104,531</u>	<u>1,681,603</u>	<u>99,786</u>	<u>11,132,933</u>	<u>8,368,640</u>

6.1 Grants committed to institutions

	2017 £	2016 £
Centre for infectious Diseases	750,005	-
Community Health Alliance Uganda	1,608,800	-
LVCT Health	1,379,802	-
Save the Children	1,294,925	-
Clinton Health Initiative	699,760	-
Canadian HIV/AIDS Legal Network	495,204	-
SAATHI	439,523	-
International HIV/AIDS Alliance	1,519,270	2,998,905
The Population Council	-	900,000
India HIV/AIDS Alliance	-	850,447
Healthright International	-	612,496
Doctors of the World	-	600,000
APOPO	-	595,429
Other institutions	1,827,122	1,617,915
	<u>10,014,411</u>	<u>8,375,192</u>

6.2 Analysis of governance and support costs

	Governance £	General support £	Basis of apportionment
Audit Fees	16,963	-	Governance
Staff costs	107,267	57,865	Allocated on time
Legal and other professional fees	50,024	(2,987)	Invoice specific
Depreciation	1,954	1,954	Use of asset
Trustees insurance	2,411	-	Governance
Trustee expenses	4,000	-	Governance
General office	5,351	21,522	Office running expenses
	<u>187,870</u>	<u>78,154</u>	

7 Trustees

The Foundation Commission has authorised payment of reasonable remuneration to one trustee for services undertaken in the administration of the Foundation, provided the trustee concerned withdraws. During the year £372 of travel and accommodation was reimbursed to one trustee in relation to their duties (2016: £2,333). During the year the Foundation paid £2,411 (2016: £2,451) 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 Foundation paid £23,747 (2016: £23,747) to defined contribution pension schemes in respect of Anne Aslett.

8 Employment costs

	2017 £	2016 £
Wages and salaries	598,616	611,468
Social security costs	66,764	73,144
Other pension costs	48,322	30,953
Other employment costs	46,379	9,966
	<u>760,081</u>	<u>734,531</u>

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

General management function	2017 Number	2016 Number
£70,000 - £79,999	1	1
£80,000 - £89,999	-	-
£90,000 - £99,999	1	1
£100,000 - £109,999	-	1
£130,000 - £139,000	1	1
	<u>3</u>	<u>4</u>

Contributions totalling £36,840 (2016: £36,664) were made to defined contribution pension schemes on behalf of employees whose emoluments exceeded £60,000.

Number of employees

The average monthly number of employees during the year was:

	2017 Number	2016 Number
Grants management	4	4
General management	6	7
Total employees	<u>10</u>	<u>11</u>

9 Net income/(expenditure) for the year

This is stated after charging/(crediting):

	2017 £	2016 £
Depreciation	3,907	2,887
Auditor's remuneration	18,863	15,443
Losses/(gains) on exchange	308,327	(697,035)

10 Tangible fixed assets - Group and Foundation

	Furniture and equipment £	Foundation total £	Subsidiary Furniture and equipment £	Group Total £
<b>Cost</b>				
At 1 January 2017	32,484	32,484	23,035	55,519
Additions	-	-	-	-
At 31 December 2017	32,484	32,484	23,035	55,519
<b>Depreciation</b>				
At 1 January 2017	28,333	28,333	13,578	41,911
Charge for the year	1,770	1,779	2,128	3,907
At 31 December 2017	30,112	30,112	15,708	45,818
<b>Net book value</b>				
At 31 December 2017	2,372	2,372	7,329	9,701
At 31 December 2016	4,151	4,151	9,457	13,608

11 Investments

	Group 2017 £	2016 £	Foundation 2017 £	2016 £
Market Value at 1 January 2017	8,284,898	18,632,912	8,284,898	18,632,913
Additions to investments at cost	1,346	65,327	1,346	65,327
Disposal of investments at cost	(5,286,857)	(10,999,248)	(5,286,857)	(10,999,248)
Net gain on revaluation	(133,348)	585,906	(133,348)	585,906
Market Value at 31 December 2017	2,866,041	8,284,897	2,866,041	8,284,898
Realised and unrealised gains on investments	65,211	697,034	65,211	697,034

Of the 2017 total, £2,866,043 (both group and Foundation) relates to fixed asset investments (2016: £3,057,995)

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

Investments held are as follows:

	Market Value £	Percentage of Total Investments %	UK Investments	Non UK
<b>Fixed Asset Investments</b>	2,866,041	100.0%	-	2,866,041
Other Fixed Asset Investments	2,866,041	100.0%	-	2,866,041

12 Debtors

	Group 2017 £	2016 £	Foundation 2017 £	2016 £
Trade debtors	3,149,408	137,255	3,024,408	31,240
Other debtors	109,131	676	75,756	178
Amounts owed by group undertakings	-	-	819,133	1,365,000
Prepayments and accrued income	122,827	103,176	121,452	68,952
	3,381,366	241,107	4,040,749	1,465,370

Included in the trade debtors above is £3 million (2016: Nil) which relates to debtors over one year.

13 Creditors: amounts falling due within one year

	Group 2017 £	2016 £	Foundation 2017 £	2016 £
Trade creditors	41,297	67,084	38,756	59,305
Taxes and social security costs	-	40,999	-	41,233
Grant commitments	10,818,980	8,635,487	10,818,980	8,635,487
Accruals and deferred income	102,080	63,073	51,143	31,486
Derivative financial instruments	-	53,799	-	53,799
	10,962,367	8,860,442	10,908,879	8,821,310

14 Creditors: amounts falling due after more than one year

	Group 2017 £	Group 2016 £	Foundation 2017 £	Foundation 2016 £
Grant commitments	2,135,584	3,740,105	2,135,584	3,740,105
	2,135,584	3,740,105	2,135,584	3,740,105

15 Analysis of group net assets between funds

	Unrestricted fund £	Designated fund £	Restricted fund £	Total £
Fixed assets	2,875,743	-	-	2,875,743
Current assets	10,051,852	2,212,500	13,623,764	25,888,116
Creditors: amounts falling due within one year	(4,551,901)	(12,500)	(8,397,936)	(10,952,367)
Creditors: amounts falling due after more than one year	(893,811)	-	(1,241,773)	(2,135,584)
	7,481,883	2,200,000	5,984,025	15,665,908

16 Designated funds

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

	Balance at 1 January 2017 £	Income received £	Utilised/ transferred £	Fund Transfers £	Balance at 31 December 2017 £
The Robert Key Memorial Grant	200,000	-	(86,181)	86,181	200,000
EECA KP Fund	-	-	-	2,000,000	2,000,000
	200,000	-	(86,181)	2,086,181	2,200,000

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

EECA KP Fund

The purpose of the EECA KP Fund is set out in Note 17.

## 17 Restricted funds

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

	Balance at 1 January 2017 £	Movement in funds			Balance at 31 December 2017 £
		Income received £	Utilised £	Transferred £	
UNAIDS	1,006,689	28,999	(5,084,483)	4,048,795	-
Mylan	47,401	-	-	-	47,401
Life Ball - Funds to support programmes for MSM at risk in Eastern Europe	25,400	-	(25,400)	-	-
Reducing HIV infection in the UK	18,926	-	(18,926)	-	-
Elena Franchuk ANTI/AIDS Foundation and Victor Pinchuk Foundation	5,457	-	(5,457)	-	-
Construction of Nwamitwa Community Centre, Limpopo, South Africa	205,288	-	-	-	205,288
ViiV Anova	4,072	145,922	(149,994)	-	-
Mothers' Event	611	-	(611)	-	-
Funders' Collaborative For Children	89,126	190	(6,850)	-	82,466
Woodside Gallery Dinner 2016	1,454	-	(1,454)	-	-
Young Survivors	6,313	-	(6,313)	-	-
Children's Investment Fund	13,570	-	-	-	13,570
Woodside Gallery Dinner 2014	3,065	-	(3,065)	-	-
Woodside Gallery Dinner 2015	253,250	(3,900)	-	3,900	253,250
Radical Eye Dinner 2016	77,838	(4,640)	(73,198)	-	-
Bulgari	-	488,165	(1,294,925)	806,760	-
EECA KP Fund	-	5,000,000	-	-	5,000,000
Zachary & Elijah Fund	-	1,250	-	-	1,250
LGBT	-	40,000	(40,000)	-	-
Woodside Gallery Dinner 2017	-	355,800	-	-	355,800
Vitol	-	621,182	-	(621,182)	-
Lifeball 2017	-	221,626	(221,626)	-	-
Club Love Gala 2017	-	15,975	(15,975)	-	-
Access Reach	-	25,000	-	-	25,000
	<u>1,758,460</u>	<u>6,935,569</u>	<u>(6,948,277)</u>	<u>4,238,273</u>	<u>5,984,025</u>

### UNAIDS

UNAIDS is a \$10 million "LGBT Fund" partnership between the United States Office of the Global AIDS Coordinator (in charge of PEPFAR) funds, UNAIDS, and EJAF. The partnership has established a \$4 million LGBT Rapid Response Fund to rapidly disburse sums between \$5,000 and \$20,000 in situations where HIV services for LGBT people are in jeopardy. Its overall aim is to tackle the stigma, discrimination and violence facing LGBT people around the world.

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

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

17 Restricted funds

(continued)

Woodside Gallery Dinner 2016

Nigeria has an estimated 3 million people living with HIV. Gaps in treatment and prevention services are common and a significant number of infections still occur among MSM and their female sex partners. Pop Council were the first organisation to undertake ground-breaking research on the HIV risk of MSM in Nigeria which has been instrumental in informing policy and program initiatives. Over the years it has established itself as the credible 'go to' organisation for Key Populations in Nigeria. With EJAF funding, it has reoriented the the Men's Health Network, Nigeria (MHNN) programme to focus more on the testing and treatment.

Mylan

EJAF 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 \$1 million commitment supported this effort through 2015, contributing to the national goal of testing 90% of pregnant mothers and treating those who are HIV-positive.

Reducing HIV infection in the UK

The project seeks to enhance and build on work undertaken by PrEPster and iwantPrEPnow over the past two years. It will increase knowledge about PrEP to key at risk communities, improve the ability and capacity of communities to lobby and advocate for PrEP in England and beyond and will build the ability and capacity of advocates to respond to the HIV prevention needs within key communities.

Elena Franchuk ANTIAIDS Foundation and Victor Pinchuk Foundation

EJAF received a USD\$2.5 million donation to support a range of programmes within Ukraine in line with the Foundation's country strategy. EJAF commissioned contextual analysis into the vulnerabilities and needs of young women infected and at risk of HIV/ AIDS in Ukraine. Further work was undertaken to identify programmes targeting street children.

Bulgari

AIDS related illnesses remain the leading cause of death among adolescents in sub-Saharan Africa. Adolescent girls and young women (AGYW) are disproportionately affected by HIV. 74% of all new HIV infections among adolescents are occurring in adolescent girls. There is now growing recognition that providing access to HIV information and services without addressing the root causes that exacerbate vulnerability to HIV infection for AGYW is not sufficient to prevent new HIV infections. The project aims to strengthen the capacity of HIV and Sexual Reproductive Health services for AGYW, increase the demand for HIV prevention services for AGYW and to improve access to HIV/SRH information and services, including life skills. EJAF has secured funding for this grant from our main sponsor Bulgari and the project will allow EJAF to increase its reach in a region of high need.

EECA KP

In response to the pressing need for action for key populations in Eastern Europe and Central Asia, EJAF has formed the EECA KP Fund to which Gilead Life Sciences has contributed £5 million and the Foundation has designated £2 million as shown in Note 16. The EECA KP Fund seeks to improve access to HIV and co-infection prevention, care and treatment information and services, including harm reduction services, for key populations in Eastern Europe and Central Asia. The Fund will support innovative, evidence-based efforts to bring the region closer to epidemic control. It aims to reach over 20,000 members of key populations by scaling up innovative HIV prevention and treatment services in partnership with communities and health systems. Moreover, it aims to empower communities delivering and advocating for better, stigma-free HIV services, and collect best practices to demonstrate how effective evidence-based programming in Eastern Europe and Central Asia can bring the region closer to epidemic control.

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.

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 provide a refuge for mothers living with HIV giving them skills, care, support and food. In addition, AIDS-affected and vulnerable children receive food, educational and emotional support. An estimated 20,000 adults and children 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.

ViiV Anova

The Anova Health Institute (Anova), a South African non-profit organisation, has led the development of MSM focused health services, MSM related training of health workers and educational initiatives for MSM since 2008. Working nationally, in partnership with state health services and private practitioners, and donor support, Anova's Health4Men Initiative is extending access to competent MSM care. With support from the EJAF, Anova launched an MSM targeted communication campaign in June 2015, focused on HIV prevention and linkage to care for those infected. This project will develop the young MSM component of this initiative, establishing a YMSM drama group, video play and implement a strategy and communication campaign to reach YMSM aged 14 - 18 years.

17 Restricted funds

(continued)

Mothers' Event

This fund was established to help stop new HIV infections among babies and children and to keep their mothers alive by providing access to cheap, life-saving antiretroviral drugs.

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% of the 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 support EJAF's current strategy of supporting Key Populations and Adolescents.

*The last mile - Young People in Zimbabwe*

The proportion of teenagers dying with HIV is higher than that of babies or adults who are similarly infected. This programme, delivered by Africaid, aims to stop that happening. It pairs adolescents living with HIV with young HIV-positive volunteers who are healthy, already on treatment, and who will help them access support so they can 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. International organisations are now able to assess the scale of the problem and confront a rising HIV epidemic that could threaten the whole region. EJAF and the Clinton Health Access Initiative (CHAI) are at the centre of this response. We are supporting a pilot programme that offers 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.

Young Survivors and Children's Investment Fund Foundation

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. Adolescents who 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 disclose their condition. Our young survivors appeal will raise £5 million 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.

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 EJAF, 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. 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 are familiar with. It cost £20,000 to establish a 'magazine' format for mobile phones that can reach 50,000 young people and become a trusted source of information and support.

Pledge 3 - REACH OUT: Funded a youth team to get 600 young people who are sick with HIV/AIDS on life saving treatment. The proportion of adolescents with HIV who are dying is higher than that of babies or adults who are similarly infected and typically families exhaust their assets trying to save them. It costs £40,000 to train, resource and manage a CATS team of twelve. Each Adolescent Treatment Supporter can take on up to 50 clients for intensive, life saving support.

LGBT and Club Love Pledges

Lesbian, gay, bisexual and transgender people (LBGT), especially MSM are disproportionately affected by HIV/AIDS. In addition, 22% of AIDS related deaths in Africa occur in Nigeria, more than any other country on the continent. HIV prevalence among MSM in Nigeria is experiencing an exponential increase from 13.5% in 2007 to 23% in 2016. MSM are nearly 20 times more likely to be infected with HIV than general populations, particularly in countries where criminalization of same sex relationships drives such relationships underground, making people afraid to seek HIV treatment services for fear of stigma and discrimination. The project aims at providing comprehensive HIV/STI prevention services to MSM as well as their sexual partners in Lagos in a flexible and most convenient approach. The services will be available extended hours and on weekends to widen the reach. In addition, service user will also have access to an appointment portal via a developed software application available on smartphones.

17 Restricted funds

(continued)

Radical Eye Dinner 2016

The Radical Eye Dinner 2016 raised funds for EJAF's Health4Men initiative with Anova Health in South Africa. This initiative is dedicated to addressing the heightened HIV risk for MSM through the provision of competent, prejudice-free sexual health care and accessible engaging HIV prevention and treatment information to change behavior and improve health outcomes. The main focus is to establish a National MSM Communication Campaign that will provide relevant information on prevention and treatment delivered in accessible and engaging ways to reach gay-identified and other MSM. Anova will also build MSM service capacity in crucial areas within the private and public sectors, stimulate demand creation at the community level and strengthen MSM community groups and networks. While building at national scale, Anova will target an area of high population density and high HIV prevalence with communication and prevention strategies for maximum impact.

Woodside Gallery Dinner 2017

Donations from this event will contribute towards our project in South Africa to fund an Adolescent Drop-In Centre for young people living with HIV located in the new KwaZulu Natal Children's Hospital. This Centre will provide comprehensive care for thousands of HIV-infected young people as they journey into adulthood and will include a facility for young local people to get tested.

Vitol

Funding from Vitol contributed towards three projects in sub-Saharan Africa:

**Project 1** in Kampala, Uganda: The project aims to address paediatric HIV in Uganda by accelerating the identification, enrolment and linkage of HIV positive children and adolescents in treatment and care plus ensuring that clinical care is improved so that they are retained in care. Additionally, the project aims to close the adolescent-adult treatment gap by raising the proportion of adolescents (aged 15-19 years) on ART in Kampala from the current estimate of 0.2% to to 3.7%.

**Project 2** Beira, Mozambique - HIV/AIDS prevalence in the city of Beira is one of the highest in the country (34% MoH) with a growing teenage population with large unmet needs in terms of HIV prevention and testing/treatment. In 2011, CUAMM initiated a program to address those needs and demand for HIV/AIDS counselling and testing services increased from 54% (2011) to 76% (2014). CUAMM plans to scale up activities targeting the specific needs of this key vulnerable population to increase their access to comprehensive affordable HIV/AIDS services, to assist in reducing stigma and discrimination as well as to halt the spread of the virus. The project will deliver its impact using three pathways of schools, health facilities and communities.

**Project 3** Kisumu, Kenya and Lusaka, Zambia - HIV infection among adolescents has reached emergency levels requiring substantial and targeted action. According to UNAIDS, AIDS is now the leading cause of death for adolescents aged 10-19 in Africa. New adolescent infections are on the rise. In 2013, 670,000 people aged 15-24 were newly HIV-infected, of whom 250,000 were aged 15-19. Additionally, between 2005 and 2012, adolescent AIDS-related deaths increased by 50% while total AIDS-related deaths decreased by 30%. EGPAF is considered a leader in the response to HIV and are currently supporting more than 7,000 sites around the world and has enrolled more than 1.2 million individuals, including more than 104,000 children, onto treatment programmes. This grant will contribute to a significant reduction in the child HIV treatment gap and will help to ensure healthy lives for children and adolescents in Kisumu and Zambia.

Lifeball

Funding secured from Lifeball will support two projects, one in the UK and one in Russia:

The first project seeks increase knowledge about PrEP to key at-risk communities on how to access PrEP (through trials and self-purchase) safely and legally. It also aims to improve the ability and capacity of key communities to lobby and advocate for PrEP in England and beyond. Additionally, the project will build the ability and capacity of advocates to respond to the HIV prevention needs of key communities through capacity building, training, research and the piloting and implementation of interventions. The project will be nimble, responsive and cutting-edge. Funding will cover core costs, project costs and development investment for a period of two years.

The second project will enable free access for gay men and other MSM to screening tests located in a community organisations or delivered by courier in two regions of Russia. Through providing testing, the project hopes to encourage those who are likely to get infected with HIV to turn to healthcare facilities for diagnosing, and if tested positively, for timely treatment of HIV infection. The test is simple and produces results on the same day. The instruction include basic information about HIV and a questionnaire to help understand the risk of infection and tips on making behaviours safe or less dangerous. The instructions include a hotline number and the address and telephone number of a medical specialist and consultant. Self-testing guidelines will be developed and agreed by the community organisations and healthcare facilities with the participation of WHO and UNAIDS.

Access Reach

Elton John AIDS Foundation (EJAF) is structuring a Social Impact Bond (SIB) with the aim of dramatically reducing HIV transmission in South East London. The SIB partnership will work with HIV service providers, including Voluntary and Community Sector Organisations, in identifying ways of utilizing additional resources to commission innovative interventions to increase HIV testing in high risk groups as well as improving access to HIV treatment and retention in care that are specifically targeted to the needs of the local population. The project will be initially funded by private investors such as EJAF and impact investing funds. The financial return will be linked to the achievement of two outcomes: diagnosing new cases of HIV and re-engaging patients who dropped out of HIV care. EJAF has secured a funding from the Reach Fund to support the closing process with investors. The grant will be used to seek professional support to validate the final financial model, support due diligence, and prepare funding agreements with investors.



**18 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 of £86,181 (2016: £84,338) is therefore shown as a reserves transfer.

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

	2017	2016
	£	£
Net movement in funds	(641,661)	1,202,694
Investment Income receivable	(479,430)	(355,279)
Gain on investments	(65,211)	(231,579)
Depreciation of tangible fixed assets	3,908	2,887
Increase in debtors	(2,974,531)	(2,646)
Increase in creditors	497,404	1,157,907
Net cash used in operating activities	<u>(3,659,521)</u>	<u>1,773,984</u>

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

	2017	2016
	£	£
Increase in cash	2,138,246	13,273,128
Net funds at 1 January 2017	20,368,505	7,095,377
Net funds at 31 December 2017	<u>22,506,751</u>	<u>20,368,505</u>

**21 Analysis of net funds for the group**

	2016	Cashflow	2017
	£	£	£
Cash at bank and in hand	20,368,505	2,138,246	22,506,751

**22 Contingent Assets**

The Foundation had an ongoing legacy donation claim of £157,000 from 2015. The grant of probate had not been given in 2017 and the income has not been recognised in the 2017 accounts due to the probable income criteria not being met.

**23 Pension costs**

Defined contribution

The Foundation operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Foundation in

	2017	2016
	£	£
Contributions payable by the Foundation for the year	<u>48,322</u>	<u>39,953</u>

**24 Revaluation reserve**

The Unrestricted Reserves include realised and unrealised gains on investments, which are recognised in a revaluation reserve.

	Balance at 1 January 2017 £	Incoming Resources including gains £	Outgoing Resources including losses £	Transfers £	Balance at 31 December 2017 £
Revaluation reserve	-	65,211	-	(65,211)	-
	<u>-</u>	<u>65,211</u>	<u>-</u>	<u>(65,211)</u>	<u>-</u>

**25 Financial instruments at amortised cost**

	2017	2016
	£	£
Financial assets measured at fair value through profit and loss	2,941,422	8,284,897
Financial liabilities measured at fair value through profit and loss	-	53,799
Financial assets measured at amortised cost	-	-
Financial liabilities measured at amortised cost	2,488,093	3,828,064

**26 Interest costs**

Included within interest costs is £nil (2016 - £59,713) which relates to the unwinding of the discount regarding the grant commitments falling due over one year.

**27 Related Parties**

Aggregate donations received during the year from trustees and parties connected to the trustees given without conditions placed on the Foundation were £25,000 (2016: £22,000).

