



2019

Elton John AIDS Foundation

Annual report and financial statements

Company number: 02787008
Charity Commission number: 1017336

£15.8m

Total Income in 2019



8

Number of countries
our 2019 awarded
grants will impact



1,052,222

HIV tests funded by the
Foundation in 2019



46,107

Of those who tested
positive started on HIV
treatment



1,808,943

Individuals provided
with direct support in
2019

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Annual report and financial statements

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**The Trustees' Report incorporates the Strategic Report*

Chair and Chief Executive Officer's introduction

A Global Foundation

On November 5, 2018, the Board of the U.K. and U.S. Elton John AIDS Foundations voted to integrate all our operations into one global entity. 2019 was our first full year of activities under that new structure.

Following a skills analysis at board level in late 2018, a new Deputy Chairman, Company Secretary and Board Members were appointed to ensure appropriate expertise and resources for the governance of a global charity. Similarly, a new organisational structure with expanded staff capacity was agreed and new staff members recruited. Further appointments will be made to both Board and Executive during 2020 (see Structure, Governance & Management section below).

We undertook a harmonisation of communications channels across U.K. and U.S., including brand identity and all social media platforms. A new global website and consolidated IT platforms and systems that entirely integrate our U.K. and U.S. offices are in process and will be completed in 2020.



The Foundation's New Brand Book

In accordance with UK charity reporting requirements, the data provided in this report relates specifically to the activities and outcomes of the U.K. office of the Foundation. However, these activities are enhanced, complemented and amplified by associated work of the Foundation's U.S. based team.

Support provided

Whilst putting in place the structure for a global organisation, the U.K. Foundation continued to

provide support to thousands of people across Europe, Africa and Asia. We supported programmes with £8.5m in funding that enabled them to reach 1.8 million people with HIV testing, treatment and associated services, including 46,801 through our Eastern Europe & Central Asia Key Populations Fund (EECAKP Fund) alone.

As a founding member of the MenStar Collaborative - a \$1.2bn collective established at the International AIDS Conference in Amsterdam in 2018 - this year we launched a ground-breaking national campaign in Kenya aimed at expanding HIV self-testing for men. More than 2m young people watched the launch video for the 'Chukua Selfie' campaign within the first two weeks on air. Together with fellow MenStar partners Unitaid and the Children's Investment Fund Foundation (CIFF) we have established distribution channels for self-test kits including almost 530 pharmacies, community hotspots and commercial companies in Nairobi, Kisumu and Mombasa.



Billboard for Chukua Selfie in Kenya

Complementing our grants disbursements in the U.K. the Foundation made its largest ever grant to support work with the LGBTQ community in the U.S. The F.R.E.E. initiative is a three-year program that aims to support transgender people and Black gay and bisexual men, who have been disproportionately affected by HIV. Through supporting innovative community-based programs, the fund aims to reduce new infection rates, reduce AIDS-related illness and death, and confront racism, homophobia, and transphobia as key drivers of HIV infection and disease.

New Regional Partnership

Following the launch of the EECAP Fund in 2018, our initial support to programmes in multiple countries highlighted the urgent need to escalate our activities across the region. Our EECAP Fund co-funder, Gilead Sciences, shared this sense of urgency and provided up to \$25m in order for us to establish a new five year programme – RADIANT – that could capitalise on our learnings through existing work and significantly amplify their potential to effect change.



The RADIANT launch in London at Fast Track Cities in September 2019

The RADIANT programme, which encompasses ‘Models Cities’ and ‘Unmet Need’ approaches aims to change the trajectory of HIV in EECA by significantly improving the quality of care for PLWHIV in this region and reduce new HIV infections and AIDS related deaths.

More information on these initiatives can be found in the Grants section of this report.

Advocacy

This year saw the replenishment of the Global Fund for AIDS, TB and Malaria (‘the Fund’) – a critical multilateral fund that receives funding from national governments and leverages the private sector to provide funds for the world’s three most lethal infectious diseases.

The Foundation was able to provide significant support for the replenishment process, including helping President Macron launch the fundraising effort for the Fund in Paris in May 2019. (See Advocacy section of this report).



Sir Elton John and President Macron address the world’s press to launch the fundraising effort for the Global Fund replenishment.

Our advocacy work, with policy makers, business leaders, activists and the media, 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 human rights of those living with or at high risk of HIV. During 2019, we have engaged in a range of high-profile activities (see pages 19 and 20) from the broad and global to the local and highly specific.

Fundraising

During 2019, a number of institutional partnerships that had been developed in 2018 came to fruition, most notably a \$25m partnership with Gilead Sciences. Further funding from the Department for International Development (DfID) and the Department for Health and Social Care (DHSC) will be finalised in 2020.

In addition, event revenue performed well. The Foundation held a very successful new fundraising event in the South of France - The MidSummer party – which raised over £4.5m. This was matched by very successful fundraising initiatives through our U.S. operations.

Strategic Planning

Building on the foundations of a global Grants Strategy, (developed in collaboration with Accenture during 2018), a new strategic vision for the global Elton John AIDS Foundation was established and approved by the Board in June. This vision takes our grant making as its starting point, building advocacy, communications, partnerships and leverage into an overall strategy that better leverages all the Foundation’s assets and provides greater potential for us to support our goal of ending the AIDS epidemic by 2030. Specific targets and objectives across the spectrum of our programmatic activities, including grant making, have been developed and will guide our work in 2020 and beyond.

The Future

Integration of two highly sophisticated operations in the U.K. and U.S. into one global entity takes time, commitment and creativity. We are deeply grateful to the Board members, staff, advisors, volunteers and supporters who are with us on this journey.

The global Elton John AIDS Foundation is the top HIV/AIDS funder in Eastern Europe: the third largest funder of these programmes in East Asia and South East Asia; within the top 10 funders of HIV/AIDS in the U.S. and number three globally for HIV/AIDS specific philanthropy. This is an impressive record for a very lean organisation and a significant responsibility to play our part in the global effort. We believe the integration process we have been undertaking over the past year will enable us to achieve even greater change in the coming years, making us more efficient, giving us greater voice and helping us reach our vital goal of ending the AIDS epidemic for good.

The recent epidemic of Covid-19 will have an impact on our ability to raise funds in 2020. To assure

ourselves and our stakeholders of our financial stability, we have modelled various scenarios to estimate the impact of Covid-19 virus on future cash. On this basis, we remain confident that there are sufficient cash resources to enable us to deliver our new strategic vision.



David Furnish
Chairman



Anne Aslett
Chief Executive officer

Objectives & activities

Purpose

The Foundation's mission is simple: an end to the AIDS epidemic. The Foundation's purpose is to harness local expertise, mobilise networks of generous public and private supporters and partners, and maximise the platform and influence of our Founder Elton John to eliminate HIV as a problem for people vulnerable to HIV and for their communities.

It is possible for people to live a full and healthy life with HIV, yet 15 million people today are not accessing the life-saving HIV treatment they need because they are already restricted in their own society: gay men, young people, those who inject drugs or sell sex, and transgender women. Most new HIV infections are in these marginalised groups. They face abandonment, discrimination and violence. This just isn't good enough. Tragically, it stops them from getting the effective, life-saving services that already exist and so prolongs the AIDS epidemic. The Foundation harnesses local expertise across four continents to challenge discrimination, prevent infections and provide treatment for these groups, as well as mobilising governments to end AIDS. *We will not stop until the AIDS epidemic is over.*

Our 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. Developing communications programmes that generate significant global awareness of the threat of HIV/AIDS and help reduce stigma, and partnering with key stakeholders to attract additional funding and support to the cause, are also critical elements of our work. 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 and with governments to leverage further funding and services and break down stigma and discrimination.

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 bilateral 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 the resources, access or geographical reach to influence global impact. Our communications aim to bring both the progress and continuing jeopardy regarding ending AIDS to the attention of policymakers, business and the general public.

Public benefit

1. People's HIV status should have no impact on their quality of life or access to opportunities – HIV information, care and support must come without stigma, exclusion or fear for people living with HIV or at risk of HIV.
2. Everyone has the right to access the best treatment.
3. Those most directly affected by the epidemic are central to finding effective solutions.
4. Care and concern for each person, and respect for their human and legal rights – particularly the most vulnerable and marginalized – is central to any caring community.

THE FOUNDATION AIMS TO:

1. Be transparent and accountable.
2. Be effective and responsible as a grant making charity.
3. Achieve a positive impact with its funding.
4. Work in partnership with a wide range of stakeholders to mobilize resources.
5. 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 and extensively reviewed in 2019 in preparation for our integration of UK and US operations. We are developing a new strategic plan for the next five years – 2020-2025, the preliminary framework of which was approved by the Board during 2019. 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. During 2019, the charity's risk was reviewed regularly at Finance & Investment Committee and board meetings. Our annual end of year Strategy Day was replaced in 2019 by a two day leadership workshop, facilitated by external agency Latitude, to enable new and existing staff from the U.K. and U.S. to come together and establish shared objectives in team working, management, problem solving and goals going forward. Latitude will provide ongoing technical support to the Foundation's Senior Management Team to ensure the goals and principles we established at these sessions are embedded into our working.

Grant making review

Review of the year

Grant commitments made	2019 £000	2018 £000
EECA KP Fund	467	6,994
LGBT Fund	545	494
Flagship	417	-
Pioneer	635	1,318
Support	6,196	190
Advocacy	185	285
Robert Key Memorial Fund	41	61
New commitments	8,486	9,342
Exchange loss	608	491
Grant support costs	1,450	1,051
Expenditure on charitable activities	10,544	10,848

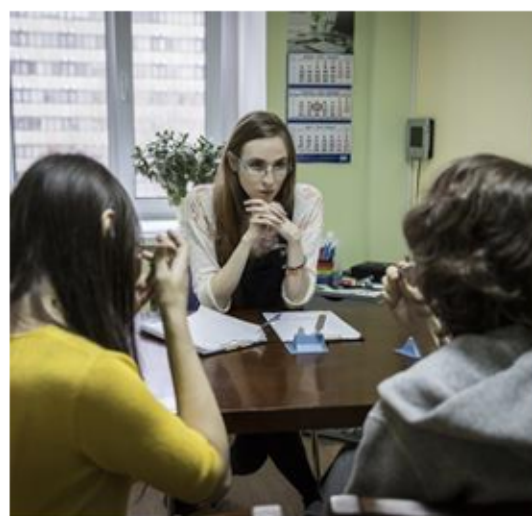
In 2019, the Grants team received 209 requests for support (2018: 640) with a total value of £122.7 million (2018: £84.1 million). The current grants portfolio stands at £25.2 million (2018: £29.5 million).



India HIV/AIDS Alliance – Samarth project team, Delhi, India

The Foundation was delighted to hear from 47 grantees that they have reached over 1.8 million individuals (2018: 1.9 million) with various HIV services including testing, access to treatment and prevention.

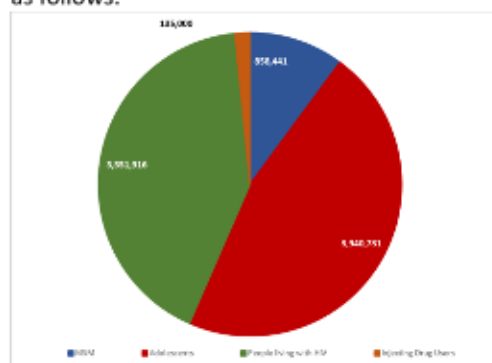
Field trips were undertaken during the year to current and potential grantees in Armenia, India, Indonesia, Kazakhstan, Kenya, Kyrgyzstan, Mozambique, Malaysia, Myanmar, Russia, Ukraine, United States, Uzbekistan, Vietnam and within the UK.



Maya (centre), from Moscow-Russia, works as manager for LaSky's transgender work and as a peer consultant for trans people.

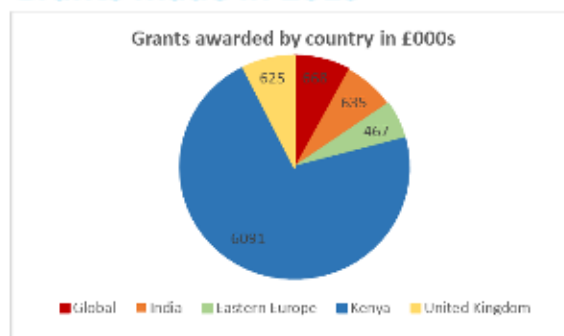
Populations supported

During 2019, the Foundation estimates that it provided HIV testing to 1,052,222 individuals (2018: 1,183,841). The beneficiaries by target population are as follows:

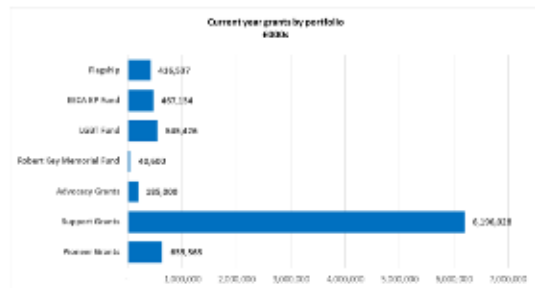


In addition to direct support the Foundation provides indirect support, in the form of advice and technical support.

Grants made in 2019



New grant commitments in 2019 totalled £8.5 million (2018: £9.3 million) and can be broken down by country (see above) and grant portfolio type (below).



Flagship Grants

The Foundation, along with several partner organisations, has developed the first Social Impact Bond (SIB) in the world to increase HIV treatment and care. Titled the Zero HIV SIB, it is based in the South London boroughs of Lambeth, Southwark, and Lewisham (LSL) due to disproportionately high HIV prevalence, with an estimated 1,000 residents living with HIV that are unaware of their status in these boroughs. The SIB focuses on bringing individuals with HIV into care, either (1) through new diagnosis of HIV and engagement of those patients or (2) through re-engagement of people known to have HIV but not currently in HIV care.

The SIB was fully operational by November 2018 and considerably increased its impact over the course of 2019. It involves a significant amount of collaboration with public and private partners, including Lambeth, Lewisham and Southwark Councils, TNL Community Fund, ViiV Healthcare, Big Issue Invest, Comic Relief, King’s College Hospital Trust, Lewisham & Greenwich Trust, Lambeth Healthcare Limited, One Health Lewisham, Metro, and Naz. It is collaboratively governed by an independent CIC with EJAF and non-EJAF Directors.

Since the SIB began providing services, more than 62,000 patients have received HIV testing and more than 100 people have been newly engaged in HIV care – people who would not otherwise have been reached. Under the direction of the SIB, hospitals, primary care, and community organisations have developed distinct approaches to find these patients and link them to care.

Hospitals in the programme have set up universal HIV testing in their A&E departments, so that all adults undertaking a blood test have the option to be tested for HIV. If a patient is found to be HIV-positive, the clinic follows up to bring them in for specialist care. GP Federations are helping their practices implement a range of activities, including computerized notifications prompting the screening of patients for HIV, more universal screening during universal HIV testing week, and targeted work with HIV-positive

patients not in care. Community organisations go into public spaces, build trust and respect, test people for HIV, and then provide supportive services to those diagnosed with HIV, encouraging them to seek specialist HIV treatment.

This project has, in its first full year of implementation, proved that diverse stakeholders can come together to develop varied but connected HIV activities across a complex health system. As we transition into SIB’s second full year, we will emphasise sharing the SIB’s success, sustaining this work through the NHS in future, and translating our findings into practice for other similar organisations.

EECAKP Fund

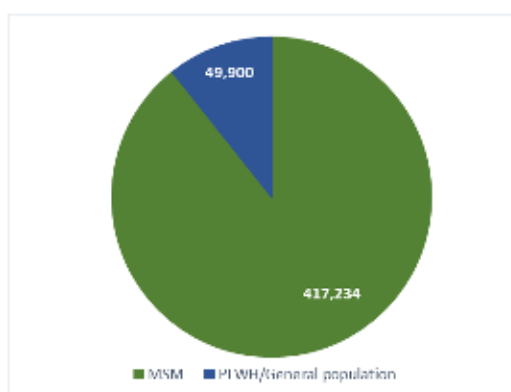
Despite global progress against reducing new HIV infections, the HIV epidemic in Eastern Europe and Central Asia (EECA) continues to grow; the number of people living with HIV in the region has increased by over 25% since 2010. Funding gaps mean progress against the growing HIV epidemic in EECA is not yet in sight: the total resources available in 2017 were only 46% of the USD \$1.6 billion per year required to reach the region’s UNAIDS’ 2020 Fast Track Targets. Stigma and discrimination against the groups most affected by HIV contribute to the proliferation of the epidemic. People Who Inject Drugs, Sex Workers, Men who have Sex with Men, Transgender people, and their sexual partners collectively accounted for over 95% of HIV cases in the region in 2017.



Katya (left) does a LaSky outreach exercise in Moscow, Russia

In 2017, we established a unique programme - the Eastern Europe & Central Asia Key Populations Fund (EECAKP Fund) – to effectively mobilise funding and provide targeted support in response to the pressing need for action. The EECA KP Fund seeks to improve access to HIV prevention, care and treatment information and services, including harm reduction services, for key populations in EECA. The Fund supports innovative, evidence-based work, while also aiming to empower communities delivering and advocating for better, stigma-free HIV services, to help bring the region closer to epidemic control.

Four Lighthouse Grants were issued in Russia and began implementation in 2018. Lighthouse grants fund projects that work with and within the existing healthcare infrastructure to increase the uptake of HIV care services. Community Grants fund smaller scale, community-based initiatives that, if proven successful, can be scaled up. By the end of 2019, 12 community grants had been approved through the fund in Armenia, Belarus, Russia, Kazakhstan and Ukraine. These primarily service delivery focussed programmes are complemented by emergency grants addressing stigma, discrimination, violence, and other barriers to key populations accessing HIV care. Emergency grants were issued across 10 countries in EECA, enabling 17,800 people from vulnerable populations to access HIV testing among other outcomes.



The chart above displays the focus of the Foundation's EECAKP Fund grants awarded in 2019 totalling £0.5 million.

By the end of 2019, the Fund has reached over 50,000 people from key populations with scaled-up and innovative HIV prevention and treatment services and tested 30,000 people for HIV.

RADIAN

In September 2019, and partly in response to greater reductions in financial support for the regional HIV epidemic, the Foundation launched a new fund for Eastern Europe and Central Asia, 'RADIAN', in partnership with Gilead Sciences. RADIAN aims to continue and expand the EECA KP Fund's vital work to tackle the HIV epidemic in the region, and further confront and challenge the barriers which prevent at-risk populations from accessing HIV prevention and treatment services. RADIAN is a natural evolution of the EECA Key Populations Fund, which has given the Foundation a greater understanding of the urgent needs in EECA and the necessary experience to respond even more effectively moving forward. RADIAN will further develop the relationships, trust, support, and knowledge the Foundation has gained from implementing the EECA KP Fund. RADIAN will seek to include and go beyond service delivery work to contribute sustainably towards zero new

infections, zero AIDS deaths, and zero stigma and discrimination in EECA. In order to achieve these goals, RADIAN will take a dual-pronged approach using Model Cities and Unmet Need Fund.

Model Cities

The RADIAN 'Model Cities' programme will provide significant funding in key EECA cities over the next five years to deliver measurable impact in the response to HIV. The programme will support innovative approaches centred around existing health system infrastructure, including new models of care and expanded prevention, led by groups who are on-the-ground and part of the community. Model Cities will be designed as blueprints for epidemic control in the EECA region.

The first RADIAN 'Model City' will be Almaty, Kazakhstan's largest city. The programme will support Almaty in scaling up evidence-informed, exemplary and innovative approaches to ensure 90% of people living with HIV in Almaty know their status, 90% of all people diagnosed with HIV in Almaty receive antiretroviral therapy, and 90% of all people in Almaty receiving antiretroviral therapy have suppressed viral loads, as per UNAIDS targets. Information on additional 'Model Cities' will be announced in 2020.

Unmet Need Fund

The RADIAN 'Unmet Need' fund will support local initiatives across the EECA region and beyond the select 'Model Cities'. RADIAN will support community-based organisations in partnership with communities and health systems in scaling up evidence-informed and innovative HIV services, particularly linkage to care, treatment initiation and adherence support, prevention, and harm reduction, as well as community education and advocacy projects. Where possible, the Fund is looking to support projects that, if successful, can be transitioned to other funders, including national government, domestic funders or large multilaterals. The first RADIAN grants will be committed in 2020.

LGBT Fund

Since the criminalisation of homosexuality is still prevalent in many countries around the world, the Foundation has deliberately expanded programmes that offer HIV prevention, treatment and support in a non-judgmental environment to the Lesbian, Gay, Bisexual and Transgender (LGBT) community. We have made it our mission from the start to support those who are stigmatised by society just because they are living with or at high risk of HIV.

In 2015, we established a \$10 million LGBT Fund focused on high HIV-burden countries in Sub-Saharan Africa and the Caribbean. The fund was designed to reach LGBT people who are most at risk and keep

them safe, complementing broader LGBT human rights programmes whilst specially protecting LGBT people from HIV. The LGBT fund is a collaboration with UNAIDS. It addresses structural challenges and seeks to bridge critical gaps for LGBT people by improving access to HIV and STI prevention, care, treatment information and services. The Fund was also designed to tackle stigma and discrimination, whilst increasing the capacity of LGBT community-based organisations to deliver HIV and Sexually Transmitted Infection (STI) services and advocate for the rights and health of LGBT people.

The Fund has pioneered significant innovations in health in over 20 countries, including the creation of safe spaces for vulnerable people, community-led peer-driven referrals in Uganda, peer-led HIV testing in Mozambique and LGBT services integrated in public settings in Kenya. Furthermore, several major advocacy wins were achieved with support from the Fund, such as a law used to criminalise transgender people in Guyana being overturned. Through holistically addressing the most pressing barriers to HIV prevention, care, and treatment, the Fund has successfully created systematic change that will continue to improve the lives of LGBT individuals for years to come.

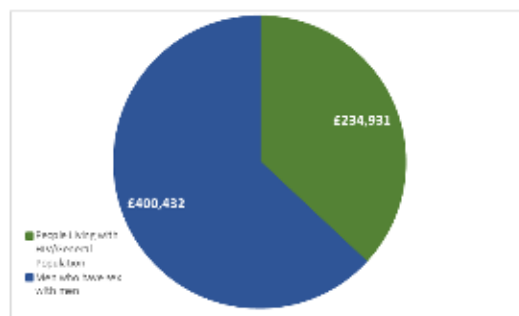
The fund was fully committed by the end of 2017 and was extended in 2018 with an additional grant from UNAIDS of £0.5 million which was awarded in 2018. A further £0.5 million was committed in 2019. The extended grant was awarded to MPact Global Action for Gay Men’s Health and Rights which was formally known as The Global Forum on MSM & HIV (MSMGF).

Most of the LGBT Fund grants concluded in late 2019, whilst the remaining projects will finish in the first half of 2020. By the end of 2019, over 46,000 people had been tested for HIV through the Fund, with over 5,000 diagnosed as HIV positive and started on HIV treatment.

Pioneer Grants

Pioneer Grants are for 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. Pioneer grants prioritise key populations at higher risk such as Men who have Sex with Men (MSM), Sex Workers, prisoners and people who use drugs.

The chart below displays the focus of the Foundation’s Pioneer Grants awarded in 2019 totalling £0.6 million.



With the third largest HIV epidemic in the world, India remains a priority country for investing in HIV programmes. There have been significant gains in recent years – a concerted effort by the government of India to improve access to testing and treatment services, including free access to Antiretroviral Therapy (ART), and the recent repeal of Section 377 law which criminalised homosexuality in India. However, despite these advancements, in 2017 new infections increased to 88,000 from 80,000 in 2016 and AIDS-related deaths increased to 69,000 from 62,000. Extremely vulnerable populations continue to bear the burden of the epidemic. For example, around 2.7% of men who have sex with men in India are living with HIV, of whom around 65% are aware of their status. Furthermore, 3.1% of Transgender people are living with HIV in India, of whom around 68% are aware of their status.



India HIV Alliance – Samarth project beneficiaries, India

From 2016 to 2019 the Foundation supported the India HIV/AIDS Alliance to implement the ‘Samarth - Health and HIV Testing Clinics project in India’ project. The project developed an innovative community testing model, reaching 9,190 previously untested MSM and transgender people in India, and linking them to community clinics.

Through a ‘Community led referral’ approach 1,936 people who had dropped out of services were brought back to the HIV continuum services. The project worked closely with the government to create enabling environments and reduce stigma thus increasing access to health. Due to the success of the programme, the Foundation approved a second phase of this project in 2019– ‘Samarth 2.0’. The second project phase will test 8,000 MSM,

transgender and hijra individuals in six priority states of India. The programme will integrate services through the provision of HIV screening, STI and Tuberculosis (TB) management, access to HIV treatment and adherence support, Pre-exposure prophylaxis (PrEP), harm reduction and mental health and crisis response services. The grant will expand innovative programming using online platforms to reach those most at risk and will explore differentiated models of support according to local dynamics.

In 2017, the Foundation provided a pioneer grant to SAATHII to establish a project to reach individuals in prisons in 12 states across the country, with targets to test over 450,000 intimates across 700 prisons in three years. This initiative has been particularly successful and has been heavily endorsed by the government, who are bolstering our efforts by providing medical staff, antiretroviral treatment (ART) and diagnostics support. By the end of 2019, the 'Subhiksha' project had tested over 300,00 people for HIV, and a 1,000 people had been diagnosed with HIV and linked to treatment. SAATHII is currently covering 57% of the total prison population in India (827 prisons).

In addition to offering routine HIV support within prisons themselves, the project seeks to address the issue of onward transmission upon release, by successfully linking ex-inmates to HIV treatment programmes in the community. We awarded additional funds in 2019 to manage the expansion of services.

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.



Chukua Selfie, Kenya

Recognizing the need for innovative solutions for HIV testing in Kenya, the Foundation and other donor partners pooled resources to create a sustainable market for HIV Self Testing with a focus on men. The Human Centred Design Challenge Fund is being implemented by Population Services International (PSI) in partnership with Population Services Kenya

(PSK). The demand for self-testing is being driven by the Chuka Selfie campaign in Kenya, an extensive marketing campaign created by Scanad Kenya. Through the campaign young men are informed and motivated to use HIV self-testing – a simple way to know their HIV status – confidentially at a time and place of their choosing. PSK are managing the provision of HIV Self Tests and the associated services.

Advocacy Grants

The Foundation's Advocacy Grants aim to raise awareness about HIV, advocate for those most affected by the HIV epidemic, and campaign for change. In 2019, the Foundation committed further funds to the 'Support. Don't Punish' campaign, implemented by the International Drug Policy Consortium. Despite growing recognition of the negative consequences of the international 'war on drugs', recent developments, such as the worsening HIV crisis in Russia, show that drug policies in many countries are far from focussed on the well-being of affected communities. Instead, these policies demonise, dehumanise, oppress and criminalise people who use drugs. The campaign empowers local communities in over 90 countries worldwide by providing them with funding and resources to build and deliver grassroots advocacy campaigns calling for better HIV services, health and human rights for people who use drugs. On 26 June 2019, Support Don't Punish organised its biggest Global Day of Action, which mobilised thousands of people through a growing network of local partners in 261 cities of 92 countries. These actions included a youth-led harm reduction festival in Mexico City, a community rally and HIV screening drive in Abidjan, and a photo exhibition in Podgorica.

For more information on advocacy, please refer to the Advocacy & Communications Review on page 16.

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 2019 a total of £41k of Robert Key Memorial Fund Grants were awarded.

Plans for future periods

Following the integration of our US and UK Foundations and the establishment of a new global grant making strategy, we are currently in the process of developing new guidelines around future funding opportunities and partnerships. We hope to have new funding opportunities announced later this year along with detailed guidelines on eligible countries, selection criteria and how to apply.

RADIAN will form a large part of our grant-making in 2020; given the extended investment in EECA, we plan to conduct more field visits and grantee engagements in the region. We shall review and enhance our grant making processes to enable our grantees to better engage with their data. In addition, we will add to our staff numbers to help build our monitoring and evaluation capacity.

The grant making process

The Foundation's grant making activity operated on the basis outlined below in 2019. However, this structure will be modified in 2020 to reflect our revised global processes.

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 and applicants can submit a Concept Note at any time.
- b. Pioneer Grants are open for application at certain times
- c. Applications to RADIAN closed in mid-December 2019. Further opportunities will be announced in 2020.
- d. Support Grants are by invitation only.
- e. Flagship Grants are by invitation only.
- f. 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, EECA KP Fund, RADIAN 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, two references, Constitution or Articles of Association, financial management procedure and the Foundation's policy questionnaire.

Applicants have four weeks to submit their application.

The Foundation's Review Process

When an application has been submitted, the Grants Support Office 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 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 or rejection.

The Foundation /Grantee Relationship

Once an application has been approved, the Grants Support Officer 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 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).

“Moscow Lighthouse ”

The Russian Federation is the leading country in the Eastern Europe and Central Asia region in terms of the HIV burden, with an estimated 35% growth in new HIV infections since 2010. Moscow Lighthouse is a project implemented by the organisation “For support of social initiatives and public health” Foundation, also known as ‘LaSky’, which aims to address the growing HIV epidemic in Russia’s capital and the surrounding region. The project, supported as part of the Foundation’s Eastern Europe and Central Asia Key Populations Fund, is being implemented from September 2018 to October 2021.

LaSky aims to provide services to over 30,000 people in Moscow City and Moscow Region from Key Populations, including LGBT individuals, people who inject drugs, and sex workers. The project is conducting outreach activities, HIV testing and counselling, creating demand for self-testing and PrEP, and peer support groups for LGBT living with HIV. The central location of LaSky’s offices in Moscow, and targeted advocacy activities aim to increase the impact of the programme by positioning it as a model example for others to follow.



In March 2019, Misha (photographed above) started feeling unwell so he came to LaSky to get tested for HIV. When he found out his positive result, he watched the movie *Bohemian Rhapsody* and cried for two days. But on the third day, he decided to learn to live with HIV. After receiving support from LaSky through the Moscow Lighthouse project, he is now training to join the project staff. Misha wants to work at LaSky to help people be better informed as

HIV awareness is so low – Misha still encounters people who think HIV can be transmitted by shaking hands. That’s why Misha now helps to lead LaSky’s weekly peer support group for LGBT people who are living with HIV, to encourage others to live without shame.



Sasha (photographed above with his partner Igor) is 31 years old, originally from Voronezh, Russia, and now lives in Moscow. In 2008 Sasha was in hospital with the flu, and doctors performed various tests on him. Sasha tested positive for HIV, but shockingly, he was not told about his status by the hospital. Fast forward to 2014 and Sasha had become very sick. After many painful diagnostic tests, when Sasha was finally admitted to hospital, he discovered that he had been on the HIV register for six years but was never informed about his diagnosis. Sasha was in a very advanced stage of HIV at this point, with a CD4 count of just 42. He weighed just 36 kilograms and couldn’t even walk to the bathroom without holding onto the walls.

When this all happened in 2014, Sasha was connected to Andrey Beloglazov, director of LaSky. Andrey was able to connect him to resources, information, and friendly faces which greatly supported his recovery. Now, Sasha has an undetectable viral load and says his health is better than ever. He and his partner Igor, who now works at LaSky, are so grateful for the help and community that LaSky provided, and the hope that they reignited in humanity.

Together with LaSky, and people like Misha, Igor and Sasha, we are changing the narrative for thousands of people affected and living the HIV across the region.

Expanding Access to HIV Services for People who Inject Drugs in Myanmar

Although Myanmar continues to increase state spending on health following its transition to civilian rule (an increase of 7% occurred in 2015/16), services remain out of reach for many in the country. This is no more evident than in northern areas, where a combination of geographical, social and infrastructural barriers has meant that HIV prevalence exceeded 30% among People who Inject Drugs in 2016. Take up of and access to HIV and harm reduction services was particularly low and there was a growing need for expansion of sites offering testing, Antiretroviral Therapy (ART) and Opioid Substitution Therapy (OST).



HIV testing and counselling at a decentralised site, Myanmar
In response to the growing HIV epidemic amongst People Who Inject Drugs, the Foundation funded a project in 2017 to expand access to HIV services in Kachin and Sagaing states in northern Myanmar, implemented by the Clinton Health Access Initiative (CHAI). The project, which is due to conclude in 2020, is addressing clear gaps in services for this critically underserved population. In partnership with the National Drug Abuse Control Programme, CHAI is providing decentralised ART and OST, which has led to tremendous improvements in HIV services in the region.

By December 2019, 17 ART sites were operating as One Stop Shops in Kachin and Sagaing, meaning People Who Inject Drugs can access OST and ART services during one visit. Previously, the majority of people living with HIV had to travel long distances, and even cross state borders, to access ART treatment. One patient shared that, "We have to stay in Myitkyina around 2 weeks for ART initiation, with frequent follow-up visits to hospital for blood tests and HIV counselling. The travel and

accommodation costs are burdensome to the whole family". Another patient said, "It takes 10-12 hours by train to get to Myitkyina for ART initiation. Meanwhile we have to leave our children with grandparents, sometimes with the neighbours". Thankfully, with the implementation of decentralised ART and OST provision, patients no longer need to face this burden. With CHAI's support, there have been dramatic increases in ART initiation in Katha District, Sagaing state – the number of people accessing HIV treatment closer to home rose from just 27 people to 559 at the end of December 2018.



A CHAI staff member training government health workers at a decentralised site, Namti, Myanmar

Through the programme CHAI are strengthening the health system, leaving behind a sensitised workforce. CHAI is training staff from the National Drug Abuse Control Programme on Drug Counselling and OST, along with providing training on HIV services, including ART initiation. Furthermore, CHAI has supported the implementation of the first electronic recording system for clinics to streamline the provision of OST and reduce waiting times for people accessing the service.

The learning from this grant will inform a new national strategy for People who Inject Drugs, leading to a more sustained response to the epidemic in Myanmar. CHAI's targeted efforts to bring services closer to communities have resulted in over 9,000 people being able to access ART at CHAI supported health facilities. Through the programme, we are working to ensure nobody is left behind in the global HIV response.

Grant Income

Grant income	2019 £000	2018 £000
Grant income received	8,189	2,238

We are delighted to have grown our grants income substantially in 2019. Gilead Sciences provided the Foundation with £6,571,652 to implement our new RADIAN Fund for Eastern Europe and Central Asia. RADIAN aims to confront and challenge the barriers which prevent at-risk populations from accessing HIV prevention and treatment services, please see page 11 for more information.



Politico Telescope article by Alex Kalomparis



EJAF and Gilead Sciences staff in Almaty

UNAIDS granted £533,236 to support the Foundation's LGBT Fund. The extended grant was awarded to MPact Global Action for Gay Men's

Health and Rights which was formally known as The Global Forum on MSM & HIV (MSMGF).

We received £1,145,634 from the HCD Challenge Fund to support our HIV Self Testing work with young men in Kenya (please see page 13 for more information).

Johnson and Johnson provided the Foundation with £49,026 in funding to support a Forum undertaken as part of our AIDSFree cities campaign in association with ESI Media. The Forum provided an opportunity for programme partners and political and civic leaders from the six cities featured in the campaign – Kiev, London, Delhi, Nairobi, Maputo and Atlanta, to come together and share wins and challenges of combatting HIV/AIDS in their capitals. UK Secretaries of State for Health and International development both used the Forum to pledge further support in the domestic and global AIDS fight (See Advocacy & Communications section below for further details).



Tom Brigden
Portfolio Lead IDU



Anna MacDonald
Grants Support Officer



Jake Rashbass
Portfolio Lead EECA



Kali Lindsey
Portfolio Lead LGBTQ+

Advocacy & communications review

Review of the year

Advocacy & Comms Expenditure	2019 £000	2018 £000
Advocacy & communications expenditure	22	46
Advocacy grants	185	285

During 2019 we appointed a new Communications Director, supported by a part time digital officer to streamline all the Foundation's communications channels, embed a global brand identity and expand our communications reach.

Global resources

Critical to the global fight against HIV/AIDS was the successful replenishment during 2019 of the Sixth Global Fund to fight AIDS, TB & Malaria. Replenishment follows a three-year cycle in which national governments, philanthropists and commercial entities pledge funds to support the Fund's activities. A 2019 goal of \$14 billion was established by the Fund as the minimum resources required to maintain progress against these killer diseases.

In the run up to and during the pledging process for the Fund in Lyon, the Foundation played a key role in advocating for the largest commitment from all donors. This included a joint op-ed in *Le Monde* by Sir Elton, Peter Sands and Lelio Marmora, Executive Directors of the Global Fund and Unitaid respectively, urging full replenishment. The Foundation also paired Sir Elton's receipt of the Legion D'Honneur from President Macron in May with the opportunity to advocate for greater Fund commitments, including petitioning the French government and President Macron, as hosts for the 2019 Replenishment, to increase their contribution to the Fund.

France and national governments across the world responded to this call and finally, \$14.02bn was secured, which will help save 16 million lives, avert 234 million infections by 2023, and help put the world on track to meet the Sustainable Development Goals target of ending AIDS, tuberculosis and malaria as epidemics by 2030.

Relationship building & political will in Eastern Europe

In the run up to launching our first grant awards under RADIANT, the Foundation undertook multiple field visits to Eastern Europe and Central Asia to establish relationships with local administrative and political representatives and partners and presented on RADIANT's objectives at key convening meetings in the region including Armenia, Estonia, Kazakhstan, Kyrgyzstan, Russian Federation, Ukraine and Uzbekistan. Interviews with Anne Aslett and Alex Kolamparis at Gilead, stating the case for the RADIANT fund and its aspirations, appeared on World AIDS Day in *The Economist*, *Politico*, and *Media Planet*.



CEO Anne Aslett and EECA Senior Portfolio Lead Jake Rashbass (front row) with the Gilead team in Almaty, Kazakhstan, meeting with members of the community living with and affected by HIV

Further field visits to EECA will be undertaken by staff and board members in early 2020.

AIDSFree – political engagement



Anne Aslett with Evening Standard Editor George Osborne.

Following the successful AIDSfree awareness and fundraising campaign with the *Evening Standard* in 2018, the Foundation and ESI Media co-hosted a Global Forum in January 2019 for representatives

from all the programmes featured in the campaign as well as political leaders from the six cities it profiled. Inspired by the goals of the campaign, Health Secretary Matt Hancock chose the event to announce new government funding to ensure the U.K. is AIDS free by 2030 and DfID Secretary Penny Mordaunt praised the programmes supported by the campaign and their contribution to both DfID's and the United Nations' goals. The event was covered by the *Evening Standard* and *London Live* as well as featuring extensively in participants' social media.

Domestic HIV/AIDS in the U.S.

In October, the Foundation convened its Q4 board meeting in Atlanta, Georgia. This was an opportunity to connect board members with stakeholders playing a central role in the new Federal 'Ending the HIV Epidemic (EHE)' program launched by President Trump as well as with Foundation grantees doing critical work in the state. The board took a briefing from leadership of the Center for Disease Control (CDC) on EHE goals and current HIV infection levels and patterns across the country.



Board members with Foundation and CDC staff at the Center for Disease Control in Atlanta

This was followed by a Collective Impact meeting, hosted by Emory University, to explore ways of collaborative working in Atlanta and the surrounding counties which have amongst the highest HIV rates in America. Board members then had in depth discussions with staff and beneficiaries at the Positive Impact Health Centre, soliciting feedback on critical initiatives needed to drive change in Atlanta.



Chairman David Furnish and CEO Anne Aslett meet members of the community in Atlanta affected by the epidemic at the Positive Impact Health Centre

Finally on the second day of their visit, the board met with Rob Pitts, Chairman of the Commissioners for Fulton County, which holds the health budget for Atlanta and surrounding counties, to formally commit to a public/private partnership between Fulton County and the Foundation to drive uptake of HIV testing, treatment and care in and around the city and to break down the stigma and discrimination that fuels it.

Brand Research by Kantar

In December 2019, we commissioned Kantar to survey US and UK populations to find out more about the understanding, awareness and perception of the Elton John AIDS Foundation. We surveyed 2,000 people in the UK and 4,000 people in the US. Only 1% of people could name the Foundation when asked to name a HIV/AIDS charity unprompted. As the Foundation has not historically undertaken mass public campaigns in the US or UK and does not spend on advertising or direct marketing, these results confirmed our expectations and will form a baseline for evaluating the effectiveness of future communications.

If we were to pursue future public fundraising, we would need to employ a strategy to increase our awareness as a Foundation. Our future commercial partnerships may change these results as our visibility will increase. It is worth noting that these results may have been different if we had surveyed respondents in countries where our visibility with members of the community and directly with local partners is higher for example, in South Africa, Kenya and Russia.

Plans for future periods

During 2020, we will continue to advocate at national and local levels in both the U.K. and U.S. for necessary funding to ensure domestic and localised epidemics can be addressed. This includes being a core partner of the HIV Commission which is tasked with taking evidence from across the U.K. to inform national policy on ending the U.K. epidemic.

We will contribute to the International AIDS Conference in San Francisco and HIV2020 in Mexico City profiling our impact with a range of initiatives including the Social Impact Bond in the U.K., RADIANT in Eastern Europe and Central Asia and our LGBT work.



Anne Aslett

Chief Executive Officer



Louise O'Shea

Director of
Communications &
Marketing

Fundraising Events review

Review of the year

Event & Partnership Income	2019	2018
	£000s	£000s
Fundraising income	6,291	6,718
Fundraising costs	(2,225)	(2,080)
Net fundraising income	4,066	4,638

Midsummer Party

On Wednesday, 24th July 2019, the Elton John AIDS Foundation raised €5.5 million at our first-ever Midsummer Party in the South of France with American Airlines, The Kraft Group, and Lily Safra generously served as Supporting Partners of the evening.

The evening was held at Johnny Pigozzi's beautiful Villa Dorane at the end of Cap d'Antibes and featured a cocktail reception, dinner and music provided by Stjepan Hauser of the 2Cellos. After dinner, Simon de Pury hosted a live auction of unique items and experiences, including the first edition of the new Bentley, a beautiful Yamaha piano used in the Rocketman film and autographed by Sir Elton John and Taron Egerton, a custom Gucci jacket worn by Egerton in Rocketman and tickets to see Elton's farewell tour, a stunning piece of Chihuly art glass, and a trip to Los Angeles on American Airlines to attend our 2020 Academy Awards Viewing Party and stay at the new H Club.

Chris Martin of Coldplay performed "Sky Full of Stars," "Yellow," and "Everglow", followed by DJs Fat Tony and Jodie Harsh spinning tunes for the cocktail reception and after party around Johnny Pigozzi's famous pool.

Elton said, "It's because of the consistent support and kindness of so many people in this room that we are able to commit the Elton John AIDS Foundation to real partnerships with world leaders that can make a future without AIDS."

We are grateful to our wonderful founding Event Chairs for their leadership and support: Jamie Bell and Kate Mara, Len Blavatnik, Gerard Butler, Dale and Leslie Chihuly, Gwendoline Christie and Giles



Elton John duets with Chris Martin of Coldplay

Deacon, Taron Egerton, Jean Paul Gaultier, Tiffany Haddish, Bryce Dallas Howard, Quincy Jones, Richard K. Kraft, Spike and Tonya Lee, Richard Madden, Bob and Tamar Manoukian, Katy Perry, Bruce and Shadi Ritchie, Julia Roberts, Lily Safra, Caroline Scheufele, and Sharon Stone.

The Midsummer Party proceeds will go towards supporting HIV self-test kits to 400,000 young men in Kenya and treatment for those who test -positive.

Rocketman UK Premiere



Elton John and David Furnish at the Rocketman UK Premiere

The Foundation had a limited number of seats for the UK premiere of the film *Rocketman* on Monday, 20 May 2019 in Leicester Square in London. The evening raised £26,748.

Barclays Spectrum Gala

The 11th Annual Barclays Charity Gala Dinner donated proceeds to The Elton John AIDS Foundation and the Terrance Higgins Trust. Held at The Savoy on October 4, 2019 together we raised over £140,000 to be split between the two HIV/AIDS charities.

Hosted by Tom Allen, the evening saw performances, including a sensational opening from Elgan Llŷr Thomas from the English National Opera and the gala ended with a lively set by Hand Fulla Soul.



Tom Allen interviews CEO's Anne Aslett (EJAF) and Ian Green (THT)

The funds raised over the course of the evening will go towards supporting vulnerable, hard to reach groups and aim to maximise access to the services that both THT and EJAF provide. Hearing from both CEO's Ian Green (THT) and Anne Aslett (EJAF) on the work they spearhead, along with the emotional story of Mary Heckla, HIV Activist and Positive Voices Speaker, brought to life the important work done by both charities.

The Lion King Musical: 20th Anniversary in London

On Saturday, 19th October 2019, Disney's The Lion King celebrated 20 years in the West End, cementing its place in theatrical history as one of the most successful and beloved stage musicals of all time.

To celebrate this landmark achievement, The Lion King held a gala performance in support of the Elton John AIDS Foundation and The Royal Academy of Music.

With an iconic score by original creative team member Sir Elton John, Disney Theatrical Productions was proud to support his Foundation and raised £94,700 from ticket sales to the gala.



Plans for 2020

2020 started on a great note with our combined UK and US offices delivering another record result of \$6.4 Million for Academy Awards Viewing Party in Los Angeles on Sunday, 9th February 2020. The evening was made extra special with Elton John and Bernie Taupin winning the Oscar for Best Song and triumphantly entering the Party during the auction. The Academy Awards Viewing Party will return to its normal timing of the last week of February, Sunday 28th in 2021.

Building on the success of our inaugural Midsummer Party in South of France in 2019, the event is set to return on Wednesday, 22nd July 2020. At the time of writing this report the impact of the coronavirus/COVID-19 on events and world travel is starting to become clearer. At this stage, we are looking at alternative options to the planned Midsummer 2020 and a view will be taken on how to proceed at our Board meeting at the end of April.

We are also looking at opportunities to stage several cultivation dinners both in the USA and Europe.



Glenn Horder

Head of Events and Sponsorship

Financial review

Review of the year

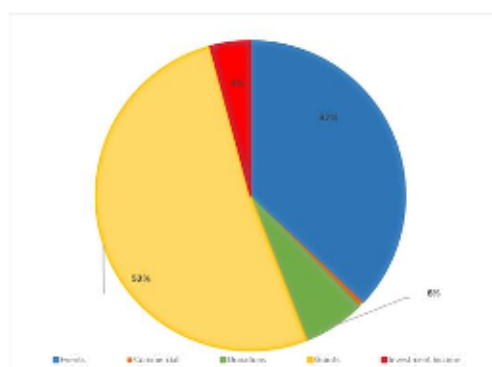
Consolidated financial outcome	2019 £000	2018 £000
Income	15,833	9,345
Costs of raising funds	(2,225)	(2,080)
Expenditure on charitable activities	(10,544)	(10,848)
(Loss)/gain on investment	-	(400)
Net surplus/(deficit)	3,063	(3,983)

The increase in Foundation's income is the result of the launch of the RADIANT Fund with the receipt of \$8 million from Gilead Life Sciences, please refer to page 11 for more details. Fundraising net income fell £0.8 million as we held only one major event in 2019 with the reduced availability of Sir Elton John.

We continue to ensure good financial governance over grants with financial reviews of six large international grants carried out by accountants, Crowe UK LLP, offering significant assurance on policies and procedures.

Incoming resources

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



Charitable expenditure

Consolidated Total Expenditure on Charitable Activities decreased to £10.5 million (2018: £10.8 million) due to slightly decreased grant commitments, 80% (2018: 86%) of expenditure on charitable activities in the year is direct awards to implementing partners. The remaining 20% was used to ensure that these partners and their 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. Total expenditure on support increased in 2019 due to the costs of managing the Menstar Campaign and the increase in staff to manage RADIANT.

Net surplus

Overall in 2019, the Foundation reported a net surplus totalling £3.1 million (2018: deficit of £4.0 million). This was the result of income increasing to £15.8 million (2018: £9.3 million) and outgoings decreasing to £12.7 million (2018: £13.3 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 maintain 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 cash reserves of £19.6 million, which equates to the total of grant commitments at the year-end plus six months of grant disbursements and 12 months of 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 2019 were £14.7 million (2018: £11.7 million) of which £6.5 million are classified as restricted funds (2018: £1.2 million) and £8.2 million as unrestricted funds (2018: £10.5 million). £0.4 million (2018: £0.9 million) of the unrestricted funds have been

designated for the EECA KP Fund and £0.2 million (2018: £0.2 million) for the Robert Key Memorial Fund. In addition to our UK reserves, our US Foundation has \$10.4 million of unrestricted reserves.

The Board has 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 is of the view that the Foundation is a going concern. The recent epidemic of Covid-19 will have an impact on our ability to raise funds in 2020. We are looking at alternative options for our 2020 fundraising event and have modelled various scenarios to estimate the impact on future cash. Based on these, we remain confident that there are sufficient cash resources to ensure financial stability.

Plans for future periods

Having implemented a new finance system spanning the UK and the US Foundations, we are now focusing on improving automation and integration with the grants and fundraising systems.



Fiona Russell
Director of Finance

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 2019. 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, Anne Aslett is now Chief Executive Officer of both EJAF UK and EJAF US. This move has enabled us to provide more cohesive support to our grantees, donors and other key stakeholders.

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" together with applicable accounting 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 Articles of Association, which were reviewed and updated in November 2018. In order to enable closer integration between EJAF UK and EJAF US (which remain separate legal organisations) the governing documents of both organisations were updated to be as similar as possible. Under the new governance arrangements, there will normally be six Trustees serving on both boards, three Trustees who only serve on the EJAF UK Board and three who only serve on the US Board. This arrangement enables close cooperation between the two organisations for matters of common interest, but also allows the independent Trustees to take decisions on behalf of their respective organisation without a conflict of interest, should the need arise.

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.

New Trustees are appointed by the Board on the recommendation of the Nominations & Remuneration Committee, which is chaired by the Deputy Chair of the Board. The Foundation operates with a Board of up to nine Trustees who collectively provide 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 skills base is undertaken to ensure it retains sufficient expertise to govern the organisation.

With the exception of the Chairman, David Furnish, (who has no time limit on his appointment) and Trustees who were in place when the new Articles were approved (where special transitional arrangements apply), Trustees serve a three-year term of office with the option for further term's re-election. In exceptional circumstances, a Trustee may be re-elected for a third term, after which they cannot serve as a Trustee again. Two new Trustees were appointed during the year: Ajaz Ahmed, who is an expert in digital marketing and communications, and Dr Eric Goosby, who is an internationally recognized expert on HIV and AIDS.

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 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 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 purposes) 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 consists of up to nine Trustees, normally meets at least four times a year. The Board has overall responsibility for the activities of the charity. It reviews and agrees the overall strategy for the charity, together with strategies for grant-making, fundraising and advocacy and communications, and approves its business plan, budget and policies

The Board has established several specialist committees, with written terms of reference approved by the Board, (further details of which are given below) to advise it. 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.

Trustees are aware of their responsibilities as charity trustees and will review any additional or updated guidelines that the Charity Commission issue on trustees' responsibilities.

The Advisory Grants Panel

The Advisory Grants Panel (formerly called the Grant Panel) provides technical advice, guidance and oversight to applications reviewed and proposed for funding by the Grants Team. It is chaired by a Trustee and its members include external technical advisors and specialists. It 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. Funding recommendations are made by way of a majority vote and significant grants are also ratified by the Board. There is an appeal procedure for grant applicants that are unsuccessful.

The Programme Review Committee

In February 2020, the Board agreed to establish a Programme Review Committee to review the progress and impact of grants made to organisations through the Advisory Grants Panel process and to advise on any changes to the Foundation's strategy policies or processes.

The Finance and Investment Committee (FIC)

FIC advises the Board on 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 five 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 2018 audited accounts, managing and setting the risk appetite of the Foundation and reviewing forecasts and budget.

Nominations & Remuneration Committee

This Committee has been established to oversee the recruitment of new Trustees for recommendation to the Board and to set the remuneration of the CEO.

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 2019, EJAF Trading Limited generated sales of £2.1 million (2018 - £2.3 million) and a net profit before gift aid of £0.9m (2018 £1.0m). The Trustees are satisfied with the performance and results of the subsidiary for the year ended 31 December 2019.

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"). The subsidiary granted £0.9 million to the Foundation (2018: £2.9 million).

International Friends of Elton John AIDS Foundation UK (Employer Identification Number 81-2095910) was incorporated in March 2016 and is based at 584 Broadway, Suite 906, New York, NY 10012. 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 focuses on early identification and support for people with HIV in London. During 2019, EJAF Social Impact (1) CIC generated income of £0.7 million (2018 - £nil) and net profit of £0.2m (2018 - net loss of £0.2m).

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
Amir Rizwan (elected 1 November 2019)
Barbara Storch (elected 1 November 2019)
Daniel Wilson (elected 1 November 2019)

Andrew Billington (elected 17 February 2020)
Alan Tudhope (elected 17 February 2020)

Risk analysis

The Board of Trustees continue to review and assess the risks that the charity faces and the 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	The Risk Register includes key risks, their likelihood and significance and how they are managed and mitigated.
Grant review procedures	During 2019, Crowe, a major international firm of accountants, conducted a review of six selected grants.
Reporting	FIC reviews the risk register, assesses the adequacy of existing controls and reports its findings to the Board.

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

Risk	Detail
Risk of disruption to services, funding and grantee support due to the Coronavirus outbreak.	We have closed the office and moved to remote working until the coronavirus outbreak is contained. Staff have access to all systems and will continue to support grantees, albeit remotely. We have sufficient reserves to cover the next financial year in the event of a funding shortfall.
Risk of cyber attack and IT system failure leading to loss of data or IT system damage	We are in the process of recruiting an inhouse IT Manager. In addition, a high-quality malware/virus detection system is in place and incoming emails are scanned. Staff who frequently travel have received National Cyber Security Training.
Loss of income resulting from political uncertainty and substantial reliance on Sir Elton John's attendance to generate event income	A Chief Philanthropy Officer has been recruited for the US Foundation who will build a fundraising team and focus on diversifying income streams for both the UK and US Foundations
Failure of grant due to embezzlement or inappropriate behaviour.	We undertake thorough due diligence prior to making grants and stage payments. Grantees are subject to an audit review on a rotational basis.

Management

The Chief Executive Officer is appointed by the Trustees to manage the operations of the

Foundation. To facilitate this effectively, the Chief Executive Officer 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 2019 and to identify new opportunities and risks. 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 on average every 6-8 weeks throughout the year. A Staff Handbook outlines the Foundation's relevant policies and procedures. Newly introduced support for staff travelling overseas including general overview of safety precautions plus access to real time updates on security, logistics and health whilst travelling abroad were conducted for the team by International SOS, the world's largest travel and international security firm.

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. During 2019, a comprehensive benchmarking exercise was undertaken for all existing and new staff positions. 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. As part of this work, a two-day integration, problem-solving and leadership programme was held for U.K. and U.S. staff. As the operational structure of the global activities expands, a revised organogram was approved by the Nomination & Remuneration Committee.

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 four volunteers who supported the Barclays Spectrum Ball.

Fundraising standards and complaints

In 2019, 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.

On behalf of the board of Trustees

David Furnish

A handwritten signature in blue ink that reads "David J. Furnish". The signature is written in a cursive style with a large, prominent 'D' and 'F'.

Trustee

Dated: 28 April 2020

Reference & administrative details

Foundation information

Company number	02787008
Company type	Limited by guarantee Incorporated in England and Wales
Charity Commission Number	1017336
Registered office	1 Blythe Road, London W14 0HG
Website	www.ejaf.org

Advisers

Auditors:	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW
Bankers:	Barclays Bank, 1 Churchill Place, London E14 5HP
Solicitors:	Eversheds Sutherland 1 Wood Street, London EC2V 7WS
Company Secretary:	Richard Reger FCIS

Photographers

Dave Bennett, Getty Images, photographs on pages 3 and 19.

Robyn Penn, photographs on pages 2 and 18.

Siegfried Modola, photographs on pages 2, 9 and 14.

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 at the date the report is approved or who served during the year are:

David Furnish*	Chairman
Lynda Funke*	Deputy Chair
Tracy Blackwell*	Treasurer
Mark Dybul*	
Eric Goosby*	(elected 18 June 2019)
Ilana Kloss*	
Ajaz Ahmed	(elected 7 February 2019)
Johnny Bergius	
Evgeny Lebedev	

(Trustees marked * are also board members of Elton John AIDS Foundation Inc.)

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

Opinion

We have audited the financial statements of The Elton John AIDS Foundation ('the Group') for the year ended 31 December 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Foundation Balance Sheets, the Consolidated Statement of Cash Flows and the 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)'.

In our opinion the financial statements:

- give a true and fair view of the state of the group and the charitable company's affairs as at 31 December 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 Financial Reporting Council's (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, who are also the Directors for the purposes of Company Law, use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

Matters on which we are required to report by exception

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

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

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

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements;
- sufficient 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
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' statement of responsibilities, the Trustees' 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'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 or to cease operations, or have no realistic alternative but to do so.


Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Subarna Banerjee (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young
Chartered Accountants and Statutory Auditor

Quadrant House
4 Thomas More Square
London, E1W 1YW
United Kingdom

30 April 2020

THE ELTON JOHN AIDS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2019 £	Total 2018 £
Income						
Donations and legacies	2	2,257,160	-	8,245,830	10,502,990	5,662,234
Other trading activities	3	4,665,319	-	-	4,665,319	3,519,268
Investments	4	664,281	-	-	664,281	163,342
Total income		7,586,760	-	8,245,830	15,832,590	9,344,844
Expenditure						
Costs of raising funds	5	2,225,151	-	89	2,225,240	2,080,280
Expenditure on charitable activities	6	2,252,749	40,600	8,251,100	10,544,449	10,847,888
Total expenditure		4,477,900	40,600	8,251,189	12,769,689	12,928,168
Loss on investments	11	-	-	-	-	(399,656)
Net income/(expenditure)	9	3,108,860	(40,600)	(5,359)	3,062,901	(3,982,980)
Transfers between funds	16,17	(4,888,642)	(436,302)	5,324,944	-	-
Net movement in funds		(1,779,782)	(476,902)	5,319,585	3,062,901	(3,982,980)
Reconciliation of funds						
Fund balances at 1 January 2019		9,405,835	1,076,902	1,200,191	11,682,928	15,665,908
Fund balances at 31 December 2019	15	7,626,053	600,000	6,519,776	14,745,829	11,682,928

THE ELTON JOHN AIDS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED AND FOUNDATION BALANCE SHEETS
AS AT 31 DECEMBER 2019

	Notes	Group		Foundation	
		2019 £	2018 £	2019 £	2018 £
Fixed assets					
Tangible assets	10	11,741	6,460	10,320	593
Investments	11	-	8,720,611	-	8,720,611
		<u>11,741</u>	<u>8,727,071</u>	<u>10,320</u>	<u>8,721,204</u>
Current assets					
Stock		9,904	-	-	-
Debtors	12	1,958,796	4,053,511	1,635,192	5,300,093
Cash at bank and in hand	20,21	22,302,198	12,065,855	21,346,085	10,352,661
		<u>24,270,898</u>	<u>16,119,366</u>	<u>22,981,277</u>	<u>15,652,754</u>
Creditors: amounts falling due within one year	13	(7,493,035)	(9,841,979)	(7,944,456)	(9,488,544)
Net current assets		<u>16,777,863</u>	<u>6,277,387</u>	<u>15,036,821</u>	<u>6,164,210</u>
Total assets less current liabilities		16,789,604	15,004,458	15,047,141	14,885,414
Creditors: amounts falling due over one year	14	(2,043,775)	(3,321,530)	(1,343,775)	(3,121,530)
Net assets	15	<u>14,745,829</u>	<u>11,682,928</u>	<u>13,703,366</u>	<u>11,763,884</u>
Represented by:					
Unrestricted funds	15	7,626,053	9,405,835	6,583,590	9,486,791
Designated Funds	16	600,000	1,076,902	600,000	1,076,902
Total Unrestricted Funds		<u>8,226,053</u>	<u>10,482,737</u>	<u>7,183,590</u>	<u>10,563,693</u>
Restricted funds	17	6,519,776	1,200,191	6,519,776	1,200,191
Total Foundation funds		<u>14,745,829</u>	<u>11,682,928</u>	<u>13,703,366</u>	<u>11,763,884</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 28 April 2020



David Furnish
Chairman
The Elton John AIDS Foundation
Company Registration Number 02787008
Charity Registration Number 1017336

THE ELTON JOHN AIDS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019		2018	
		£	£	£	£
Net cash used in operating activities	19		918,964		(4,350,012)
Cash flows from investing activities:					
Investment income received		119,861		98,336	
Payment to acquire investments		(1,626,858)		(9,120,267)	
Proceeds on sale of fixed asset investments		10,774,872		2,823,923	
Proceeds on sale of current asset investments		-		109,548	
Other non cash movements		49,504		(2,424)	
Net cash provided by investing activities			9,317,379		(6,090,884)
Increase/(decrease) in cash	20, 21		10,236,343		(10,440,896)
Cash balance at 1 January 2019			12,065,855		22,506,751
Cash balance at 31 December 2019	20, 21		22,302,198		12,065,855

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 financial statements of the Foundation and subsidiary companies have been prepared on the going concern basis and adequate cash resources will be available to cover the requirements for working capital and capital expenditure for at least the next twelve months. Management has modelled various scenarios to estimate the impact of Covid-19 virus on future cash and remains confident that there are sufficient cash resources to cover cash requirements for at least the next twelve months.

1.2 Group financial statements

These financial statements consolidate the results of the Foundation and its wholly-owned subsidiaries, EJAF Trading Limited, EJAF Social Impact (1) CIC 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 £876,953 (2018: £1,006,399) which has been eliminated on consolidation.

The Foundation received donations from International Friends of Elton John AIDS Foundation UK of \$1,168,000 (£914,692) which has been eliminated on consolidation. In 2018 the Foundation received \$3,800,000 (£2,893,493).

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 executors 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 EECAPK Fund and the Robert Key Memorial Fund. The purpose of these funds are set out in Note 16 and Note 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 settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. Creditors amounts falling due after more than one year are measured at amortised cost using the effective interest method.

1.15 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 Statement of Financial Activities.

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 2019 £	Total 2018 £
Donations	2,257,160	57,281	2,314,441	3,424,468
Grants received	-	8,188,549	8,188,549	2,237,766
	<u>2,257,160</u>	<u>8,245,830</u>	<u>10,502,990</u>	<u>5,662,234</u>

Included in donations is £538,322 of intangible income (2018: £640,121). £56,300 (2018: £56,300) relates to office space provided free of charge for use by the Foundation. £307,400 (2017: £414,800) relates to items donated to the Foundation for auction at charity events. £78,828 (2018: £169,021) 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

	2019 £	2018 £
Trading income from EJAF Trading Limited	2,088,047	2,349,657
Trading income from International Friends of Elton John AIDS Foundation	1,917,272	1,169,611
Trading income from EJAF Social Impact (1) CIC	660,000	-
Total trading income	<u>4,665,319</u>	<u>3,519,268</u>

3.2 UK subsidiary

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:

	2019 £	2018 £
Trading income	2,088,047	2,349,657
Cost of sales	(236,992)	(1,098,726)
Administrative expenses	(113,565)	(165,187)
Interest receivable	2,413	2,424
Net profit	1,739,903	1,088,168
Amount gifted to the Foundation	(876,953)	(1,006,399)
Retained earnings brought forward	81,769	-
Retained earnings carried forward	<u>944,719</u>	<u>81,769</u>

The assets and liabilities of the subsidiary were:

	2019 £	2018 £
Tangible assets	1,421	5,868
Current assets	994,590	672,223
Creditors: amounts falling due within one year	(51,292)	(596,322)
Total net assets	<u>944,719</u>	<u>81,769</u>
Aggregate share capital and reserves	<u>1</u>	<u>1</u>

Administrative expenses includes auditor's remuneration of £8,052 (2018: £8,943).

3.3 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 through grant payments. The subsidiary was incorporated in March 2016. A summary of the results is shown below:

	2019 £	2018 £
Donations and legacies	232,117	1,826,663
Trading income	1,917,272	1,169,611
Cost of sales	(1,306,017)	-
Administrative expenses	59,685	(98,137)
Interest receivable	1,739	2,787
Net profit	904,796	2,900,924
Amount gifted to the Foundation	(914,692)	(2,893,493)
Net income	(9,896)	7,431
Reserves brought forward	69,099	61,668
Reserves carried forward	<u>59,203</u>	<u>69,099</u>

The assets and liabilities of the subsidiary were:

	2019 £	2018 £
Current assets	69,907	1,003,325
Creditors: amounts falling due within one year	(10,704)	(934,226)
Total net assets	<u>59,203</u>	<u>69,099</u>
Aggregate share capital and reserves	<u>59,203</u>	<u>69,099</u>

3.4 UK subsidiary

Elton John AIDS Foundation exerts significant control over EJAF Social Impact (1) CIC which was incorporated on 13 November 2017 as a private company limited by guarantee. A summary of results is shown below:

	2019	2018
	£	£
Donations and legacies	78,828	-
Trading income	660,000	-
Expenditure on services	(370,750)	(71,250)
Administrative expenses	(170,441)	(78,805)
Net profit	<u>197,637</u>	<u>(150,055)</u>
Reserves brought forward	<u>(150,055)</u>	-
Reserves carried forward	<u>47,582</u>	<u>(150,055)</u>
The assets and liabilities of the subsidiary were:		
Current assets	<u>1,014,707</u>	226,894
Creditors: amounts falling due within one year	<u>(167,125)</u>	(376,949)
Creditors: amounts falling due after one year	<u>(800,000)</u>	-
Total assets/(liabilities)	<u>47,582</u>	<u>(150,055)</u>
Aggregate share capital and reserves	<u>47,582</u>	<u>(150,055)</u>

4 Investment income

	Unrestricted funds	Restricted funds	Total 2019	Total 2018
	£	£	£	£
Interest on cash deposits	49,503	-	49,503	102,151
Interest on other investments	494,917	-	494,917	61,191
Gain on sale of investments	119,861	-	119,861	-
	<u>664,281</u>	<u>-</u>	<u>664,281</u>	<u>163,342</u>

5 Cost of raising funds

	Unrestricted funds	Restricted funds	Total 2019	Total 2018
	£	£	£	£
Trading direct costs	1,583,910	24	1,583,934	1,332,381
Fundraising costs				
Intangible income expense	307,400	-	307,400	640,120
Investment management charge	26,107	-	26,107	31,187
Salaries	186,300	-	186,300	23,500
Other	121,434	65	121,499	53,092
	<u>2,225,151</u>	<u>89</u>	<u>2,225,240</u>	<u>2,080,280</u>

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

6 Expenditure on charitable activities

	EECA KP fund	LGBT fund	Flagship grants	Pioneer grants	Advocacy grants	Support grants	Robert Key fund	Total 2019	Total 2018
	£	£	£	£	£	£	£	£	£
Grants committed (note 6.1)	467,134	547,653	416,536	635,183	185,000	6,193,981	40,600	8,486,087	9,341,667
Exchange losses and contributions	35,299	41,383	31,475	47,997	13,979	468,043	3,068	641,244	490,691
Other grants costs	61,516	72,119	54,852	83,645	24,362	815,668	5,347	1,117,509	500,381
Staff costs	3,404	3,990	3,035	4,628	1,348	45,132	296	61,833	437,211
Advocacy	306	359	273	417	121	4,062	27	5,565	46,748
Governance (see note 6.2)	7,114	8,340	6,343	9,673	2,817	94,322	618	129,226	194,938
General support (see note 6.2)	5,669	6,646	5,055	7,708	2,245	75,169	493	102,985	(163,748)
	<u>580,441</u>	<u>680,490</u>	<u>517,570</u>	<u>789,251</u>	<u>229,873</u>	<u>7,696,376</u>	<u>50,448</u>	<u>10,544,449</u>	<u>10,847,888</u>

6.1 Grants committed to institutions

	2019	2018
	£	£
Scanad Kenya	3,920,731	-
Population Services International	2,170,072	-
MPact (The Global Forum on MSM)	547,653	492,270
Lambeth Borough Council	416,536	-
India HIV/AIDS Alliance	400,432	-
Solidarity and Action Against HIV Infection	234,751	-
Alliance for Public Health	367,287	-
International Drug Policy Consortium	120,000	-
National AIDS Trust	70,000	-
Humanitarian Action	-	1,490,149
Foundation "For support of social initiatives and public health"	-	983,548
NGO "Humanitarian project"	-	900,000
Centre for Sexual Health	-	780,432
Aidsfonds	-	750,000
Warm Health Technology Inc.	-	749,580
Rumah Cemara - Harm Reduction	-	500,733
Global Health Research Centre	-	375,002
Charity Foundation "Tomsk-AntiAIDS"	-	250,000
Regional Public Fund "New Life"	-	249,625
Charitable Fund Istochnik Nadezhdy (Source of Hope)	-	244,420
NGO April Project	-	233,895
Andrey Rylovok Foundation	-	228,232
EVA Association	-	227,281
New Generation Humanitarian NGO	-	124,998
International Harm Reduction	-	119,830
International Aids Society	-	112,309
Other institutions	-	-
	<u>238,626</u>	<u>529,363</u>
	<u>8,486,087</u>	<u>8,849,397</u>

6.2 Analysis of governance and support costs

	Governance	General support	Basis of apportionment
	£	£	
Audit Fees	18,600	-	Governance
Staff costs	82,738	28,230	Allocated on time
Legal and other professional fees	21,646	16,048	Invoice specific
Depreciation	296	297	Use of asset
Trustees insurance	3,413	-	Governance
General office	2,573	58,410	Office running expenses
	<u>129,266</u>	<u>102,985</u>	

7 Trustees

During the year £nil of travel and accommodation was reimbursed to one trustee in relation to their duties (2018: £2,019).

During the year the Foundation paid £3,413 (2018: £4,065) for trustees indemnity insurance to indemnify the trustees and other officers against the consequences of any neglect or default on their part.

8 Employment costs

	2019	2018
	£	£
Wages and salaries	511,373	586,188
Social security costs	55,914	68,304
Other pension costs	21,973	53,948
Other employment costs	8,368	12,912
	<u>597,628</u>	<u>721,352</u>

The Foundation has recharged £344,463 of salaries to Elton John AIDS Foundation Inc relating to the management of the entity.

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

	2019	2018
	Number	Number
<u>General management function</u>		
£70,000 - £79,999	-	2
£80,000 - £89,999	2	1
£90,000 - £99,999	-	1
£120,000 - £129,999	1	-
£130,000 - £139,999	-	1
£260,000 - £269,999	1	-
	<u>4</u>	<u>5</u>

The Foundation paid contributions totalling £39,764 (2018: £47,889) 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:

	2019 Number	2018 Number
Grants management	4	4
General management	7	6
Total employees	<u>11</u>	<u>10</u>

9 Net expenditure for the year

This is stated after charging:

	2019 £	2018 £
Depreciation - owned assets	5,038	3,241
Auditor's remuneration	18,600	14,739
Losses on exchange	640,496	149,928

10 Tangible fixed assets - group and Foundation

	Furniture software and equipment £	Foundation total £	Subsidiary Furniture, software and equipment £	Group Total £
Cost				
At 1 January 2019	32,484	32,484	23,035	55,519
Additions	10,319	10,319	-	10,319
At 31 December 2019	<u>42,803</u>	<u>42,803</u>	<u>23,035</u>	<u>65,838</u>
Depreciation				
At 1 January 2019	31,891	31,891	17,168	49,059
Charge for the year	592	592	4,446	5,038
At 31 December 2019	<u>32,483</u>	<u>32,483</u>	<u>21,614</u>	<u>54,097</u>
Net book value				
At 31 December 2019	<u>10,320</u>	<u>10,320</u>	<u>1,421</u>	<u>11,741</u>
At 31 December 2018	<u>593</u>	<u>593</u>	<u>5,867</u>	<u>6,460</u>

11 Investments

	Group 2019 £	2018 £	Foundation 2019 £	2018 £
Market Value at 1 January 2019	8,720,611	2,866,041	8,720,611	2,866,041
Additions to Investments at cost	1,626,858	9,120,267	1,626,858	9,120,267
Disposal of Investments at cost	(10,743,895)	(2,823,923)	(10,743,895)	(2,823,923)
Net gain/(loss) on revaluation	396,426	(441,774)	396,426	(441,774)
Market Value at 31 December 2019	<u>-</u>	<u>8,720,611</u>	<u>-</u>	<u>8,720,611</u>
Gain on sale of investments	494,417	-	494,417	-
Unrealised loss on investments	-	(399,656)	-	(399,656)

Of the 2019 group and Foundation total, £nil relates to fixed asset investments (2018: £8,720,611).

12 Debtors

	Group 2019 £	2018 £	Foundation 2019 £	2018 £
Trade debtors	1,057,229	3,431,165	1,054,741	3,396,165
Other debtors	56	-	56	-
Amounts owed by group undertakings	-	-	100,000	1,321,761
Prepayments and accrued income	901,511	622,346	480,395	582,167
	<u>1,958,796</u>	<u>4,053,511</u>	<u>1,635,192</u>	<u>5,300,093</u>

13 Creditors: amounts falling due within one year

	Group		Foundation	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	214,365	111,270	124,780	108,881
Grant commitments	6,562,672	9,279,352	6,562,672	9,279,352
Amounts owed to group undertakings	-	-	689,583	-
Accruals and deferred income	715,998	451,357	567,421	100,311
	7,493,035	9,841,979	7,944,456	9,488,544

14 Creditors: amounts falling due after more than one year

	Group	Group	Foundation	Foundation
	2019	2018	2019	2018
	£	£	£	£
Grant commitments	1,343,775	3,121,530	1,343,775	3,121,530
Loans	700,000	200,000	-	-
	2,043,775	3,321,530	1,343,775	3,121,530

15 Analysis of group net assets between funds

	Unrestricted fund	Designated fund	Restricted fund	Total
	£	£	£	£
Fixed assets	11,741	-	-	11,741
Current assets	11,067,481	607,500	12,595,917	24,270,898
Creditors: amounts falling due within one year	(2,604,977)	(7,500)	(4,880,558)	(7,493,035)
Creditors: amounts falling due after more than one year	(848,192)	-	(1,195,583)	(2,043,775)
	7,626,053	600,000	6,519,776	14,745,829

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 2019	Income received	Utilised	Fund transfers	Balance at 31 December 2019
	£	£	£	£	£
The Robert Key Memorial Grant	200,000	-	(40,600)	40,600	200,000
EECA KP Fund	876,902	-	-	(476,902)	400,000
	1,076,902	-	(40,600)	(436,302)	600,000

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 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.

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:

	Movement in funds				Balance at 31 December 2019 £
	Balance at 1 January 2019 £	Income received £	Utilised £	Transferred £	
LGBT	774,220	533,236	(545,669)	(761,787)	-
Mylan	47,401	-	-	-	47,401
EECA KP Fund	-	-	(476,902)	476,902	-
Zachary & Elijah Fund	7,609	7,281	(68)	-	14,822
Funders' Collaborative For Children	1,591	-	-	(1,591)	-
Children's Investment Fund	13,570	-	-	-	13,570
AIDSfree	-	-	(609,454)	609,454	-
RADIAN	-	6,571,652	(483,469)	-	6,088,183
HCD Challenge Fund	-	1,145,634	(2,095,195)	949,561	-
Woodside Gallery Dinner 2017	355,800	-	-	-	355,800
Chukua Selfie	-	50,000	(3,996,968)	3,946,968	-
Johnson & Johnson	-	49,027	(43,464)	(5,563)	-
Lifeball	-	(111,000)	-	111,000	-
	<u>1,200,191</u>	<u>8,245,830</u>	<u>(8,251,189)</u>	<u>5,324,944</u>	<u>6,519,776</u>

LGBT

Stigma and discrimination remain the most pressing barriers to HIV prevention, care, treatment across the globe for Lesbian, Gay, Bisexual and Transgender (LGBT) individuals. In Africa alone, homosexuality is still illegal in over 30 countries. This has a devastating impact on the LGBT community and prevents people from getting tested for HIV and accessing the treatment they desperately need to live happy and healthy lives. As a result, LGBT individuals are disproportionately impacted by the HIV epidemic, with prevalence rates in many countries in Africa exceeding 10-20%. We have made it our mission from the start to support the LGBT community and are working to create systematic change that will continue to improve the lives of LGBT individuals for years to come in over 30 countries

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.

EECA KP Fund

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. The EECA KP Fund seeks to improve access to HIV and co-infection prevention, care and treatment information and 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. The Fund 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. By the end 2019, the Fund had reached over 50,000 people from key populations with scaled-up and innovative HIV prevention and treatment services and tested 30,000 people for HIV.

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.

Funders' Collaborative For Children

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.

17 Restricted funds

(continued)

AIDSfree

Our AIDS Free Cities campaign shone a spotlight on the similarities and differences between the AIDS epidemics in six key cities around the world: London, Atlanta, Kiev, Nairobi, New Delhi and Maputo. Every day between 4th December 2018 and 11th January 2019, an article featured in the Evening Standard paper with powerful and intimate stories of people living with HIV. The campaign raised over £3.4 million for the Foundation's work. This will help the Foundation harness local expertise to spread awareness, prevent infection, provide treatment and testing to support over 63,000 people in these cities.

RADIAN

In September 2019 the Foundation launched a new fund for Eastern Europe and Central Asia (EECA), 'RADIAN', in partnership with Gilead Sciences. RADIAN aims to continue and expand the EECA KP Fund's vital work to tackle the HIV epidemic in the region, and further confront and challenge the barriers which prevent at-risk populations from accessing HIV prevention and treatment services. RADIAN is a natural evolution of the EECA Key Populations Fund, which has given the Foundation a greater understanding of the urgent needs in EECA and the necessary experience to respond even more effectively moving forward. RADIAN will further maximise on the relationships, trust, support, and knowledge the Foundation has gained from implementing the EECA KP Fund. A \$25m programme, RADIAN will seek to include and go beyond service delivery work to lead to increasingly sustainable progress towards zero new infections, zero AIDS deaths, and zero stigma and discrimination in EECA.

HCD Challenge Fund

Recognizing the need for innovative solutions for HIV testing in Kenya, Elton John AIDS Foundation and a comprehensive group of partners pooled resources to create a sustainable market for HIV Self Testing with a focus on at risk men. HCD Challenge Fund is being implemented by Population Services International (PSI) Kenya. The demand for self-testing is being driven by the Chuka Selfie campaign in Kenya, whilst PSI Kenya are managing the provision of HIV Self Tests and associated services.

Woodside Gallery Dinner 2017

Donations remaining from this event have been repurposed to support key populations in Armenia.

Chukua Selfie

Chuka Selfie is an extensive marketing campaign by Scanad Kenya that is driving demand for HIV Self Testing in Kenya, particularly targeting young men. Through the campaign young men are informed and motivated to use HIV self-testing –a specific simple way to know their HIV status –confidentially at a time and place of their choosing. Chuka Selfie aims to engage young men through innovative, relevant and targeted marketing and by harnessing the power of social media and internet to create demand for self-testing kits. It was anticipated if more young men know their status, consequently fewer young women will become infected with HIV.

Johnson & Johnson

Johnson & Johnson partnered with the Foundation during our AIDS Free Cities campaign and were involved with the launch of the campaign. Our AIDS Free Cities campaign shone a spotlight on the similarities and differences between the AIDS epidemics in six key cities around the world: London, Atlanta, Kiev, Nairobi, New Delhi and Maputo.

Lifeball

These funds are to provide HIV prevention and treatment services targeted at the Men who have Sex with Men (MSM) community.

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 £40,600 (2018: £40,000) is therefore shown as a reserves transfer.

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

	2019	2018
	£	£
Net movement in funds	3,062,901	(3,982,980)
Investment Income receivable	(664,281)	(163,342)
Unrealised gain on investments	-	399,656
Purchase of fixed assets	(10,319)	-
Depreciation of tangible fixed assets	5,038	3,241
Net foreign exchange loss	67,514	-
Increase in stock	(9,905)	-
(Increase)/decrease in debtors	2,094,715	(672,145)
Increase/(decrease) in creditors	(3,626,699)	65,558
Net cash used in operating activities	<u>918,964</u>	<u>(4,350,012)</u>

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

	2019	2018
	£	£
Increase/(decrease) in cash	10,236,343	(10,440,896)
Net funds at 1 January 2019	12,065,855	22,506,751
Net funds at 31 December 2019	<u>22,302,198</u>	<u>12,065,855</u>

21 Analysis of net funds for the group

	2018	Cashflow	2019
	£	£	£
Cash at bank and in hand	12,065,855	10,236,343	22,302,198

22 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 an independently administered fund. The pension cost charge represents contributions payable by the Foundation.

	2019	2018
	£	£
Contributions payable by the Foundation for the year	21,973	53,948

23 Revaluation reserve

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

24 Financial instruments at amortised cost

	2019	2018
	£	£
Financial assets measured at fair value through profit and loss	16,777,863	16,119,366
Financial liabilities measured at amortised cost	(9,536,810)	(13,163,509)

25 Related Parties

Aggregate donations received during the year from trustees and parties connected to the trustees given without conditions placed on the Foundation were £nil (2018: £25,000).