

Charity Registration No. 1017336

Company Registration No. 02787008 (England and Wales)



THE ELTON JOHN AIDS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2013

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

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	D Furnish (Chairman) A Aslett (Executive Director) Sir Elton John (Founder) J Bergius L Jackson (Resigned 17.12.13) M Littman (Resigned 17.12.13) J Locke (Resigned 17.12.13) F Presland S Campbell R Manoukian G Norton (Appointed 17.12.13) I Abrahams (Appointed 17.12.13)
Secretary	George Kangis
Charity number	1017336
Company number	02787008
Principal address	1 Blythe Road London W14 0HG
Registered office	1 Blythe Road London W14 0HG
Auditors	Bourner Bullock Chartered Accountants Sovereign House 212-224 Shaftesbury Avenue London WC2H 8HQ
Bankers	Barclays Bank plc 1 Churchill Place London E14 5HP
Solicitors	Eversheds 1 Wood Street London EC2V 7WS

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

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Directors' Report

For The Year Ended 31 December 2013

The Directors of The Elton John AIDS Foundation (EJAF) are pleased to present their report together with the financial statements of the charity for the year ended 31 December 2013. Since all directors are trustees of the organisation, this report can also be considered as a report of the Trustees.

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" issued in March 2005 together with applicable accounts standards and the Companies Act 2006.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Elton John AIDS Foundation is a company limited by guarantee (Company Registration Number 02787008) and therefore has no share capital. The company is registered as a charity with the Charity Commission. (Charity Number: 1017336). It is based at 1 Blythe Road, London W14 0HG, which is also the charity's registered office.

GOVERNING DOCUMENT

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

Sir Elton John	Founder
A Aslett	
J Bergius	
D Furnish	Chairman
L Jackson	(resigned 17 December 2013)
M Littman	(resigned 17 December 2013)
J Locke	(resigned 17 December 2013)
F Presland	
R Manoukian	
S Campbell	
I Abrahams	(appointed 17 December 2013)
G Norton	(appointed 17 December 2013)

Iain Abrahams also serves as Honorary Treasurer. George Kangis remains as Company Secretary. Lynette Jackson, James Locke and Marguerite Littman remain as members of the Foundation.

GOVERNANCE STRUCTURE

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

meetings take a particular focus on grant making, fundraising and finance respectively, and are informed by the following three specialist committees that each convene up to three times per year:

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

The Fundraising and Development Group (FDG) has delegated authority to set overall fundraising strategy and goals, identify new opportunities and agree specific elements of critical fundraising projects, marketing and communications. The FDG meets a minimum of twice a year.

The Finance and Investment Committee (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.

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.

The Executive Director is appointed by the Trustees to manage the day-to-day workings of the Foundation. To facilitate effective operations, the Executive Director has, within the terms of delegation approved by the Trustees, authority for all operational matters, including grants, fundraising and finance. The charity also benefits from a Company Secretary, George Kangis. Iain Abrahams served as Treasurer for the majority of the year. Both are honorary positions.

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

The Foundation has a wholly owned trading subsidiary (EJAF Trading Limited), which provides the management for one-off fundraising events. EJAF Trading Limited (Company Registration Number 02951448) is based at 1 Blythe Road, London W14 0HG and its directors are:

Sir Elton John
D Furnish
A Aslett

The charity also has a partner company in South Africa - Elton John AIDS Foundation (South Africa) 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 events held in South Africa are distributed within South Africa, by EJAF SA, to HIV/AIDS programmes. The funding guidelines in the partner company are the same as those of the UK Foundation.

TRUSTEES INDUCTION AND TRAINING

The appointment and induction of new Trustees is overseen by the Board. The Foundation currently operates with a Board of 9 Trustees that collectively offer a range of expertise in development, fundraising, financial management 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. There is no formal time limit to trusteeship.

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 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 annual 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 annually. Any new Trustees are, as part of their ongoing training and understanding of the organisation and the context of its activities, expected to attend one meeting of each of the grants, fundraising and finance committees and to take a particular role within one of these committees, in addition to visiting programmes in the field.

ROLE AND CONTRIBUTION OF VOLUNTEERS

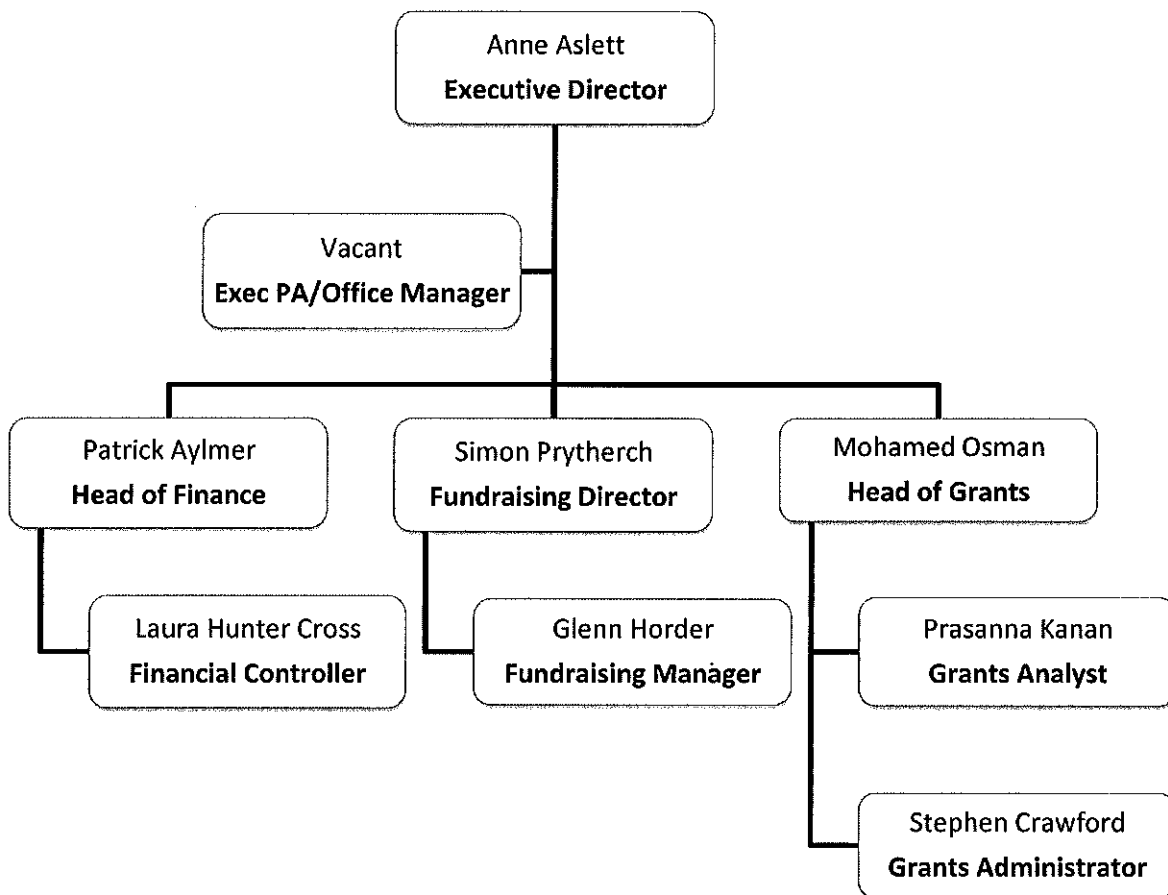
In line with the mission statement, volunteers play a vital part in supporting the fundraising and charitable activities of the Elton John AIDS Foundation. During the year, the Foundation benefited from over 20 volunteers who supported critical fundraising activities, including the White Tie & Tiara Ball (see below) and one regular volunteer to help with administrative office duties such as filing.

INTERNAL CONTROL

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

MANAGEMENT POLICIES AND PROCEDURES

STAFF



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 workplans (see below) 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.

PERFORMANCE EVALUATION AND PLANNING

An appraisal of the charity's performance against goals is reviewed annually by both staff and Trustees. Outcomes of the 2010-2013 Strategic Plan, which was agreed by the Board in late 2009, were reviewed at the end of 2013. It was noted from this review that all process objectives such as establishing a Finance and Investment Committee, senior management team etc, had been

completed within the first year of the new strategy, and annual grant making and fundraising targets had been exceeded every year with the exception of 2013.

A new strategic plan, covering the period 2014-2018, was proposed to the Board, and approved, in December 2013.

The grant making strategy process is articulated for potential applicants on the Foundation's website (www.ejaf.com). A Grant Panel handbook and a scoring process for initial funding requests provides consistency, transparency and guidance for staff and Trustees in assessing proposals and setting terms of reference for expert advisors and consultants.

During 2012, a review of the charity's four-year grant making strategy was undertaken and new challenges and opportunities in the global AIDS fight were explored. As a result a new strategy, with four distinct grants programmes, was launched in early 2013.

RISK ANALYSIS

Risk analysis is undertaken both for the charity as a whole and for individual large scale grants. These risks have been reviewed by the Trustees, who are satisfied that appropriate systems have been established to manage them.

PUBLIC BENEFIT AND ACTIVITIES

PUBLIC BENEFIT

The overall objectives of the charitable foundation, as defined in the mission statement, are:

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

EJAF believes and values that:

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

EJAF aims to:

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

During 2012, the Board of Trustees reviewed its charitable objects, which were redefined as:

- *"To alleviate the sickness of people living with HIV or the related condition known as AIDS and the emotional suffering of such people and their partners, relatives and/or*

dependents and to prevent the onward transmission of HIV/AIDS by (amongst other means, but without limitation), providing or assisting in the provision of nursing and medical care, medicines, equipment, facilities and services, counselling, training and information;

- *To relieve those in financial or other need by reason of the said diseases or conditions, whether they are people infected or their partners, relatives and/or dependents”*

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

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

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

The Foundation has complied with Section 17 of the Charities Act 2011 in respect of Public Benefit.

MANAGEMENT AND GOVERNANCE ACTIVITIES

In the first quarter of 2013 the Board undertook a self-assessment review and skills audit from which several recommendations were made, including the need to recruit new Trustees with specific expertise. Suitable candidates were identified and approved by the Board in December 2013.

Throughout the year, the Trustees maintained direct engagement with the Foundation’s activities. Four Trustees attended Finance & Investment Committee meetings during the year and 3-4 trustees contributed to each of the three Grant Panel reviews. Two Trustees visited international grants programmes during 2013. Three existing Trustees stepped down from the board after over 15 years’ service. Two new Trustees were appointed and a potential new Trustee, with extensive international aid and development experience to support grant making activities, has been identified.

The Finance & Investment Committee (FIC) met three times during the year, supported by a new Head of Finance and a new Honorary Treasurer, both appointed during the year. The committee formally reviewed the organisation’s financial performance and strategy, which included examining the 2012 audited accounts, managing and setting the risk appetite of the Foundation, reviewing the Foundation’s reserves policy and reviewing the 2014 budget.

The Fundraising Development Group met in February and July 2013 to review sources of income, format of fundraising projects and events and reviewing revenue targets and the levels of Trustee

and Patron engagement to be sought over the course of the year. A new Trustee with extensive media expertise, was recruited to support fundraising activities.

The Senior Management Team met at six week intervals throughout the year to review progress against agreed workplans and assess risk. New staff posts required to fulfil the 2014-2018 strategy were identified and recruitment process initiated.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

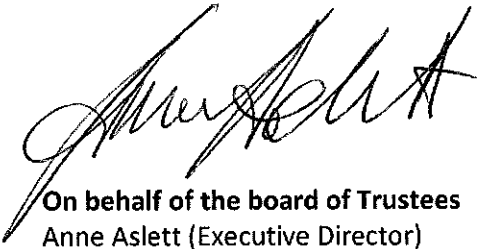
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF DISCLOSURE TO AUDITORS

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

AUDITORS

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



On behalf of the board of Trustees

Anne Aslett (Executive Director)

Trustee

Dated:

6 May 2014

Strategic report

For The Year Ended 31 December 2013

ACHIEVEMENTS AND PERFORMANCE

GRANT MAKING

The Foundation's website provides information about how it views both the impact and needs of the AIDS epidemic in each of its programme countries. It details what response it has made to date and its funding strategies. A concept note process for receiving unsolicited requests is also provided.

Following an extensive review and consultation at the end of 2012, the Foundation's new, four year grant strategy was approved by the Board in January 2013 and was widely shared by the Executive Director and the Grants Team at a number of NGO meetings and fora. The strategy will be fully active until 2017, followed by a period of evaluation, review and dissemination.

During 2013, the Grants Team received 371 requests from the new strategy for support, with a total value of over £86m. Additionally, the Robert Key Memorial Fund received requests totalling £11m.

Over £5.6m (£4.5m newly committed during the year) has been disbursed to programmes in 2013. The current grants portfolio stands at £17.5m.

Field trips were undertaken during the year to current and potential grantees in South Africa, India, Zambia, Malawi, Kenya, Tanzania, Lesotho, Russia and Ukraine as well as within the UK.

ADVOCACY & COMMUNICATIONS

In addition to providing grants that support HIV-related services, an ambitious plan to help influence funding streams for the global AIDS effort was undertaken during 2013. This included public opinion pieces, speeches, and letters of support. The end of 2013 saw an unprecedented commitment by national governments, global institutions and private donors to HIV-related spending, including a £1bn pledge from the British Government.

Sir Elton wrote several opinion pieces in relation to our second advocacy objective – making sure people most vulnerable and affected by HIV and AIDS are not excluded from the global effort because of stigma and discrimination. These were widely reported and circulated in print and electronic media.

Chairman David Furnish launched a new kind of HIV testing campaign in the UK during National Testing Week. This spanned 6 hospitals in the highest HIV prevalence areas in London and established a new record for outpatient HIV testing.

Following approval at the October 2012 Board Meeting to redesign the Foundation's logo and all visual assets, as well as refining and re-stating the Foundation's 'brand' as one that is always optimistic, creative and passionate, it was officially re-launched with a social media campaign on Valentine's Day entitled Love Is In My Blood.

The campaign demonstrated the Charity's core values, through its new image, to a very wide audience. It emphasised the belief that AIDS can be beaten but only by overcoming the stigma that fuels it. Over 250 million people were reached by the campaign, which has formed the signature of the charity's 20th year and spawned a number of limited edition collections of merchandise, online competitions, and digital media coverage.

In addition to the activities noted above, there was extensive national coverage of fundraising events, including the White Tie & Tiara Ball and the Grey Goose Winter Dinner, for which Grey Goose leveraged its own communication assets to promote the Foundation's work with very vulnerable populations. Updates of grants, project visits and fundraising events have featured throughout the year on our website attracting approximately 6,000 unique visitors per month. A further 25,000 views of our project films were made.

FUNDRAISING ACTIVITIES

Whilst fundraising in 2013 was successful, the Foundation was disappointed that this was the only year in the past four years that net income (voluntary and trading income less trading expenses) did not reach the £7m target, although the average for that four year period is still £8.5m per annum, due to surpassing targets in every other year.

Most of the income during the year was generated from events, merchandise, donations and income from grant making trusts. The consolidated gross income from fundraising activities and voluntary income amounted to over £7m for the year.

The White Tie & Tiara Ball, in its fifteenth year, remained the largest fundraising event in the EJAF calendar and in 2013 raised net income of £3m, a reduction on previous years. Income from other fundraising was up 19% over budgeted expectations.

The Foundation continues to benefit from the cash support and in-kind generosity of substantial ongoing sponsor relationships including Chopard, Grey Goose Vodka, HELLO! magazine, and Audi.

Through the watch merchandising project with Chopard, the Foundation raised over £475k from the sale of limited edition Chopard gold watches in 2013.

Other key fundraising highlights during 2013 included the Life Ball Event in Vienna (over £425k of income), and the ongoing support of Jeremy Joseph and G-A-Y who added a further £60k this year toward their £250k target (which should be achieved in 2014).

Regarding web and social media based activity, as part of the new re-branding work that we launched in 2013; we updated our web presence, improved our online storefront, and started a huge 'Love Is In My Blood' social media campaign on Valentine's Day which led to phenomenal supporter engagement and awareness building.

Finally, the Foundation is proud that the ratio of income vs. cost of fundraising for 2013 ran at 15:1.

FINANCIAL REVIEW

REVIEW OF THE BUSINESS

As in previous years, the Foundation received most of its income from fundraising activities although notable funds were secured from institutional donors, including Comic Relief. The vast majority of the Foundation's expenditure is undertaken directly on disbursing grants to partner organisations, which implement projects in line with EJAF's programmatic strategy. The remainder is used to ensure that these partners and the projects are adequately supported, monitored and evaluated, that the charity is governed and managed effectively and appropriately and in support of further developing the effectiveness of the charity's fundraising.

Overall in 2013, the Foundation reports a net deficit of £0.8m (2012: surplus of £1.1m). This was the result of incoming resources declining to £7.1m (2012: £12.0m). The reduction reflects the continuing challenging economic environment which resulted in lower levels of voluntary income.

INVESTMENTS

Against the backdrop of negative real investment returns, the Trustees undertook a review of EJAF's investment policies. The Trustees determined to invest a portion of the Foundation's investments in fixed income securities and preferences shares, in order to increase investment income while maintaining an acceptable level of risk. It is too early to determine the effectiveness of the revised investment criteria.

INCOMING RESOURCES

Total consolidated income fell to £7.1m (2012: £12.0m) including £2.1m from voluntary sources (2012: £7.5m), £4.7m from the trading subsidiary (2012: £3.9m) and £357k from investments (2012: £553k).

CHARITABLE EXPENDITURE

Consolidated Charitable Expenditure fell to £6.2m (2012: £9.5m). Over 90% of this total constitutes direct awards to implementing partners.

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. The Trustees are satisfied with the performance and results of the subsidiary for the year ended 31 December 2013.

RESERVES

EJAF's total funds as at 31 December 2013 are £27.1m (2012: £27.9m) of which £3.2m are classified as restricted funds (2012: £3.2m) and £23.9m as unrestricted funds (2012: £24.8m).

RESTRICTED FUNDS

The monies that EJAF receives, which are given for a specific initiative, are classified as restricted. Each restricted pot is administered separately to ensure accurate allocation and compliance with the donors' requirements.

DESIGNATED FUNDS

The contracts that EJAF enters into with its Grant Recipients are predominantly multi-year awards. Accordingly, the Foundation holds a level of future grant commitments at any one time. The Board agreed that these commitments, which have not been allocated to specific income sources, be recognised as a designated fund in the accounts. As at 31 December 2013 £5.7m (2012: £8.7m) is contracted and committed to such future grants and included within a designated fund.

EJAF continues, through the Robert Key Memorial Fund, to support programmes that provide a direct and tangible benefit to people living with HIV/AIDS from marginalised communities and/or facing exceptionally difficult circumstances. £200k has been designated to this fund during 2013.

UNRESTRICTED FUNDS

The unrestricted fund as at 31 December 2013 is 2013 £18.2m (2012: £16.1m).

During 2012, the Trustees reviewed the reserves policy, whose objective is to ensure that the level of unrestricted reserves will finance and accommodate the strategic plans of the Foundation, mindful of the economic environment in which it finds itself. The Board, through its delegated authority to the Finance and Investment Committee agreed to maintain a reserves policy of the Foundation at £12m, which equates to 2 years' of sustainable operating costs, which includes grants disbursed. This also ensures that the Foundation can mitigate against new and existing grant recipients bearing any organisational shocks that EJAF may suffer in the short term.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees continue to review and assess the risks that the charity faces and potential impact they may have on the organisation. As part of this regular review in 2013, the trustees have assessed the major risks to which the Foundation is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

The Senior Management Team is in the process of reviewing the risk register. It will be formally reviewed each quarter and presented to the FIC.

The Head of Finance, Patrick Aylmer, together with the other members of the senior management team, have made continual improvements to the Foundation's internal controls and organisational processes and procedures.

FUTURE DEVELOPMENTS

GRANTS

A review of the first year of the Foundation's new strategy will be undertaken, with first awards for Flagship, Pioneer and Support grants being made and, where appropriate, progress reviewed to date. A series of short achievements papers will be produced during the course of the year for publication at year end. Co-funding from partners will be sought. Additional relevant expertise for the Grant Panel will be sought.

FINANCE

The charity's finance function will continue to ensure that resources are safeguarded and transactions correctly recorded. A particular priority will be to increase reporting efficiency and effectiveness. This will require working with key stakeholders to determine the optimal manner in which financial information should be presented. It will also mean stretching the existing financial reporting systems to reduce data handling and increasing connectivity between different systems.

The finance function will also ensure that the charity is ready for regulatory change. Changes already announced are FRS 102, Charity SORP 2015 and the "auto-enrolment" pension regime.

COMMUNICATIONS

A review of existing and potential supporters will be undertaken and a range of new channels and mechanisms developed to appropriately engage with different groups.

FUNDRAISING

Following huge interest in the Foundation's social media campaign Love Is In My Blood and subsequent increase in small, one-off donations to support our work, the Foundation is developing a broader portfolio of activities specifically targeted to distinct, but diverse, audiences to generate the £7m that we need annually to fund our grants strategy. An analysis of potential fundraising streams and associated resources and targets required will be undertaken in early 2014, in order to:

- Ensure fundraising is cost effective and that sponsorship limits the Foundation's exposure on fundraising initiatives to a maximum of 15% of the event's expected revenues.
- Refine our current partner profiles via a highly targeted database and understand new partner prospects.
- Link how money is raised to what it supports and achieves.
- Ensure value for money, efficiency, impact and risk can be accurately assessed for each fundraising project.
- Build a strong element of creativity into all fundraising initiatives.

GOVERNANCE

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

STAFF DEVELOPMENT

EJAF will recruit a Grants Co-ordinator in 2014 to support the Head of Grants and Grants Analyst in managing the Foundation's substantial portfolio. Collectively, the grants team will explore new ways of synthesising learning from grant making and sharing this effectively with a broader audience.

A Digital Development Manager will be recruited to amplify the Foundation's online and social media communications and giving.

The Foundation will continue to identify further opportunities to deepen staff engagement with the work of Foundation grantees and will explore discrete projects that create new staff teams.

MANAGEMENT

The Senior Management Team will review progress against agreed workplans throughout 2014.



On behalf of the board of Trustees
Anne Aslett (Executive Director)

Trustee

Dated:

6 May 2014

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

We have audited the financial statements of The Elton John AIDS Foundation for the year ended 31 December 2013 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



**David Matkins (Senior Statutory Auditor)
for and on behalf of Bournier Bullock**

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

6 May 2014

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2013 £	Total 2012 £
Incoming resources						
Voluntary income	2	1,492,514	-	560,802	2,053,316	7,514,509
Trading income	3	3,920,355	-	778,245	4,698,600	3,919,377
Investment income	4	384,089	-	975	385,064	552,864
Other incoming resources	5	19	-	-	19	865
Total incoming resources		5,796,977	-	1,340,022	7,136,999	11,987,615
Resources expended						
Costs of generating funds						
Costs of generating voluntary income	6	9,678	-	-	9,678	8,175
Trading expenses	6	1,095,443	-	-	1,095,443	1,029,358
Direct Fundraising Expenditure	6	316,238	-	-	316,238	284,409
Charitable activities						
Grants made	6	4,411,637	57,974	1,205,538	5,675,149	8,899,531
Grants' costs	6	567,676	-	59,791	627,467	616,728
Governance costs						
	6	66,130	-	-	66,130	52,634
Total resources expended		6,466,802	57,974	1,265,329	7,790,105	10,890,835
Net incoming resources before transfers		(669,825)	(57,974)	74,693	(653,106)	1,096,780
Gross transfers between funds	7	2,926,710	(2,926,710)	-	-	-
Net incoming resources after transfers		2,256,885	(2,984,684)	74,693	(653,106)	1,096,780
Other recognised gains and losses						
Unrealised loss on investments	22	(149,740)	-	-	(149,740)	(5,100)
Net income/ expenditure for the year		2,107,145	(2,984,684)	74,693	(802,846)	1,091,680
Unrealised gains in the year		-	-	-	-	-
Net movement in funds		2,107,145	(2,984,684)	74,693	(802,846)	1,091,680
Fund balances at 1 January 2013		16,098,728	8,691,813	3,153,953	27,944,494	26,852,814
Fund balances at 31 December 2013		18,205,873	5,707,129	3,228,646	27,141,648	27,944,494

All amounts relate to continuing operations. All gains and losses recognised in the current and preceding financial year are included in the statement of financial activities.

CONSOLIDATED AND CHARITY BALANCE SHEETS
AS AT 31 DECEMBER 2013

	Notes	Group		Charity	
		2013 £	2012 £	2013 £	2012 £
Fixed assets					
Tangible assets	10	3,534	6,804	-	2,868
Investments	12	-	-	1	1
		<u>3,534</u>	<u>6,804</u>	<u>1</u>	<u>2,869</u>
Current assets					
Debtors	11	869,330	845,821	1,133,947	1,376,489
Investments	12	16,781,763	21,083,559	16,781,763	21,083,559
Cash at bank and in hand	18, 19	10,520,900	7,607,848	10,176,761	7,072,525
		<u>28,171,993</u>	<u>29,537,228</u>	<u>28,092,471</u>	<u>29,532,573</u>
Creditors: amounts falling due within one year	13	(1,033,879)	(1,599,538)	(950,824)	(1,590,948)
Net current assets		<u>27,138,114</u>	<u>27,937,690</u>	<u>27,141,647</u>	<u>27,941,625</u>
Total assets less current liabilities		<u>27,141,648</u>	<u>27,944,494</u>	<u>27,141,648</u>	<u>27,944,494</u>
Represented by:					
Unrestricted funds	16	18,205,873	16,098,728	18,205,873	16,098,728
Designated Funds	15	5,707,129	8,691,813	5,707,129	8,691,813
Total Unrestricted Funds		<u>23,913,002</u>	<u>24,790,541</u>	<u>23,913,002</u>	<u>24,790,541</u>
Restricted funds	14	3,228,646	3,153,953	3,228,646	3,153,953
		<u>27,141,648</u>	<u>27,944,494</u>	<u>27,141,648</u>	<u>27,944,494</u>

The accounts were approved by the Board on *6 May 2014*

A Aslett
Trustee

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

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013		2012	
		£	£	£	£
Net cash inflow from operating activities	17		(1,736,333)		1,464,490
Return on investments and servicing of finance					
Investment Income received		459,873		450,266	
Net cash inflow for returns on investments and servicing of finance			459,873		450,266
Capital expenditure and financial investment					
Payment to acquire tangible fixed assets		-		-	
Payment to acquire current asset investments		(6,894,047)		(19,000,000)	
Proceeds on sale of current asset investments		11,083,559		14,985,305	
Net cash inflow/(outflow) for capital expenditure			4,189,512		(4,014,695)
Increase/ (Decrease) in cash	18		2,913,052		(2,099,939)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2013

1 Accounting policies

The financial statements have been prepared on an historical cost basis modified by the revaluation of certain non-current assets and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable accounting standards and the Companies Act 2006.

1.1 Group accounts

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

The net income of The Elton John AIDS Foundation for 2013 is £5,961,015 (2012: £10,958,257) These amounts include Gift Aid received from EJAF Trading Limited for 2013 of £3,553,472 (2012: £2,866,648) which have been eliminated on consolidation.

1.2 Incoming resources

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 receivable. Bank interest is recognised when receivable.

1.3 Gifts in Kind

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

1.4 Resources expended

Expenditure consists of grants and general administrative expenses which are recognised on an accruals basis.

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 include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

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.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. The capitalisation policy for the group is set at £1,000. 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
-------------------------	----------------------------

1.6 Investments

Investments are included at closing market value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities and disclosed in note 22 (Revaluation Reserve).

1.7 Pensions

The pension costs charged in the accounts represent the contributions payable by the charity during the period in accordance with FRS 17.

1.8 Foreign currency translation

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

1.9 Grant Commitments

Any grants due to have been paid in 2013 but which were delayed, have been recognised within creditors on the face of the balance sheet on the condition that they have been disbursed by the end of March 2014. This treatment is consistent with the previous year.

1.10 Accumulated Funds

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

Designated Funds comprise funds that have been set aside at the discretion of the trustees for specific purposes. These purposes are set out in the notes to the accounts.

1.11 Company Status

The Company does not have a 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.

2	Voluntary income				
		Unrestricted funds	Restricted funds	Total 2013	Total 2012
		£	£	£	£
	Donations and gifts	1,492,514	560,802	2,053,316	7,514,509

3 Trading Income

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

		2013	2012
		£	£
Turnover		4,698,600	3,919,377
Cost of sales		(1,095,443)	(1,029,358)
Administrative expenses		(52,106)	(25,525)
Interest receivable		2,421	2,195
Net profit		3,553,472	2,866,689
Amount gifted to the charity		(3,553,472)	(2,866,689)
Retained in the subsidiary		-	-

The assets and liabilities of the subsidiary were:

Tangible assets		3,533	3,895
Current assets		1,031,848	1,039,829
Creditors: amounts falling due within one year		(1,035,380)	(1,043,723)
Total net assets		1	1

Aggregate share capital and reserves

	1	1
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Cost of sales and administrative expenses includes auditors' remuneration of £7,500 (2012: £7,500)

4 Investment income

		Unrestricted funds	Restricted funds	Total 2013	Total 2012
		£	£	£	£
	Interest receivable	384,089	975	385,064	552,864

5 Other incoming resources

Other incoming resources of £19 (2012: £865) were receivable in 2013 relating to interest on gift aid claimed.

6 Total resources expended

		Staff costs	Depreciation	Other costs	Total 2013	Total 2012
		£	£	£	£	£
Costs of generating funds						
Management and admin costs				9,678	9,678	8,175
Trading expenses				1,095,443	1,095,443	1,029,358
Fundraising costs	224,719		1,321	90,198	316,238	284,409
Charitable activities						
Grants costs	324,339		1,691	301,437	627,467	616,728
Grants made				1,205,538	1,205,538	3,713,139
				4,411,637	4,411,637	5,166,532
				57,974	57,974	19,860
Governance costs	43,614		258	22,258	66,130	52,634
		592,672	3,270	7,194,163	7,790,105	10,890,835

Governance costs include audit fees of £11,340 (2012: £12,300) for The Elton John AIDS Foundation. Included within the costs is £126,035 relating to realised foreign exchange losses (2012: Losses of £24,976). Staff costs are allocated based on time apportionment. All grants disbursed in 2013 were made to institutions.

7 Gross transfers between funds

At 1 January 2013, the Foundation held designated funds of £8,491,813 relating to future grant payments. During 2013, £5,675,149 of this was utilised via disbursements to project partners and grant adjustments. An additional £4,222,392 has been designated in 2013.

The Trustees agreed to continue to designate £200,000 per year to the Robert Key Memorial Fund, which was set up in 2009. The total of grants disbursed from this fund (£57,974) is therefore shown as a reserves transfer.

8 Trustees

The charity commission has authorised payment of reasonable remuneration to two trustees for services undertaken in the administration of the company, provided they withdraw from any meeting whilst their remuneration is being discussed. Only one trustee was paid remuneration during the year, with the total, including national insurance, pension and healthcare, being £144,632 (2012: £147,155), in respect of Anne Aslett.

During the year no remuneration was paid or expenses reimbursed to trustees in relation to their duties.

During the year the charity paid £5,275 (2012: £5,569) for trustees indemnity insurance to indemnify the trustees and other officers against the consequences of any neglect or default on their part.

During the year the charity paid £23,747 (2012: £12,804) to defined contribution pension schemes in respect of Anne Aslett.

9 Employees

	2013 £	2012 £
Employment costs		
Wages and salaries	485,105	485,209
Social security costs	56,529	61,030
Other pension costs	38,668	27,600
Other employment costs	12,371	26,690
	592,673	600,529
	592,673	600,529

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

	2013 Number	2012 Number
<u>General management function</u>		
£60,000 - £69,999	1	3
£70,000 - £79,999	1	-
£100,000 - £110,000	1	-
£110,100 - £120,000	-	1
	3	4
	3	4

Contributions totalling £34,300 (2012: £24,861) were made to defined contribution pension schemes on behalf

Number of employees

The average monthly number of employees during the year was:

	2013 Number	2012 Number
General management function	9	8
	9	8

10 Tangible fixed assets - group and charity

	Furniture and equipment £	Charity total £	Subsidiary Furniture and equipment £	Group Total £
Cost				
At 1 January 2013	92,040	92,040	14,812	106,852
Additions	-	-	-	-
Disposals	(64,893)	(64,893)	-	(64,893)
At 31 December 2013	27,147	27,147	14,812	41,959
Depreciation				
At 1 January 2013	89,172	89,172	10,876	100,048
Charge for the year	2,868	2,868	402	3,270
On disposals	(64,893)	(64,893)	-	(64,893)
At 31 December 2013	27,147	27,147	11,278	38,425
Net book value				
At 31 December 2013	-	-	3,534	3,534
At 31 December 2012	2,868	2,868	3,936	6,804

11 Debtors

	Group 2013 £	2012 £	Charity 2013 £	2012 £
Trade debtors	-	38,714	-	10,036
Other debtors	11,423	41,094	11,112	40,374
Amounts owed by group undertakings	-	-	952,325	1,035,173
Prepayments and accrued income	857,907	766,013	170,510	290,906
	869,330	845,821	1,133,947	1,376,489

12 Investments

	Group 2013 £	2012 £	Charity 2013 £	2012 £
Market Value at 1 January 2013	21,083,559	17,073,964	21,083,560	17,073,965
Additions to Investments at Cost	6,931,503	19,000,000	6,931,503	19,000,000
Disposal of Investments at Cost	(11,083,559)	(14,985,305)	(11,083,559)	(14,985,305)
Net gain/ (loss) on revaluation	(149,740)	(5,100)	(149,740)	(5,100)
Market Value at 31 December 2013	16,781,763	21,083,559	16,781,764	21,083,560

£16,781,763 (both Group and Charity) relates to current investments and £1 (Charity) relates to fixed asset investments.

Of the 2013 total, £16,781,763 (both Group and Charity) relates to current investments.

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

Investments held are as follows:

	Market Value £	Percentage of Total Investments %
Nationwide Building Society (Notice Account)	5,041,310	30.0%
UK Gilts	3,872,529	23.1%
Scottish Widows (Notice Account)	5,017,383	29.9%
Other fixed income investments	2,850,541	17.0%
	16,781,763	100.0%

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013

13 Creditors: amounts falling due within one year

	Group		Charity	
	2013 £	2012 £	2013 £	2012 £
Trade creditors	959,643	1,528,573	884,578	1,528,147
Taxes and social security costs	24,625	27,923	24,625	27,923
Other Creditors	-	450	-	-
Accruals and deferred income	49,611	42,592	41,621	34,878
	1,033,879	1,599,538	950,824	1,590,948

14 Restricted funds

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

	Balance at 1 January 2013 £	Income received £	Movement in funds		Balance at 31 December 2013 £
			Utilised £	Fund Transfers £	
The Vodafone Group Foundation	139,798	-	-	-	139,798
Comic Relief	-	350,000	(350,000)	-	-
Life Ball - Funds to support programmes for msm at risk in Eastern Europe	-	427,110	(51,971)	-	375,139
Summer camps for children living with HIV in Lesotho	-	50,456	(50,456)	-	-
Reducing HIV infection in the UK	-	68,920	(29,134)	-	39,786
Respite for children living with HIV in Lesotho	-	442,541	-	-	442,541
Elena Franchuk ANTIAIDS Foundation and Victor Pinchuk Foundation	758,691	-	(1,070)	-	757,621
Improving the Lives of HIV-positive Children and their Families in Ukraine	18,998	-	(4,543)	-	14,455
Construction of Nwamitwa Community Centre, Limpopo, South Africa	205,288	-	-	-	205,288
Paediatric Palliative Care in Zambia	4,459	-	(4,459)	-	-
Elizabeth Taylor Memorial Fund	528,935	-	(244,881)	-	284,054
Funders' Collaborative For Children	758,101	975	(240,599)	-	518,476
Improving retention of survivors of sexual violence in PEP care services in Kenya	32,209	-	(32,209)	-	-
Ukraine Street Children	451,044	-	(175,966)	-	275,078
Fair Play - Tackling HIV in Ukraine	256,330	-	(80,041)	-	176,289
Red Badges - Tanzania	100	20	-	-	120
	3,153,953	1,340,022	(1,265,329)	-	3,228,646

The Vodafone Group Foundation

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

Comic Relief - Tanzania

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

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

The Foundation is supporting a consortium made up of Phoenix Plus – Orel, menZDRAV Foundation – Moscow and LGBT Assistance - Nizhniy Novgorod to provide HIV prevention and treatment services targeted at the MSM community.

Summer camps for children living with HIV in Lesotho

Mamohato Camps (summer camps) enables children living with HIV, aged 10-17 gain the knowledge, support and sense of self-worth that they need to live physically and emotionally healthy lives. The Mamohato Camps can extend life expectancy for participants through treatment adherence, reduce the spread of HIV/AIDS through healthy risk-taking and reduce stigma via peer education.

Reducing HIV infection in the UK

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

Respite for children living with HIV in Lesotho

In partnership with Sentebale, the Foundation is supporting the construction of a Centre of Excellence to permanently house vulnerable children living with HIV in Lesotho. The centre will also serve as a regional hub for training teams and volunteers to help foster best practise in caring for vulnerable children.

Elena Franchuk ANTIAIDS Foundation and Victor Pinchuk Foundation

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



Supported by

The National Lottery[®]
through the Big Lottery Fund

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

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

Construction of Nwamitwa Community Centre, Limpopo, South Africa

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

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

Paediatric Palliative Care in Zambia

Funds for this grant will help build the capacity of key medical experts and local adult palliative care partners to create Paediatric Palliative Care (PPC) services in Zambia. It would further establish first PPC facility in Zambia.

14 Restricted funds

(continued)

Elizabeth Taylor Memorial Fund

In memory of Elizabeth Taylor, a fund was created that reflected her personal campaigning to ensure that the voices and lives of people living with HIV/AIDS are heard and valued. This fund will, accordingly, support work that explicitly enables people living with HIV/AIDS to exercise self-determination and live with dignity.

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 FCFC (consortium-funded) is to improve the lives of 65% vulnerable children in Salima Malawi across four domains; education, health, livelihood and social welfare. The programme aims to 'surround the child' by providing a package of high quality interventions that constitute the continuum of care for the child, family and the community.

Improving retention of survivors of sexual violence in PEP care services in Kenya

This project aims to improve HIV, sexual reproductive health and psychosocial outcomes of survivors of sexual violence by improving the quality of post rape care, raising completion rates of HIV post-exposure prophylaxis (PEP) through enhanced counselling and piloting a community follow-up scheme to monitor the impact of these interventions over the medium term, on HIV and health outcomes of survivors. This grant will target 16 health facilities within high HIV prevalence areas, boosting the short-term standard of care for rape survivors, testing new ways to ensure that the terrible trauma of rape is not worsened by HIV acquisition and linking rape survivors, both HIV negative and positive, with the resources necessary to help them recover and heal.

Ukraine Street Children

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

Fair Play - Tackling HIV in Ukraine

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

Red Badges - Tanzania

In Tanzania, some primary school students are forced to wear red badges sewn on their uniform denoting their HIV positive status. This project works with teachers and families to remove these badges.

15 Designated funds

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

	Movement in funds				Balance at 31 December 2013 £
	Balance at 1 January 2013 £	Income received £	Utilised/ transferred £	Fund Transfers £	
Future Grant Commitments	8,491,813	-	(7,207,076)	4,222,392	5,507,129
The Robert Key Memorial Grant	200,000	-	(57,974)	57,974	200,000
	8,691,813	-	(7,265,050)	4,280,366	5,707,129

Future Grant Commitments

This fund consists of contracted grant payments to implementing partners in future years. All amounts included in this designated fund form part of existing programmes.

The Robert Key Memorial Grant

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

16 Analysis of group net assets between funds

	Unrestricted fund £	Designated fund £	Restricted fund £	Total £
Tangible fixed assets	3,534	-	-	3,534
Current assets	19,236,218	5,707,129	3,228,646	28,171,993
Creditors: amounts falling due within one year	(1,033,879)	-	-	(1,033,879)
	18,205,873	5,707,129	3,228,646	27,141,648

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

	2013 £	2012 £
Net movement in funds	(653,106)	1,096,780
Investment Income receivable	(385,064)	(552,864)
Investment Charges payable	3,056	-
Depreciation of tangible fixed assets	3,270	3,373
Increase in debtors	(138,829)	159,856
Decrease in creditors	(565,660)	757,345
	<u>(1,736,333)</u>	<u>1,464,490</u>

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

	2013 £	2012 £
Increase/ (Decrease) in cash	2,913,052	(2,099,939)
Net funds at 1 January 2013	<u>7,607,848</u>	<u>9,707,787</u>
Net funds at 31 December 2013	<u>10,520,900</u>	<u>7,607,848</u>

19 Analysis of net funds for the group

	2012 £	Cashflow £	2013 £
Cash at bank and in hand	<u>7,607,848</u>	<u>2,913,052</u>	<u>10,520,900</u>

20 Contingent liabilities

The Foundation has contracted £5,507,129 (2012: £8,491,813) of further grants, which are conditional on the performance of the recipient charities. The Designated Fund includes the entire balance to ensure that the Foundation can meet these commitments.

21 Pension costs

Defined contribution

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

	2013 £	2012 £
Contributions payable by the charity for the year	<u>38,668</u>	<u>27,600</u>

22 Revaluation reserve

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

	Balance at 1 January 2013 £	Incoming Resources including gains £	Outgoing Resources including losses £	Transfers £	Balance at 31 December 2013 £
Revaluation reserve	-	-	(149,740)	149,740	-
	<u>-</u>	<u>-</u>	<u>(149,740)</u>	<u>149,740</u>	<u>-</u>