



John Ellerman Foundation

1 April 2020 – 31 March 2021

Annual Report and Financial Accounts

Registered Charity Number 263207
www.ellerman.org.uk

John Ellerman Foundation

1 April 2020 – 31 March 2021

Annual Report and Financial Accounts

Contents

Chair's Introduction	02
Our History	04
Aims and Objectives	05
Achievements and Performance	06
The Covid-19 pandemic and Resourcing Racial Justice case study	06
Diversity, equity and inclusion	08
Business as unusual	08
Environment and Marine Conservation Society case study	10
Social action and Surviving Economic Abuse case study	12
Arts and Scottish Ballet case study	13
Our commitment to learning and transparency	14
Our new investment policy	15
Our year in numbers	16
Grants to museums and galleries and Manchester Museum case study	20
Financial Review	22
Grants Made in the Year Ended 31 March 2021	25
Structure, Governance and Management	32
Statement of Responsibilities of the Board of Trustees	35
Independent Auditors' Report to the Trustees of John Ellerman Foundation Charity	36
Statement of Financial Activities for the Year Ended 31 March 2021	41
Balance Sheet at 31 March 2021	42
Statement of Cash Flows for the Year Ended 31 March 2021	43
Notes to the Financial Accounts for the Year Ended 31 March 2021	44
Trustees, Staff and Registered Office of the Foundation	56
Advisers to the Foundation	57



Northern Stage – Rumpelstiltskin © Bill Cooper

Chair's Introduction

Welcome to our annual report for 2020-21. Thank you for your interest in what we do.

There's little doubt that the year covered by this report will have been the most peculiar of the Foundation's existence. None of us could have been prepared for what struck just before the financial year began. Inevitably it took time to adjust to new norms, and crucially to consider the most constructive role a Foundation like ours could fulfil.

I'm proud of how we responded – and of our excellent staff team in particular. The transition to home working and online meetings was smooth and professional. Grantmaking continued with the habitual care and rigour.

In other areas we made great progress, developing for the first time an investment policy as a public statement, consolidating previous moves towards digital working, and stepping up our commitment to promote diversity, equity and inclusion.

We were thrilled when partly in recognition of these achievements our Director Sufina Ahmad – who now also represents us on the board of the Association of Charitable Foundations – was recognised with an MBE in the 2020 Queen's Birthday Honours.

We saw two significant changes on the Trustee Board. With the departure Dr Brian Hurwitz MD, the Foundation's long-term focus on medicine and health came formally to an end. But while Brian was appointed partly for his skills as a medical doctor, he is so much else besides – an academic expert in medicine and the arts, highly knowledgeable on social policy, and passionate about the condition of the planet. We knew we would miss him, and we do.

Since I too am coming to the end of my term, we needed to find my successor as environment specialist Trustee. From an amazingly talented field, I'm delighted we selected Jonny Hughes – a practical field ecologist with a national and international reputation, an experienced grantmaker and a natural historian with expert professional knowledge of the science.

2021 sees us turn fifty, and to mark our anniversary we have plans.

In common with many others we're increasingly conscious of the origins of our endowment. So we plan to commission and, when it is available, publish some research into the history of the Ellerman family and companies.

Our museums and galleries programme will initiate an international dimension as we develop a one-off small curatorial exchange programme. We plan to celebrate too our special interest in the UK's priceless environmental assets in the Overseas Territories through a fiftieth anniversary fund.

After eleven years as a Trustee, the last three as Chair, it's high time I moved on. Since this is my final Chair's report, I can say some things that I otherwise might not.

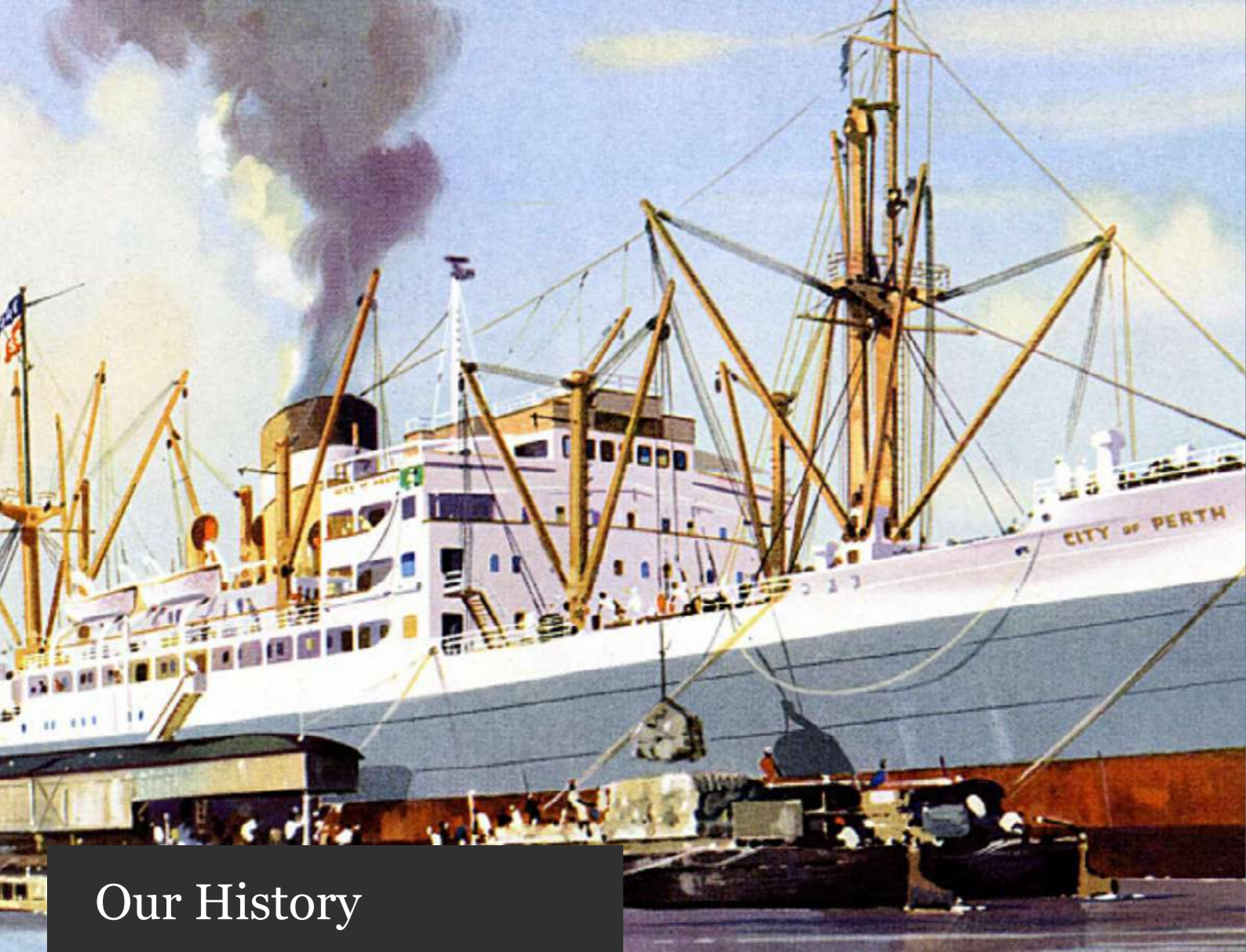
While our ethos and modus operandi would be recognisable to our predecessors, the profile of our grant funding has evolved over that time.

Two changes that have particularly delighted me are the increase in support we're able to offer to environmental causes – reflecting much higher general recognition of the planetary crisis. For that we owe thanks to every member of the Board and staff, and in particular to the other specialist Trustees, whose generosity in allowing environmental grants now to make up almost a third of our grant spending inevitably takes its toll on what is available for the funding areas they hold most dear.

The other bittersweet change is that we've become the leading foundation funder of environmental work in the Overseas Territories. Wonderful though that is, perhaps we could have done more to get others to join the campaign. Great work is underway to bring that about. With the extra time I shall have when I step down from this role, that is how I plan to spend it.

With warmest thanks to colleagues both present and past, I'll sign off.

**Hugh Raven
Chair**



Our History

John Ellerman Foundation was created from a combination of the wealth and generosity of a father and son. Both were publicity-shy and very little is known about them. 2021 marks 50 years since our formation, and as a result of this milestone, later this year we will commission further research to explore our history. It is our intention to share our findings publicly as this research becomes available.

The first Sir John Ellerman (1862-1933) had built up from scratch an empire of shipping and other businesses in the early part of the 20th century. At the age of 23, his son, also called John, inherited his father's baronetcy and very considerable fortune. Although in charge of the family firm, the second Sir John's real interests lay elsewhere.

He became a distinguished zoologist and world expert in the study of rodents. In 1971, two years before his death, he donated the funds from the Ellerman Lines business to form the original Foundation.

The current Foundation is governed by a Scheme, approved by the Charity Commissioners for England and Wales in March 2002.

The previous Scheme brought together the funds originally donated in 1971, with a smaller trust fund set up under the first Sir John's will, and the Trustees were granted incorporation under the Charities Act 1993 as the Trustees of The John Ellerman Foundation. The Scheme provides wide powers for the Trustees to carry out their duties.

Aims and Objectives

The Foundation's aim is to advance the wellbeing of people, society and the natural world. The main ways in which we achieve this are by:



Funding charities for work that has national significance in the fields of the arts, environment and social action (our funding categories). We believe these areas can make an important contribution to wellbeing.



Investing and managing our funds in such a way that balances the desire to maintain grantmaking capacity, operating in the long-term, and addressing the risk that our investments are poorly aligned to our aim and values.

Our strategy and policies are reviewed at our Board meetings throughout the year, and through the annual objectives that are set for staff on governance, management, grantmaking and our wider operations, finance and personal development. Away Days provide a forum for deeper reflection, and to consider our future direction and role. Our last Away Day took place in October 2019. Short virtual Away Day sessions are scheduled for June 2021, followed by an in person gathering later in the year.

Public benefit

This flows from the Foundation making grants to charities engaged in activities in pursuit of their agreed vision and mission. We offer funding towards the core costs of delivering an organisation's work, reflecting our belief in empowering organisations to deliver their work as flexibly and as effectively as they can.

Our Trustees confirm they have referred to the Charity Commission's guidance on public benefit when reviewing our objectives and aims, and our grantmaking-related strategy and policy.

Achievements and Performance

The Covid-19 pandemic

In the Foundation's Annual Report and Financial Accounts for 2019-20, we described the year as one of transition, due to significant personnel changes between December 2019 and March 2020, including the appointment of our new Director, Sufina Ahmad, in January 2020.

When we closed our office on 16 March 2020, in response to the first wave of the Covid-19 pandemic, we had very little understanding of the level of organisational change that this would cause.

The pandemic has exposed and caused a myriad of inequities and harms at a societal, economic and environmental level.

Through our social action work, we have learned first-hand of the disproportionate negative impact the pandemic has had on individuals and communities from black and minority ethnic backgrounds, disabled people, older people, those shielding and with underlying, chronic and complex health conditions, children and young people, those in precarious, low pay or frontline work, and women, especially those experiencing domestic abuse.

We have heard consistently from our applicants and grantees in the performing arts and museums and galleries about the loss of income and their inability to deliver much of their work. We have shared in the disappointment of another year passing by with insufficient progress, especially legislatively, on the climate and biodiversity crises we face globally.

There are some positives too.

Organisations that we fund, such as the Relationships Project, have shown us the power of community and connection that the pandemic has unleashed. Greenpeace UK, the Environmental Funders Network, Bright Blue and Green Alliance, who we also fund, have provided us with thought leadership on the ways in which we can build back, or forward, better through their research and policy influencing on green and resilient recoveries.

In the wake of George Floyd's murder on 25 May 2020, the charity sector has been reflecting and acting upon race, racism, and the Black Lives Matter movement more meaningfully.

Our Director has contributed ideas and reflections, including as a guest on ACEVO's podcast episode discussing the '[Home Truths: Undoing racism and delivering real diversity in the charity sector](#)' report that was developed and written by Dr Sanjiv Lingayah, Kristiana Wrixon and Masie Hulbert, for Voice for Change England and the Association of Chief Executives for Voluntary Organisations, and as a panellist at the Green Alliance event titled '[Racism in the environment sector: why we must change and how we can do it](#)'.

Alongside Esmée Fairbairn Foundation and the Joseph Rowntree Charitable Trust, we have also funded Wildlife and Countryside Link to commission research into diversity and inclusion in the conservation sector.



© Resourcing Racial Justice

Case Study

Resourcing Racial Justice

In June 2020, the Foundation contributed £50,000 over 12 months to the operating costs for Resourcing Racial Justice (RRJ).

We were introduced to this opportunity through a fellow funder, Thirty Percy Foundation. RRJ was set up by a coalition of people of colour innovators, changemakers, activists, artists and social leaders dedicated to social change.

Through contributions from a range of funders (£1m) and crowdfunding (£100k), RRJ established a pooled fund to support individuals and communities working across the UK towards racial justice. Having received over 1,400 applications, they awarded 52 grants from the £1m that was raised from funders. We committed to this initiative in recognition of the pandemic's

disproportionate impact on black and minority ethnic (BME) communities, and the need to support BME-led organisations that have been more likely to retract and collapse as a result of the pandemic.

Supporting RRJ also provided us with a learning opportunity, as our operating models are not compatible with supporting many of the successful RRJ grantees, which includes individuals and groups that are not UK-registered charities.

RRJ is labelled as a grant made under our 'other' category, and demonstrates our commitment to being a flexible and responsive grantmaker. However, RRJ's work does support our belief, as expressed in our social action funding guidelines, that systems improve through policy, advocacy and campaigning work that actively involves those with personal experience of the issues tackled.

Diversity, equity and inclusion

The Foundation recognises that the failure to prioritise and improve diversity, equity and inclusion (DEI) practices within charitable funding and the wider charity sector has led to the inequitable distribution of funding.

As funders, this failure manifests itself primarily through our non-diverse staff teams and Boards, and the ways in which our funding practices, processes and cultures disproportionately disadvantage marginalised groups – the very groups we seek to support through our funding in the first place.

In January 2021, we approved a DEI Accountability Plan, which builds on our previous thinking and work, and includes the insights and learning on race, social justice and DEI more widely shared by our membership bodies, the Association of Charitable Funders, the Environmental Funders Network and London Funders.

The Plan aims to deliver greater equity and improved funding practices through developing and embedding a shared organisation-wide understanding of DEI, and applying this throughout our operations. This includes: the management of our underlying endowment; our grantmaking; the recruitment, retention and progression of our staff and Trustees; our internal and external communications; and research into the derivation of our wealth.

Our Director is responsible for the delivery of our Plan, and Becca Bunce is the Trustee lead for this work.

Business as unusual

The team and Trustee Board have all worked remotely in the last 12 months, and the Foundation's office has been used infrequently. We have not made any staff redundant or used the employee furloughing scheme. We did, however, say goodbye to long-serving Trustee, Dr Brian Hurwitz MD in April 2020. Following an open and competitive recruitment process, we welcomed Jonny Hughes to the Trustee Board as our Trustee with a specialist interest in environmental issues in March 2021.

The team and Trustees have managed these new ways of working effectively and remain connected and collegial.

We are proud to have worked alongside our grantees, applicants and other funders in response to the pandemic. As signatories to the 'We stand with the sector' and the 'Still standing with the sector' pledges, coordinated by London Funders on behalf of charitable funders, we have remained open to new applications for nationally significant work in the arts, social action and environment, and have made 64 grants worth £5,682,408 this year.

We have offered our grantees more flexibility and support through altering reporting requirements, moving payments, changing core funding towards specific core costs to completely unrestricted grants, and keeping in touch more regularly. We also agreed that grantees and former grantees do not need to wait for a year to reapply to us for a grant.

We have been inspired by the resilience and commitment shown by applicants and grantees throughout this period.

The changes made to our grantmaking in the last year have been welcomed by grantees and applicants. To reinforce our support during the pandemic and beyond, we signed up to the community of Flexible Funders, hosted by the Institute of Voluntary Action Research. This commits us to: not waste time; ask relevant questions; accept risk; act with urgency; be open; enable flexibility; communicate with purpose; and be proportionate.

We have also contributed actively to strategic discussions and groups relating to the pandemic, this includes the funder group supporting Resourcing Racial Justice work, and the Arts Funders Group, set up in April 2020 and Chaired by Moira Sinclair OBE, Chief Executive at Paul Hamlyn Foundation, which is attended by circa 25 independent arts and culture funders to discuss opportunities for collaboration and share insights.

Our Director sits on the Strategy Group for the Funders' Collaborative Hub, which aims to increase understanding, alignment and opportunities for funder collaboration in response to Covid-19.

Over the last year, we have been guided by **our values** to inform our ways of working. We have tried to deliver a Covid-19 response, alongside our other areas of work, that is **responsive, discerning** and **flexible**. Despite working remotely, we have sought to offer a **personal touch** and remain **connected** with those we work with, including through increased external communications.

We introduced monthly updates from the team to our website from August 2020, increased our use of Twitter, began offering virtual visits in place of our usual in-person visits at second stage, and made the Grants Assistant role permanent in order to increase our capacity to deal with queries and issues grantees and applicants may be experiencing.

Our Values



Responsive



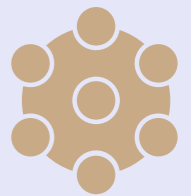
Discerning



Flexible



Personal touch



Connected



Environment

From the perspective of our environment category, in the last 12 months we have continued to focus our efforts on supporting work that contributes to greater harmony between people and planet, supporting work that protects the seas and creates richer more sustainable places on land. We continue to fund practical conservation work, alongside policymaking and campaigning work. We retain our keen interest in and support for work in the UK's Overseas Territories too.

As signatories of the [Funder Commitment on Climate Change](#), we are committed to addressing the climate emergency through: education and learning; committing resources; integrating climate into our work; stewarding our investments for a post-carbon future; and decarbonising our operations. We have published our progress against each commitment on our website and shared it with other signatories. Our progress included making clearer references to our support for climate change related work in our

funding guidelines and online application form, developing a new Investment Policy that better enables us to support a post-carbon future, reducing our travel and paper usage, and moving some of our grantmaking processes online permanently.

19 of our 65 current environmental grants support climate change work. As an environmental funder and a signatory of the Funder Commitment on Climate Change, we recognise that COP26 (the 26th United Nations Climate Change Conference) taking place in November 2021 in Glasgow presents an important opportunity for us to highlight our support of and commitment to UK-registered charities that are seeking solutions to the climate and biodiversity emergencies.

Consequently, in March 2021, we made three grants to Stop Climate Chaos Scotland, Climate Outreach's Public Engagement Communications Lab, and the Big Give's Green Match Fund, which we hope will facilitate public and civil society engagement with the COP26 conference.

Case Study

Marine Conservation Society

Marine Conversation Society - Seagrass © Charlotte Bolton

In January 2021, the Foundation contributed £135,000 over three years to [Marine Conservation Society \(MCS\)](#). MCS is the UK's leading charity working solely to protect our seas. Their vision is for seas full of life, where nature flourishes and people thrive.

The funding will go towards a Blue Carbon Economist. 'Blue carbon' relates to the carbon that is emitted through fishing and aqua-cultural farming, as well as the carbon that is naturally stored in the marine and coastal environment (i.e. salt marshes, sea grass meadows, kelp forests and seabed sediments). Blue carbon represents an additional vital tool through which we can mitigate climate change. If the UK is to achieve its carbon net-zero strategy, then it needs to recover and protect our blue carbon stores.

MCS's Blue Carbon Economist will help to develop a strategy for blue carbon restoration, providing expertise on the financial costs and benefits, and innovation opportunities of sustainable marine management and blue growth. MCS will establish baseline knowledge on the economics of UK blue carbon and form costed strategies for the management of the Marine Protection Area network for carbon capture, as well as the recovery of unprotected blue carbon habitats.

We committed to this grant because it was an ambitious, well thought through and timely proposal that can contribute to shaping policies that will significantly impact environmental policy and bolster marine conservation, including at COP26.

Social Action

Social action remains a popular funding category, receiving 165 applications from April 2020 to March 2021.

In the last year, we have supported policy, advocacy and campaigning work that helps create a society where all can thrive, by supporting organisations that are generating positive changes at a systemic level.

We try hard to back causes and ideas that may traditionally struggle to receive multi-year core funding.

Social action is a newer part of our funding portfolio, which we are very committed to, especially in light of the findings from the latest annual survey of campaigners from one of our grantees, the Sheila McKechnie Foundation. Their survey found that 90% of UK campaigners felt their freedom to speak out or protest is under threat, with two thirds reporting that they believed politicians were becoming increasingly negative towards charities and campaigns.



CEO Dr Nicola Sharp-Jeffs OBE speaking at SEA's Banking on Change Conference

Case Study

Surviving Economic Abuse

In July 2020, the Foundation provided Surviving Economic Abuse (SEA) with £120,000 of unrestricted core funding over three years.

SEA is the only UK charity dedicated to raising awareness of economic abuse and transforming responses to it. Our grant will support SEA to deliver its mission through work that increases public understanding of economic abuse, and equips professionals across a range of sectors with the knowledge, skills, resources and confidence to respond effectively.

SEA is dedicated to working with industry partners to identify and correct the systemic flaws that inadvertently facilitate economic abuse and undermine responses to it.

By working across sectors and building meaningful partnerships throughout the UK, and actively involving those with lived experience, SEA is creating the conditions for victim-survivors of economic abuse to rebuild their lives and thrive.

SEA's approach has leveraged major and meaningful policy change, including, for example ensuring economic abuse was included in the Domestic Abuse Bill and that post-separation abuse is criminalised.

Providing core funding offers stability to SEA as they continue to grow and expand, in terms of their annual turnover, their staff team and their service offer and approach.



Soloist Jerome Anthony Barnes behind the scenes of Scottish Ballet's The Secret Theatre
Credit: Andy Ross

The Arts

In the last year, our arts category, which includes our Museums and Galleries Fund (MGF), has provided us with a chance to escape from lockdown life and explore the fascinating and inspiring work of creators and curators throughout the UK.

Though our grantmaking, we have witnessed the extraordinary resilience and creativity of organisations that are making the highest quality art and collections available to all, by prioritising the creative and curatorial process – despite the many ways this has been curtailed by the pandemic.

Most of the work we support through our creators in the performing arts relates to dance, music, opera and theatre. Through our museums and galleries funding, we continue to support a wide range of collection types, providing they are nationally significant. We prioritise organisations that are based outside of London – however, we recognise that the pandemic has resulted in funding imbalances and constraints throughout the UK. After much deliberation internally, and with support from colleagues within the Arts Funder Group, we decided to launch a new round of our MGF in October 2020, and we were pleased that the programme remained popular, with a total of 61 applications received in January 2021.

Case Study

Scottish Ballet

In January 2021, the Foundation awarded £120,000 to Scottish Ballet – Scotland's national dance company which, since 1969, has toured award-winning work throughout Scotland and globally. Their mission is to inspire on stage and beyond, showcase Scotland's creativity, and bring ballet to the widest possible audience.

Scottish Ballet is implementing its five-year strategy from 2021. This includes a free membership programme, through which they hope to attract one million members worldwide by 2025, that are engaged, diverse and likely to form a lifelong connection with the Company. Our grant will go towards embedding digital activity into Scottish Ballet's core operation through organisational change, creative skills development and newly commissioned work.

This grant was an excellent match with our criteria and represented an opportunity to support Scottish Ballet at an exciting stage of its development.

Our commitment to learning and transparency

In the last year, the Foundation has tried to balance the need to respond to the pandemic with other organisational priorities.

One such priority has been to operate with increased transparency, which we have delivered through the publication of our grants data to 360Giving, increased attendance and participation in external events and discussion panels, and by sharing articles, blogs, research and organisational policies externally and on our own website.

In April 2020, we commissioned nfpSynergy to complete a confidential and anonymous survey with all our unsuccessful grantees, applicants and former grantees from the last two years.

This is the first time we have undertaken an audit of this nature, and the results are published in full on our [website](#). We received 361 (out of a possible 629) responses to our first stage survey, followed by in-depth interviews with six grantees and four unsuccessful applicants.

The level of engagement with both surveys was high. We were considered an approachable, human, flexible and professional funder that supports causes that others may miss, and our offer of core funding was highly valued.

Our application process was considered excellent or very good by 52% of respondents, and 89% felt the application was reasonable for the size of grant they were applying for.

In response to the feedback, we have made changes to our grantmaking processes, which includes: making the decision times for our two-stage application process clearer on our website; offering written and verbal pre-application advice more consistently; providing feedback to all unsuccessful applicants; and offering more contact and support to our grantees that would like this. We remain committed to ongoing improvement across our grantmaking processes, and will continue to refine our approach based on feedback received.

In the last year, we also developed a new approach for categorising our grants and applications.

This work allows us to discern geographic and thematic clusters of grants that are forming within our grants portfolio, and consider how we may be able to support these more strategically. It also means that we can identify any trends in the types of organisations that apply to us successfully and unsuccessfully. This allows us to determine unrealised biases or issues within our processes that result in certain groups being rejected more often, which is important to understand in our commitment to diversity, equity and inclusion.

Our new investment policy

A significant achievement in the last year was the development of the Foundation's new Investment Policy, which we published externally to our [website](#) for the first time, and publicised further through speaking engagements, a blog on our website and writing an article for Trust and Foundation News, which is published by the Association of Charitable Foundations.

Our new Policy presents a roadmap to doing good with 100% of our assets.

To date, our primary focus has been to manage the endowment in a way that prioritised financial returns, while balancing the desire to maintain our grantmaking capacity with operating in the long term.

Through our new Policy we hope to better manage our endowment in support of our organisational aim, which in practice means that we want to:

- reduce the risk that investment decisions made on our behalf support activities that are poorly aligned to our aims and values;
- invest in a sustainable way i.e. to support long-term environmental and societal sustainability and to help address the climate and nature emergency;

- be a responsible investor i.e. to take full account of environmental, social and governance risks in our investment activities;
- be transparent, accountable and effective;
- work with the trust and foundations sector in the transformation of systems and institutions for managing endowments; and
- achieve the above in such a way that any positive non-financial impact from our investments exceeds any financial returns foregone to achieve them.

We continue to spend approximately 4.5% of the value of the investment portfolio smoothed over three years.

As a single investor, we remain more effective when joined with others, and so we continue to be part of CRIN (the Charities Responsible Investment Network, convened by ShareAction) and FIRM (the Finance Investment and Resources Management group, convened by the Association of Charitable Foundations).

Our Head of Finance and Resources, Matthew Whittell, was appointed to the Steering Group for FIRM from June 2020.

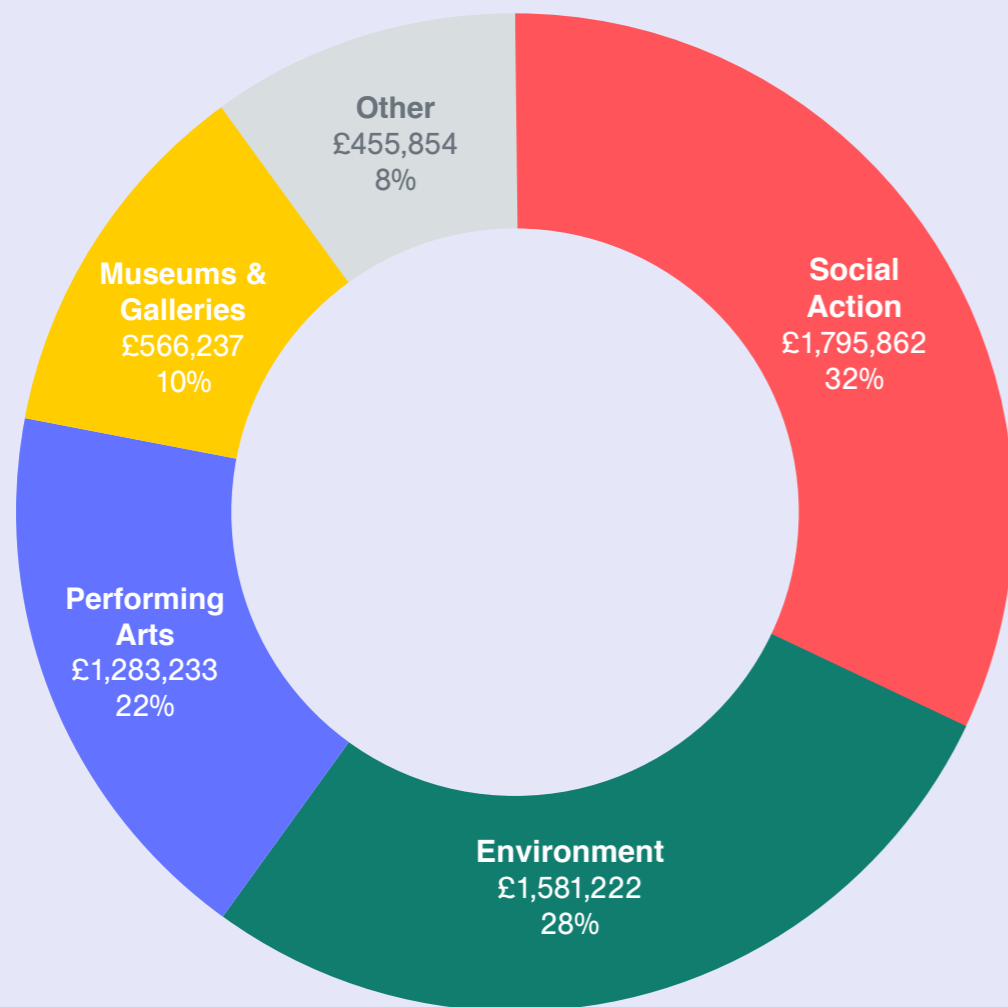
Our year in numbers

This year was the second full year of operation under the Foundation's current grants strategy, launched in June 2018. Guidance to applicants is reviewed on an annual basis, and an updated version, with feedback incorporated from the nfpSynergy Perception Audit, was published to our website in September 2020.

We publish details of grants approved on our website following Board meetings which take place six times a year, and our grants data is also published on 360Giving. A list for the full year is included later in this report.

Grants Awarded 2020-21

Total Awarded: £5,682,408



Some core data

64

Grant numbers

We made 64 grants (57 in 2019/20) worth £5,682,408 and incurred a further £27,402 of grant-related expenditure.

Reflecting one of our core values, flexibility, Trustees supported the work of 11 organisations or funder collaborations which did not strictly fit with our funding criteria, but whose work is very closely aligned with our organisational aim, values and funding priorities. These grants are shown as 'other' in the pie chart to the left.

£100,727

Grant size

Not taking into account the 11 exceptional grants mentioned to the left, the average overall size of a grant increased again this year to £100,727 (compared to £99,942 last year).

82%

Core Funding

53 of our 64 grants were for core funding, representing 82%, while the remainder supported project costs.

Of the 53 core grants, 38 were for restricted costs (typically a salary or a specific part of core activity) and 15 for unrestricted core costs. This represents an increase in unrestricted core grants, which is consistent with a trend seen in the previous three years.

3 years

Length of grant

This year more than half of our grants were for three years (33 out of 64), with the remainder split as follows: two years (14); one year (4). The rest of the grants differed in length, as requested by the applicants, ranging between 1 and 3 years.

We actively support this flexible approach as we know that longer-term funding is more beneficial to the majority of applicants; but at the same time, we are keen to remain flexible in those cases where applicants request funding for shorter periods.

94%

Size of organisation

94% of our grants went to medium (£100k - £1m) to large (£1m - £10m) charities.

The rest were awarded to organisations with an income under £100k, but which provided us with confidence that they would meet our minimum threshold in the near future.

1

In year alteration to existing grants

One outstanding payment of £30,000 to Nuffield Southampton Theatres was withdrawn as the organisation closed down in July 2020.

Share of grants between categories

The budget for the year was £5,800,000. This year the Trustees again chose to remain flexible and did not allocate a share to each category at the start of the financial year.

This year the grant spend across the categories was spread as follows: Arts (including Museums and Galleries) received £1,849,470; Social Action received £1,795,862; and Environment received £1,581,222.

This year we had an under-spend of £117,592 which is being carried forward to the budget for the 2021/22 financial year.

Eligibility

We received 251 first-stage applications this year. Just over half came in under Social Action (54%) followed by Environment (25%) and Arts (21%). Out of the 251 applications received under our main categories, 83 were ineligible. This is in line with figures seen in previous years. By far the highest proportion of ineligible applications were in Social Action (64%) whereas 19% and 17% of proposals received under Environment and Arts respectively were deemed to be outside guidelines.

On the whole the reason for not progressing applications related to the fact that they did not provide a sufficiently strong fit with the individual criteria of the relevant funding category. Lack of national significance continues to be a factor but significantly less so than under the previous grants strategy, when it was consistently the main reason for rejecting applications.

Category breakdown

The Creators strand in Arts showed a fairly even split between different art forms, with 38% of the grants awarded going to theatre companies, while dance and music (including opera) received 31% each.

In Environment 41% of the funding went towards marine-based work and a quarter (24%) supported climate-related activity.

In our Social Action category, we supported charities working towards systemic change through policy influencing, advocacy and campaigning activities relating to issues such as domestic abuse, employment support, race inequality, disability rights, refugees and migration, LGBT+ and modern slavery.

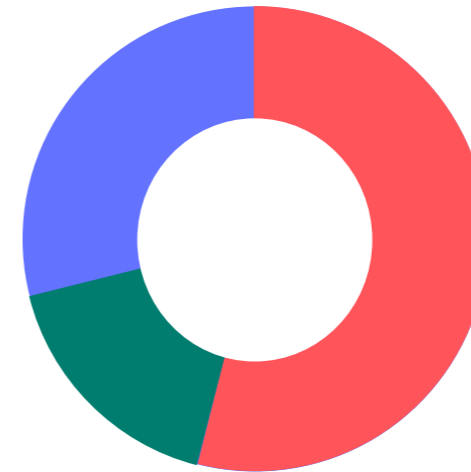
Applications and success rates

This year we received 168 eligible general applications under our three main categories (i.e. excluding Museums and Galleries Fund) and 70 were invited to submit a second stage application. This represents a success rate of 42%, significantly higher than last year (30%).

Of the 70 applications presented for decision at a Board meeting this year, six were declined. This represents a success rate of 91% at second stage, which is slightly higher than last year's success rate of 88%. This year the success rate varied less significantly across the different funding streams; three second stage applications under Social Action were declined, whereas Environment and Arts saw one and two applications being declined respectively.

Of the 64 grants awarded this year, about a third (21) went to first-time applicants and half (32) to previous grantees. The remaining 11 grants were made to organisations who had applied to us unsuccessfully on previous occasions.

% Applications by category



- 54% Social Action applications
- 25% Environment applications
- 21% Performing Arts (this does not include the Museums and Galleries Fund)

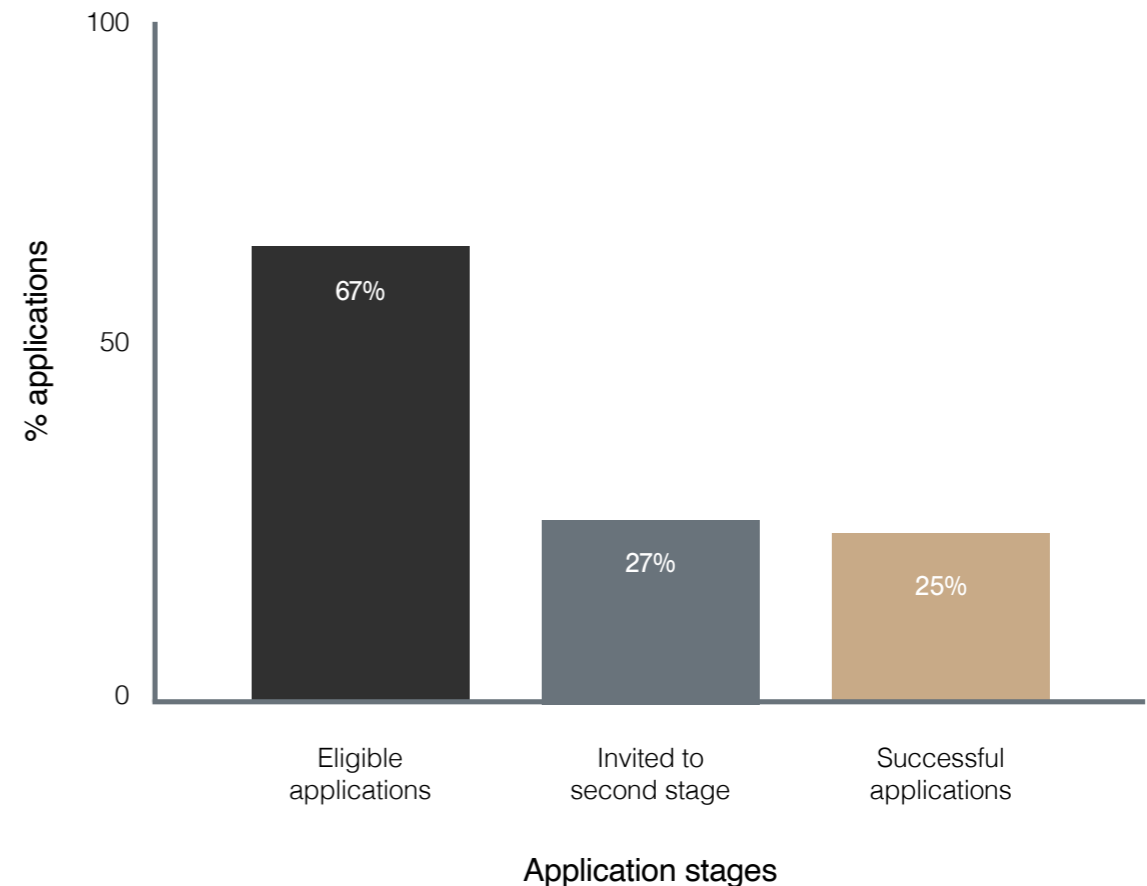
% Successful applications by type of applicant



- 50% of successful applications from previous grantees
- 33% of successful applications from first time applicants
- 17% of successful applications from previously unsuccessful applicants

Success Rates

(Based on a total of 251 applications received)





Carved tusk, c.1750, on display in Manchester Museum. The tusk was looted by British soldiers during the bloody 1897 Benin Expedition which destroyed Benin City and exiled Oba Ovonramwen, the ruler of the Edo people. Manchester Museum has opened conversations with the Legacy Restoration Trust around its repatriation.

Case Study Manchester Museum

Grants to museums and galleries

This Fund concentrates on museums and galleries outside London, with a focus on enhancing and sustaining curatorial capacity and development. In January 2021 we received 61 first stage applications, which is slightly less than last year (69), and the previous year when we received 65 first stage proposals.

The overall quality of the applications remains high, with just one application falling outside of our guidelines, resulting in a highly competitive field. The focus on curatorial development and the funding of existing and new curatorial posts was, as expected, a key element to many of the applications received.

Alongside this, and in light of the Black Lives Matter protests of 2020, museums and galleries, some of which have deep ties to colonialism and British imperialism, are clearly looking to reconcile themselves to their complex and sometimes uncomfortable histories.

Trustees decided to invite seven applications to second stage, with final decisions due in May 2021. We convened a meeting with other funders that allowed us to signpost applications to them that we were unable to fund.

In May 2020, the Foundation contributed £101,850 over two years to Manchester Museum, one of the country's leading university museums and part of The University of Manchester.

The grant will support a two year programme of work locally, nationally and globally involving a network of partners in Manchester, Australia and Canada to create new understandings and narratives for its collections, and provide the curatorial team with unparalleled direct experience of working with source and Indigenous communities that will shape the Museum's future work.

Our grant will support the appointment of a Curator of Indigenous Perspectives based within the Museum, and some learning costs in the form of an international symposium and a public facing speaker series that is paired with internal workshops. Manchester Museum is in the midst of a transformational £13.5m capital development, with the vision of creating

the UK's most inclusive, imaginative and caring museum. By funding this project, we are supporting Manchester Museum as it seeks to reimagine a new ethics of care for museums that extends beyond collections to people, ideas, beliefs and relationships, and to consider what this vision means for the future of curatorial practice.

This project also builds on the Museum's previous experience of curating in partnership with other groups and communities, including being the first museum in Europe to repatriate secret, sacred and ceremonial objects in collaboration with the Australian Institute of Aboriginal and Torres Strait Islander Studies, and work on habitat restoration with Indigenous communities in Panama.

This grant demonstrated curatorial excellence that built upon Manchester Museum's expertise and that of its partners, to deliver an exciting and timely project that will pioneer new approaches and understanding relating to Indigenisation and the legacies of colonialism and post-colonialism within curatorial practice.

Financial Review

Investments

The Foundation's investment aim is to manage its funds so as to balance Trustees' desire to maintain a high level of grantmaking consistent with operating in the long term. This aim provides the underlying basis for our investment objective, which is to achieve a real return of 4% per annum above RPI inflation over the long term, although the Finance and Investment Committee determined in March 2021 that we will shift to a CPI-based measure of inflation at an appropriate point. Trustees have adopted a Total Return approach, which means that both income from the portfolio and the underlying capital can be used to support our activities.

The highlight of the year to 31 March 2021 has been the initial implementation of our new Investment Policy. We now have seven fund managers, having appointed two new fund managers in June 2020 with stronger ESG credentials, one of which is a fund explicitly focussed on climate change. Our fund managers have responsibility for all asset allocation decisions within an overarching strategic framework set by the Finance and Investment Committee. During the year, in line with values underlying our new Investment Policy as well as our commitments as a signatory of the Funder Commitment on Climate Change, we embarked on a process to understand better the ESG policies and practices of the managers and funds who invest our endowment on our behalf. We continue to ask for information about the carbon footprint of our portfolio and are looking at how this information can be used appropriately to reduce the environmental impact of our assets.

Investment performance

The Finance and Investment Committee monitors the performance of each fund manager. First, the managers' primary objective is to achieve a real return target of RPI + 4% per annum net of costs. Second, a comparison with a simple benchmark of 80% UK equities and 20% UK government bonds is used to provide evidence of the benefit of running the diversified, actively managed investment structure.

Stanhope Consulting continues to provide the Foundation with performance measurement analysis, commentary on the managers' performance and modelling options to assist with the review and planning of the investment policy.

At 31 March 2021, our investment portfolio was valued at £150m, a 16.3% increase over the previous year's level of £129m. The portfolio Total Return for the financial year ending 31 March 2021 was 20.5% (2019/20: minus 6.5%), compared to the long-term RPI + 4% objective of 5.5% (2019/20: 6.7%) and the total return for the simple benchmark of 19.8% (2019/20: minus 12.5%).

Since the start of our current investment strategy in 2013/14, the portfolio total return of 6.8% per year has marginally exceeded our RPI + 4% benchmark return of 6.7% per year, and our managers have, in aggregate, exceeded the simple benchmark return of 6.0% per year.

Income and expenditure

The Foundation's income derives largely from its investment portfolio. Total investment income of £3.1m (2019/20: £3.8m) was 24% below that of the previous year largely as a consequence of the impact of COVID-19 on corporate distributions. In line with our Total Return approach, we realised £3.0m during the year through sales from our portfolio to meet our projected working capital requirements for the near future. This amount was more than required simply to cover the year's anticipated difference between income and expenditure, reflecting an increasing level of market risk.

We have three significant items of expenditure: the grants that we make, the costs of managing the investment portfolio and our running expenses (of which staff costs are the major component). Total expenditure this year was £6.9m, compared to £6.9m last year, mainly as a consequence of higher grants spending than the previous financial year, even with our underspend. Grants were £5.7m (2019/20: £5.6m), excluding the value of grants cancelled; Investment Management costs at £0.5m were 20% lower than in the previous year; and our running costs of £0.6m were 9.8% (2019/20: £0.7m, 10.8%) of total expenditure (excluding investment costs).

Trustees are mindful of the need to control running costs in order to maximise the amount available to spend on grants. We continue to monitor these closely.

Spending policy

The Foundation manages its assets and expenditure for the long term – which we define as 30 years. This time horizon is reviewed every three years and will be reviewed again in 2022.

In April 2015, Trustees held a special meeting to determine an appropriate spending policy, concluding that annual expenditure would be set at 4.5% of the value of our net assets, averaged over the quarter end values of the last three calendar years.

This year, with the development of our new Investment Policy, and in light of Covid-19 and projections for prospective low real rates of return on investment, the spending policy was again reviewed. We concluded, as in the recent past, that expenditure next year would be set at 4.5% of the value of our net assets, averaged over the quarter end value of the last three calendar years. However, we also determined that, in order to increase the likelihood that future investment returns are sufficient to meet this continuing level of expenditure, we should take certain considered steps to increase the overall portfolio risk adjusted returns.

The Finance and Investment Committee continues to review this in February of each year, and the Committee reports its recommendations to Trustees in March.

Grants Made in the Year Ended 31 March 2021

Reserves policy

For the Foundation, the reserves policy is inextricably linked with the spending policy. The Total Return approach means that actual income received each year will be supplemented, if necessary, from distributable capital. Given that all of our endowment funds are expendable, the Trustees have sufficient flexibility to respond to unforeseen circumstances if necessary, and therefore it is not considered appropriate to identify a level of free reserves that needs to be maintained.

Remuneration policy

Pay is reviewed annually by the Remuneration Committee, which considers external market conditions, such as inflation, cost of living awards in other sectors, and the cost as a proportion of overall expenditure, as part of its decision making. Trustee remuneration is linked to the lowest of three external benchmarks, currently RPI, CPI and CPIH, in a specified month, and as such is not determined by Trustees themselves.

Responsible investment

In 2020, for the first time, the Foundation published our Investment Policy externally on our website, as part of our commitment to being transparent, accountable and effective about the way its endowment is invested. As a responsible investor, we want to take full account of environmental, social and governance risks in our investment activities.

Our new Policy hopes to balance our need for financial returns that allow us to maintain our grantmaking capacity in the long term, and our need to address the risk that our investment policies and the investment decisions made on our behalf support corporate strategies, approaches or products that are poorly aligned to our aims and values. Our new Policy also focuses on how we will invest in a sustainable way that supports long-term environmental and societal sustainability and helps to address the climate and nature emergencies.

Arts

20 Stories High Towards core costs associated with commissioning new work.	£50,000 over 18 months
Hofesh Shechter Company Towards the costs of their biennial Shechter II programme which creates exceptional new work for the next generation of 18-25 year old dancers.	£120,000 over three years
Manchester Collective Towards core salaries of the Head of Development and Senior Producer roles.	£150,000 over three years
National Youth Theatre Towards the costs of 30 new national freelance employment opportunities for a cohort of diverse young professional creatives.	£150,000 over three years
New Vic Theatre Towards artistic core costs enabling continued investment in developing new productions and touring nationally.	£90,000 over three years
Northern Ballet Towards core costs associated with the creation and production of new work.	£90,000 over two years
Opera Rara Towards the costs of their artistic programme to rediscover neglected operatic masterpieces for contemporary audiences to enjoy.	£120,000 over three years
Pleasance Theatre Trust Towards expanding their National Partnerships Programme.	£88,233 over three years
Royal Scottish National Orchestra Towards "SCOTCH SNAPS", a series of short musical pieces by contemporary composers.	£35,000 over one year
Russell Maliphant Dance Company Towards the salary costs of the Artistic Director and Executive Director, underpinning the creation of two new cross art form works.	£90,000 over three years
Scottish Ballet Towards the costs of embedding digital activity into their core operation through organisational change, creative skills development and new and original work.	£120,000 over three years
Tamasha Theatre Company Towards the costs of a new Digital Producer role and facilitate regionally-based creative projects.	£105,000 over three years
The Marian Consort Towards commissioning costs of new work and salary costs of the General Manager and Artistic Director.	£75,000 over three years
Total Arts Grants	£1,283,233

Environment

Beaver Trust Towards core costs in restoring beaver wetlands across Britain.	£100,000 over three years
Blue Marine Foundation Towards core costs of their work on Marine Protected Areas in parts of the UK and the UK's Overseas Territories, and the protection of Britain's inshore waters.	£150,000 over three years
Bright Blue Towards staffing and projects costs of a programme to tackle climate change and biodiversity decline through nature-based solutions.	£110,000 over two years
Caplor Horizons Towards the costs of 'The Commitment' project which aims to influence and enable political leaders to accelerate action on biodiversity loss and climate change.	£60,000 over two years
CHEM Trust Towards core costs of achieving protective chemicals policy at both EU and UK levels whilst raising awareness amongst UK consumers of the harm they can do to health, wildlife and the environment.	£100,000 over three years
Green Alliance Towards the costs of their Natural Environment Programme which seeks to curb the long-term decline in the health of the UK's natural environment.	£100,000 over three years
Marine Conservation Society Towards costs of a new Blue Carbon Economist post to deliver a portfolio of ocean-based climate solutions and empower communities in blue carbon recovery action.	£135,000 over three years
North West Wildlife Trusts Towards core costs and policy work to secure better managed Marine Protected Areas in the Irish Sea.	£90,000 over three years
Salmon & Trout Conservation Towards the costs of a new fundraiser bringing in additional funding to deliver their work to protect wild fish and their habitats in fresh and marine waters.	£60,000 over two years
Scottish Environment Link Towards the salaries of a Marine Policy & Engagement Officer and Campaigns Officer who will work towards their Ocean Recovery Plan.	£150,000 over three years
South Atlantic Environmental Research Institute Towards the costs of a new Marine and Coastal Programme Coordinator who will be pivotal for the long-term sustainability of marine and coastal programmes on the Falklands.	£120,472 over three years

The Organic Research Centre Towards core costs and expanding their fundraising capacity.	£120,750 over three years
The Rivers Trust Towards the costs of a new Commercial Director and Director of Communications and Partnerships to help build partnerships at a national, regional and local scale to deliver improvements to rivers and their catchment areas.	£120,000 over three years
University of Oxford Towards the costs of their Penguin Watch and Seabird Watch projects to monitor seabirds in the UK and the UK's Overseas Territories.	£65,000 over one year
Whale and Dolphin Conservation Society Towards the costs of by-catch audits for five UK supermarket chains or major seafood brands to reduce the destructive impacts of commercial fishing.	£100,000 over two years
Total Environment Grants	£1,581,222

Social Action

Birthrights Towards the salaries of the CEO, policy and support staff.	£100,000 over two years
Campaign Bootcamp Towards core costs of their training programmes to support people in marginalised communities to run campaigns which challenge disadvantage, division and inequality.	£120,000 over three years
Carers UK Towards core costs.	£100,000 over two years
Children England Towards core costs.	£90,000 over two years
Citizens UK Towards the salary costs for the Living Wage for Key Workers Campaign co-ordinator post.	£119,129 over three years
Contact Towards core campaigning costs to drive social change and tackle disadvantage and inequality with and for families with disabled children.	£105,000 over three years
Friends, Families & Travellers Towards the costs of policy work on access to health and care services in Gypsy, Roma and Traveller communities.	£149,943 over three years
Heart n Soul Towards core costs and the Associate Director salary to support their programmes aimed at increasing the voice and representation of those with learning disabilities within and beyond the arts.	£90,000 over three years
Human Trafficking Foundation Towards core costs and policy change in the modern slavery sector on a local and national level.	£120,000 over three years
LGBT Foundation Towards project costs related to their policy and influencing work in relation to health inequalities faced by members of the LGBT community.	£95,790 over two years
Local Trust Towards the costs of a campaigning team to support and grow the Community Wealth Fund Alliance.	£25,000 over two years
Refugee Action Towards the design, delivery and evaluation of their campaigning work.	£150,000 over three years

Sheila McKechnie Foundation Towards the costs of sponsoring their 2021 Amplifying Voices Award.	£5,000 over one year
Surviving Economic Abuse Towards core costs of their work raising awareness of economic abuse and transforming responses to it.	£120,000 over three years
The Equality Trust Towards the costs of joining up their research, policy and communications functions in relation to their work on reducing socio-economic inequality in the UK.	£70,000 over two years
The Foyer Federation Towards core costs of producing strength-based solutions to youth unemployment and youth homelessness.	£96,000 over three years
The Relationships Project Towards core costs.	£120,000 over three years
Working Families Towards the costs of their Head of Policy and Influencing post to work to “Build Back Better” for the UK’s working parents post-pandemic, and influencing permanent labour market and employment rights reform.	£120,000 over three years
Total Social Action Grants	£1,795,862

Other

Civil Exchange Towards "The Better Way Network Project".	£60,000 over three years
Climate Outreach Towards the costs of their public engagement communications lab to support UK climate campaigning and the UK climate movement.	£5,000 over one year
Environmental Funders Network Towards the costs of "Safeguarding the environments of the British Overseas Territories", a joint EFN/RSPB project to increase funding sources for the UKOTs.	£29,854 over one year
Friends Provident Foundation Towards the Index of Foundation Diversity, Transparency and Accountability, where information on the governance and reporting practices of trusts and foundations will be made publicly available.	£30,000 over three years
Full Fact Towards the costs of working alongside those with personal experience of the harm caused by bad information and supporting everyone to demand a better quality of public debate.	£50,000 over one year
Rachel Swart Fund Towards core costs of their support for people living with physical disabilities in South Africa.	£98,500 over three years
Stop Climate Chaos Scotland Towards the costs of convening environmental charities around their engagement with COP26.	£33,000 over one year
The Access to Justice Foundation Towards the Community Justice Fund, a pooled fund created in response to the pandemic to enable a more fair and equal society where everyone can get the legal support they need to access their rights and prevent injustice.	£74,000 over one year
The Big Give Towards their new green match fund for environmental charities in support of their work on climate change, natural resources, biodiversity, conservation, pollution and waste in the UK or overseas.	£10,500 over one year
Thirty Percy Foundation Towards the Resourcing Racial Justice Fund, a pooled fund established to support individuals and communities working towards racial justice.	£50,000 over one year
Wildlife and Countryside Link Contribution towards the costs of a joint project by Wildlife and Countryside Link and Natural England to improve diversity in the Conservation Sector, with match-funding provided by Joseph Rowntree Charitable Trust and Esmée Fairbairn Foundation.	£15,000 over one year
Total Other Grants	£455,854

Museums and Galleries Fund

Art UK Towards increased curatorial capacity of "Art Detective", an online forum for specialists and others interested in resolving questions about the artworks held by UK public collections.	£81,425 over two years
Bluecoat Towards costs of a Project Curator to explore the links between contemporary art practice and the history and politics of postcolonial legacies, diversity, cultural identity and race.	£99,579 over two years
British Glass Foundation Towards the salary of a Projects Curator and associated costs.	£60,000 over 2 years
Dovecot Studios Towards new curatorial posts.	£81,960 over two years
Glasgow Women's Library Towards the "Curating in Partnership Project".	£81,423 over two years
Manchester Museum Towards the "Indigenising Manchester Museum" Project.	£101,850 over two years
Outside In Towards their "Curating Collections Course".	£60,000 over 3 years
Total Museums and Galleries Grants	£566,237
Additional grant-related expenditure not included in the above	£27,402

Total grants made in the year ending 31 March 2021 **£5,709,810**

Structure, Governance and Management

Trustees

The Foundation's nine Trustees are listed at the end of this report. The governing document provides for a maximum of nine and a minimum of three. Trustees are appointed for five years, followed by the possibility of a further five years. A Trustee who is selected to be Chair of the Board or Chair of the Finance and Investment Committee may serve beyond the 10-year term, if this is in the best interests of the Foundation. Since the introduction of the Equalities Act 2010, there is no retirement age.

The first Trustees were personally selected by Sir John II and Lady Ellerman and had strong links with the Ellerman companies. In 2011, the last Trustee with a personal connection to Ellerman Lines retired.

Today, Trustees are recruited according to the skills, knowledge and experience required while seeking to achieve greater diversity. In December 2020, we launched an open recruitment campaign for a new Trustee with a specialist interest in environmental issues. We received 85 applications and interviewed five candidates, before offering the role to the successful candidate in February 2021.

Each new Trustee receives a full induction, which includes meeting with staff and Trustees, and receiving a detailed information pack covering our governance, history, funding guidelines, investments and objectives. Ongoing training and skills development takes a variety of forms, depending on the role and interests of the individual Trustees, and includes attendance at seminars, conferences and other events. There is an annual appraisal by the Chair, who, in turn, is appraised by two Trustees.

Trustees are closely involved in the evaluation of applications and grants made. They review initial applications, visit those organisations invited to submit a second-stage application and provide written reports to the Board. Trustees that are appointed for their experience in one of our funding categories play a lead role in developing and monitoring the grantmaking strategy in that area, and those with investment expertise sit on the Finance and Investment Committee. All participate in occasional sub-groups to review our policies, practice and strategy.

Organisational structure

The Trustee Board meets at least six times each year. This financial year we held an extra meeting in June 2020 to support our Covid-19 related decision making. The Board approves new grants and sets strategy and policy for grantmaking and financial matters.

Several Committees support the Foundation's work throughout the year, and report to the Trustee Board:

- The **Finance and Investment Committee** is responsible for financial and investment matters. The Committee's role includes developing an appropriate investment strategy and policy, overseeing its implementation and monitoring investment performance. It also reviews and recommends to the Board the annual budget and spending policy, and monitors expenditure. It meets at least four times a year.
- The **Remuneration Committee** is responsible for reviewing all remuneration and benefits for staff and Trustees. It meets at least once a year.
- The **Risk and Audit Committee** is responsible for reviewing the systems in place to manage risks within the organisation and ensure that adequate internal financial controls and procedures are in place. It also supports the compilation of our annual report and accounts. It meets at least two times a year.
- The **Nominations Committee** is responsible for the recruitment of Trustees as delegated by the Board. It is not a permanent Committee but is convened when a new Trustee is being appointed.

The day-to-day management of our organisational affairs is delegated by the Trustees to the Director and staff team. They are responsible for ensuring that the Trustees' decisions are implemented in accordance with existing policy and within budget, and for briefing Trustees on current trends in the charitable sector and advising on how these may affect policy.

Risk statement

The Trustees are responsible for the management of the risks faced by the Foundation. These fall into four areas: governance and management, operational, grantmaking and finance.

The Risk and Audit Committee reviews all these areas and identifies the major risks, their likelihood of occurrence, the significance of the risk, mitigating controls that are in place, and recommends any additional actions and resources required to reduce and manage those risks. These are documented in a Risk Register, which is also considered by the Trustee Board.

Our investment activities represent our main financial risk. This risk is managed, with the support of an investment consultant, by regularly reviewing investment policies and objectives, employing external managers to achieve a well-diversified portfolio, and closely monitoring their performance relative to the investment objective and investment policy. Our investment activities also risk diverging from our charitable purpose and aim, and this is why environmental, social and governance factors are a key focus of our new Investment Policy.

Applications for grants are assessed carefully to ensure that the Board understands any risks associated with a particular organisation or programme of work, and appropriate conditions are agreed. Once a grant is approved, monitoring and reporting processes are in place to ensure grants are well managed and evaluated.

All relevant policies and procedures are included in the Foundation Handbook. The Handbook is updated regularly and reviewed annually by the Risk and Audit Committee. A Business Continuity Plan and Health and Safety Review form part of the annual risk assessment and are detailed in the Handbook. Trustees confirm that they are satisfied with the current systems and internal controls.

Conflicts of interest

Trustees and staff are expected to conduct the business of the Foundation with integrity at all times. A Conflict of Interest Policy is in place to ensure that there is no personal gain from our work, and to prevent any conflict, actual or perceived, between an individual's duty to the Charity and a duty or loyalty to another organisation or person.

All staff and Trustees complete an annual register of interests form. At Board Meetings each Trustee completes a declaration of interest form that lists all applications to be discussed. Staff and Trustees are expected to alert those present to any interests and may be asked to withdraw from the meeting during the relevant decision-making process. Any relevant gift or hospitality received by Trustees and staff is also recorded on the Register of Interests. A note to the financial accounts lists grants made to any organisation during the year with which a Trustee has a close relationship.

Good governance

Trustees recognise the importance of good governance in ensuring the ongoing success of the Foundation. To support with this, Trustees adhere to the guidance set out in our Scheme, which is our governing document, the Charity Commission's guidance in 'The Essential Trustee', and the Charity Governance Code.

The Trustee Board applies great care, attention and skill in order to ensure that our resources are used responsibly and for the public benefit. Trustees are deeply committed to operating in a way that is transparent, accountable and effective, and this includes recent discussions on diversity, equity and inclusion.

Statement of Responsibilities of the Board of Trustees

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the Charity and of the incoming resources and application of resources of the Charity 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 Statement of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business; and
- state whether a SORP applies and has been followed, subject to any material departures which are explained in the financial statements.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deeds. They are also responsible for safeguarding the assets of the Charity, including taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



Hugh Raven
Chair



Gary Steinberg
Chair, Finance and Investment Committee

Date: 29th July 2021

Independent Auditors' Report to the Trustees of John Ellerman Foundation Charity

Opinion

We have audited the financial statements of John Ellerman Foundation for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, and the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charity's affairs as at 31 March 2021, and of its incoming resources and application of resources, 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 Charities Act 2011.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- or we have not received all the information and explanations we required for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 18, 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

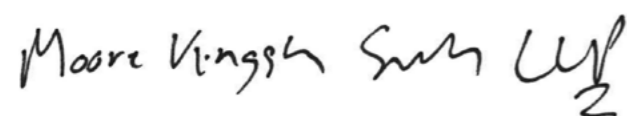
As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's Trustees 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 any party other than the charity and charity's Trustees as a body, for our audit work, for this report, or for the opinion we have formed.



Moore Kingston Smith LLP, Statutory Auditor

Date: 29th July 2021

Devonshire House
60 Goswell Road
London
EC1M 7AD

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

Statement of Financial Activities for the Year Ended 31 March 2021

	Notes	Total Unrestricted Funds 2021 £'000	Total Unrestricted Funds 2020 £'000
Income			
Income from investments	3	3,136	3,824
Other income		20	-
Total income		3,156	3,824
Expenditure			
Expenditure on raising funds		607	746
Expenditure on Charitable Activities			
Grants to charities		5,710	5,643
Grants cancelled in the year		(30)	(140)
Costs in support of grantmaking	5	618	663
Total charitable activities	5	6,298	6,166
Net gains (losses) on investments			
Gains (losses) on investment assets	9	24,609	(11,606)
Net income/(expenditure)		20,860	(14,694)
Net movement in funds			
		20,860	(14,694)
Reconciliation of funds			
Total funds brought forward		128,853	143,547
Total funds at 31 March		149,713	128,853

All the above figures relate to continuing operations. There are no recognised gains or losses other than those disclosed.

Balance Sheet at 31 March 2021

	Notes	2021 £'000	2020 £'000
Fixed Assets			
Tangible Fixed Assets	8	1,460	1,488
Investments	9	150,330	129,108
Social Investment	9	42	54
Total Fixed Assets		151,832	130,650
Current Assets			
Debtors	10	812	880
Cash at bank and in hand		3,936	4,266
Total Current Assets		4,748	5,146
Current Liabilities			
Creditors: amounts falling due within one year	11	(4,935)	(4,757)
Net Current (Liabilities)/Assets		(187)	389
Total Assets Less Current Liabilities		151,645	131,039
Creditors: amounts falling due after more than one year	12	(1,932)	(2,186)
Net Assets		149,713	128,853
FUNDS			
Expendable Endowment Capital		149,713	128,853
TOTAL FUNDS		149,713	128,853

The financial statements were approved by the Trustees on 29th July 2021 and were signed on their behalf by:



Hugh Raven
Chair



Gary Steinberg
Chair, Finance and Investment Committee

Statement of Cash Flows for the Year Ended 31 March 2021

	Notes	2021 £'000	2020 £'000
Net cash provided by/(used in) operating activities	15	(6,881)	(6,784)
Cash flows from investing activities			
Interest received		5	19
Investment income received		3,156	3,805
Purchase of fixed assets		(9)	(9)
Movements in investments cash balance		1,340	1,273
(Loss)/gain on foreign exchange		138	15
Sale of investments		65,326	21,304
Purchase of investments		(63,417)	(19,085)
Purchase of social investment		-	-
Redemption of social investment		12	21
		6,551	7,343
Increase/(decrease) in cash		(330)	559
Cash and cash equivalents at the beginning of the reporting period		4,266	3,707
Cash and cash equivalents at the end of the reporting period		3,936	4,266

Notes to the Financial Accounts for the Year Ended 31 March 2021

1. Charitable status

John Ellerman Foundation is a charity registered under the Charities Act 1960, No. 263207; all the income has been agreed as being charitable and therefore no UK taxation is payable.

2. Accounting policies

i. Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, with the exception that investments are valued at market value.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charity is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP including update bulletin 2) and the Charities Act 2011.

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern including the impact of COVID-19. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Trustees have considered the Charity's forecasts and projections and have taken account of pressures on investment income. After making enquiries, the Trustees have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

The financial statements have been prepared in sterling which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest thousand.

ii. Financial instruments

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the SOFA, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

iii. Critical accounting estimates and areas of judgement

In the view of the Trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

A summary of the more important accounting policies, which have been applied consistently, is set out below:

- (a) Bank deposit interest has been included on the accruals basis. Investment income is recognised as follows: for the segregated accounts, income has been accrued as applicable; where shares are issued in lieu of income, the market value of these shares has been included in income.
- (b) Grants are fully accounted for in the year the grant is approved. Payments falling due in later years are provided for as a liability on the balance sheet.
- (c) Expenditure has been accounted for on the accruals basis. Costs of raising funds include investment management, custody, consultancy and a proportion of staff and Trustee costs. Employee costs and Trustee remuneration have been apportioned between costs of raising funds, charitable activities and governance costs, on the basis of the proportion of time spent by each employee or Trustee in contributing to each category. Governance costs include audit fees, legal fees and a proportion of staff and Trustee costs associated with Trustee meetings, strategy, Away Days and compliance with statutory requirements. The remaining expenses of the Foundation have been apportioned on the same basis as staff costs and Trustee remuneration. All expenditure is recorded inclusive of irrecoverable VAT.
- (d) Pension contributions are made for all employees and recorded as they fall due. These are defined contributions paid to approved private pension schemes for each employee. Details are provided in note 7.

(e) At 1 April 2014, the Trustees valued the property of the Foundation's offices at Aria House, held on a 999 year lease from 1990, at £1,250,000, based on a chartered surveyor's valuation report. This value was recorded in the year of transition and will be held as the carrying value in future years, following the transitional provisions of FRS 102 (paragraph 35.10c) which allow the property to be valued at fair value on transition and to use that value as deemed cost going forward, with no on-going requirement to carry out further revaluations. The residual value of the leasehold property is considered to be at least equal to the carrying value and therefore no depreciation has been provided as this would be immaterial. Annual impairment reviews are carried out. The same principle and review policy applies to the carrying value of a portrait of a member of the Ellerman family. All fixed assets are held for the Foundation's charitable use.

(f) Furniture, fittings and equipment have been depreciated to write off the cost less the estimated residual value, on a straight line basis over the expected useful economic life. The annual rate used for this purpose is 33% for computer and office equipment and 10% for other assets. A capitalisation limit has been set such that purchases of £250 and over are capitalised and items below this level are treated as an expense in the year of purchase.

(g) Profit or loss on realisations of investments has been taken to the Expendable Endowment.

(h) Investments have been stated at market value in accordance with SORP. Net investment gains and losses are disclosed in note 9. Social Investments represents a limited partnership interest with a maximum commitment of £250,000 in Shared Lives Investments L.P. to support the growth of Shared Lives provision.

(i) Monetary assets and liabilities denominated in foreign currencies are translated at the year end exchange rate. Transactions denominated in foreign currencies are translated at rates prevailing at the transaction date. Exchange differences are taken into account in arriving at the movement of funds for the year.

(j) The Foundation has adopted a Spending Policy which the Trustees believe to be currently sustainable. The Total Return approach means that actual income received each year will be supplemented, if necessary, from distributable capital. It follows that the reserves policy is to retain the appropriate capital value in the investment portfolio to be able to continue to support charities over the long-term.

3. Investment income

	2021	2020
	£'000	£'000
Investment income from assets in the UK	1,724	2,771
Investment income from assets outside the UK	1,407	1,035
Interest on cash deposits	5	18
Total investment income	3,136	3,824

Investment income received during the year relates to investments, which are listed on recognised stock exchanges. Dividend income and interest is treated in accordance with the accounting policy 2(a) above.

4. Grants to charities

	2021	2020
	£'000	£'000
Grants awarded in the year	5,710	5,643
Grants cancelled in the year	(30)	(140)
Total Grants to Charities (note 5)	5,680	5,503

A list of grants awarded during the year ended 31 March 2021 is shown in the Annual Report.

Grants awarded in the year:

	2021	2020
	£'000	£'000
Grants paid in the year	1,830	1,566
Grants payable within one year	2,134	2,364
Grants payable after more than one year	1,746	1,713
Grants cancelled in the year	(30)	(140)
Total Grants to Charities	5,680	5,503

Trustees include in the notes to the Financial Accounts, for transparency reasons, any grant made to an organisation with which a Trustee of the Foundation has a conflict of interest. In accordance with the Foundation's policy, Trustees withdraw from the (virtual) room for these decisions.

In the financial year 2020-21 there were three such occurrences. Hugh Raven is Chair of the Environmental Funders Network, which received a grant of £29,854 in July 2020. Hugh Raven is the former Chair of the Marine Conservation Society, which received a grant of £135,000 in January 2021. Becca Bunce was trained by and has a friendship with the CEO of Campaign Bootcamp, which received a grant of £120,000 in November 2020. It was also noted that, in making the grant of £25,000 to Local Trust in January 2021, Geraldine Blake was a former member of the Community Wealth Fund Alliance Advisory Group.

5. Analysis of total expenditure

	2021			2020		
	Costs of Raising Funds	Charitable Activities	Total	Costs of Raising Funds	Charitable Activities	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Investment fees	533		533	666		666
Grants to Charities (note 4)		5,680	5,680		5,503	5,503
Support costs:						
Staff costs (note 7)	50	358	408	49	360	409
Trustee costs (note 6)	9	91	100	10	100	110
Audit fees	-	14	14	-	14	14
Legal fees	-	7	7	-	6	6
Depreciation	3	34	37	3	32	35
Monitoring & Evaluation	-	11	11	-	3	3
General expenses	12	103	115	18	148	166
	74	618	692	80	663	743
Total expenditure	607	6,298	6,905	746	6,166	6,912

Support costs include governance costs of £60,000 (2020: £60,000). Support costs are allocated on the basis of an estimate of time apportioned to Charitable Activities and to managing the endowment investments.

6. Trustees' remuneration

Trustees receive remuneration in accordance with the authority in the Scheme (clause 12). In carrying out their duties, including visits to applicant charities, eight Trustees incurred travelling and related expenses totalling £611 (2020: £7,127), which have been included under Monitoring and Evaluation.

	2021	2020
	£'000	£'000
Remuneration paid to Trustees during the year:		
Gary Steinberg, Chair of the Finance and Investment Committee	11	11
Brian Hurwitz (until 30 April 2020)	1	11
Peter Kyle, Chair of the Risk and Audit Committee	11	11
Hugh Raven, Chair	16	16
Geraldine Blake	11	11
Keith Shepherd	11	11
Annika Small	11	11
Tufyal Choudhury	11	11
Rebecca Bunce	11	11
Jonny Hughes (from 25 March 2021)	-	-
Total remuneration	96	104
Social Security costs	3	4
Pension provision	1	2
Total remuneration and Social Security costs	100	110

7. Employees

	2021	2020
	£'000	£'000
Wages and salaries	332	296
Employer's National Insurance costs	39	35
Pension costs	33	52
Temporary staff	4	26
Total staff costs	408	409

The average number of employees during the year ended 31 March 2021 was 6 (2019: 5). The average full-time equivalent number of employees analysed by function was:

	2021	2020
Generating funds	0.2	0.2
Charitable activities	5.6	4.6
Total full-time equivalent staff	5.8	4.8

For each employee, the Foundation contributes to an approved private pension scheme. The total pension cost for the Foundation was £34,108 (2020: £52,845).

The numbers of employees who received emoluments (including taxable benefits in kind) in the following ranges were:

	2021 Number	2020 Number
£60,001 - £70,000	-	1
£70,001 - £80,000	-	1
£80,001 - £90,000	2	-
£90,001 - £100,000	1	-
£100,001 - £110,000	-	1

For these employees, the Foundation made contributions to their approved private pension schemes totalling £21,520 (2020: £8,281) during the year.

The Charity considers its key management personnel to comprise the Trustees, the Director and the Heads of Grants and Finance. The total remuneration (salaries and employee benefits) including employer pension contributions of the key management personnel was £381,228 (2020: £404,400). Key management personnel are defined as persons having authority and responsibility for planning, directing and controlling the activities of the entity, including directors and senior management personnel to whom the Trustees have delegated significant authority or responsibility in the day-to-day running of the entity's affairs.

8. Tangible fixed assets

	Leasehold property	Furniture, Fittings and Equipment	Total
	£'000	£'000	£'000
Cost or valuation			
At 1 April 2020	1,250	405	1,655
Purchases during year	-	9	9
At 31 March 2021	1,250	414	1,664
Depreciation			
At 1 April 2020	-	167	167
Charge for the year	-	37	37
At 31 March 2021	-	203	203
Net book value at 31 March 2020	1,250	238	1,488
Net book value at 31 March 2021	1,250	210	1,460

As at 1 April 2014, the Trustees valued the property of the Foundation's offices at Aria House, held on a 999 year lease from 1990, at £1,250,000, based on a valuation report by Aston Rose chartered surveyors. This external valuation was made on an existing value basis and prepared in accordance with RICS Valuation Standards, published by the RICS. As stated in note 2(f), this valuation is being treated as deemed cost in accordance with the transitional provisions of FRS 102.

9. Investments

	31 March 2021	31 March 2020
	£'000	£'000
Investment assets in the UK	67,942	82,126
Investment assets outside the UK	81,548	44,802
Total investments, excluding cash	<u>149,490</u>	<u>126,928</u>
Investment cash accounts in the UK	839	2,180
Total investments at 31 March	<u>150,330</u>	<u>129,108</u>

The historical cost of the investments (including cash) held at 31 March 2021 was £122,629,000 (31 March 2020: £117,913,000).

The movement during the year of the total investments, excluding cash, was:

	2021	2020
	£'000	£'000
At 1 April	126,928	140,714
Purchases at cost	63,417	19,085
Disposal proceeds	(65,326)	(21,304)
Net investment gains	24,471	(11,567)
At 31 March	<u>149,490</u>	<u>126,928</u>

Investments are listed on recognised stock exchanges and valued at the middle market prices ruling at the period end. During the year, £3.0m (2020: £3.0m) was withdrawn from the investment portfolios to provide working capital.

The movement during the year of social investments was:

	2021	2020
	£'000	£'000
At 1 April	54	99
Purchases at cost	-	-
Redemption proceeds	(12)	(21)
Impairment charge	-	(24)
At 31 March	<u>42</u>	<u>54</u>

Gains on revaluations and disposals of investments:

	2021	2020
	£'000	£'000
Net investment gains/(losses)	24,471	(11,591)
Realised gains/(losses) on foreign currency	138	(15)
Total gains/(losses) on revaluations and disposals of investments	<u>24,609</u>	<u>(11,606)</u>

10. Debtors

	31 March 2021	31 March 2020
	£'000	£'000
Accrued income and prepayments	809	874
Other debtors	3	6
Total Debtors	<u>812</u>	<u>880</u>

11. Creditors: amounts falling due within one year

	31 March 2021	31 March 2020
	£'000	£'000
Accrued expenditure	180	171
Other creditors	10	20
Grants payable	4,729	4,552
Other taxation and social security	16	14
Total Creditors due within one year	<u>4,935</u>	<u>4,757</u>

Included within accrued expenditure is an amount of £14,061 (2020: £nil) due to pension schemes.

12. Creditors: amounts falling due after more than one year

	31 March 2021	31 March 2020
	£'000	£'000
Grants payable between 1 to 2 years	1,932	2,186
Total Creditors falling due after more than one year	<u>1,932</u>	<u>2,186</u>

13. Financial commitments

During the year to 31 March 2015, Trustees approved a social investment of up to £250,000 in a Fund created by Social Finance to expand the number of Shared Lives schemes in England. The first drawdown was made in April 2015. At 31 March 2020, the Foundation had provided a total of £150,000 in respect of this commitment, leaving a residual commitment of £7,000. As at 31 March 2021 there are no residual commitments.

14. Lease commitments

At 31 March the Foundation had total future commitments under operating leases as follows:

	31 March 2021	31 March 2020
	£'000	£'000
Within one year	1	1
Between one and five years	-	-
Total lease commitments	1	1

15. Reconciliation of net income/(expenditure) to net cash outflow from operating activities

	31 March 2021	31 March 2020
	£'000	£'000
Net income/(expenditure) for the reporting period	20,860	(14,694)
Depreciation charges	37	34
Bank interest received	(5)	(19)
Investment income	(3,156)	(3,805)
Loss/(profit) on foreign exchange	(138)	(15)
(Profit)/ Loss on revaluation of investments	(24,471)	11,591
(Increase)/decrease in debtors	68	(1)
Increase/(decrease) in creditors	(76)	125
Net cash provided by (used in) operating activities	(6,881)	(6,784)

16. Analysis of changes in net debt/cash

The movement during the year of net debt/cash balances was:

	2021	2020
	£'000	£'000
Cash balance as at 1 April	4,266	3,707
Cash Flows during the year	(330)	559
Cash balance as at 31 March	3,936	4,266

Trustees, Staff and Registered Office of the Foundation

Board of Trustees

Hugh Raven
Geraldine Blake
Rebecca Bunce
Tufyal Choudhury
Jonathan Hughes (from 25 March 2021)
Dr Brian Hurwitz MD (until 30 April 2020)
Peter Kyle OBE, CCMI
Keith Shepherd
Annika Small OBE
Gary Steinberg

The following Trustees are members of or served on Committees at 31 March 2021:

Finance and Investment Committee: Gary Steinberg (Chair), Keith Shepherd and Annika Small

Remuneration Committee: Hugh Raven (Chair), Gary Steinberg, Peter Kyle and Geraldine Blake

Risk and Audit Committee: Peter Kyle (Chair) and Keith Shepherd

Members of Staff

Sufina Ahmad MBE	Director
Matthew Whittell	Head of Finance and Resources
Dorothee Irving	Head of Grants
Gareth Clayton	Grants Manager
Philee Ang Chen	Grants Assistant
Lauren Williamson	Office Manager and Personal Assistant (until 15 April 2020)
Rian Trim	Office Manager and Executive Assistant

Registered Office of the Foundation

Address	Aria House, 23 Craven Street, London WC2N 5NS
Telephone	020 7930 8566
Email address	enquiries@ellerman.org.uk
Website	www.ellerman.org.uk
Registered Charity No.	263207

Advisers to the Foundation

Auditors

Moore Kingston Smith LLP, Devonshire House, 60 Goswell Road, London EC1M 7AD

Solicitors

Bates Wells, 10 Queen Street Place, London EC4R 1BE

Investment Advisers

Stanhope Consulting, 35 Portman Square, London W1H 6LR

Fund Managers at 31 March 2021

CCLA, Senator House, 85 Queen Victoria Street, London EC4V 4ET
Charities Property Fund, Cordea Savills, 33 Margaret Street, London W1G 0JD
Fulcrum Asset Management, Marble Arch House, 66 Seymour Street, London W1H 5BT
GMO UK Limited, No. 1 London Bridge, London SE1 9BG
Investec Wealth & Investment Limited, 30 Gresham Street, London EC2V 7QN
Newton Investment Management Limited, 160 Queen Victoria Street, London EC4V 4LA
Ruffer LLP, 80 Victoria Street, London SW1E 5JL

Bankers

COIF Charities Deposit Fund, Senator House, 85 Queen Victoria Street, London EC4V 4ET
Coutts & Co., 440 Strand, London WC2R 0QS

Museums and Galleries Fund Adviser

Dr Virginia Tandy OBE

Design and Print

Report designed by [Katie Slee](#) and printed by [Seacourt Ltd.](#)

John Ellerman Foundation

Registered Charity Number 263207
www.ellerman.org.uk



SICK! Festival –
Daughters of the
Curry Revolution
© Tamsin Drury