Chair’s report

Welcome to our Annual Report – my first as Chair, since taking over from Sarah, Lady Riddell, who stood down last summer following an exceptional term. Sarah led the Board for seven years – a time of modernisation and development. She has been an outstanding colleague, a highly-regarded ambassador, and therefore is a great loss to us.

The year also saw the retirement of Tim Glass, whose huge contribution to the Foundation over many years, both as our Director and, after a break, as a Trustee, will also be much missed.

Following a skills audit and recruitment round that attracted a very large number of applicants, we welcomed three new Trustees to the Board – filling the skills gaps identified, and significantly increasing board diversity. We developed policies on safeguarding, and strengthened our governance through adopting a Code of Conduct for Trustees.

A new grants strategy was inaugurated during the year, sharpening our focus in Arts and Social Action (please note the new name), and extending our Environment category to include support for work that tackles the harmful effects of human activity. Our commitment to addressing environmental issues has never been stronger – reflecting rising public awareness, and ever-clearer evidence of the scale of the crisis. We continue to support work in the UK Overseas Territories, which feature as a priority in our guidelines – almost uniquely for a charitable funder. We were pleased to be asked to speak about this commitment at the Association of Overseas Territories Governments’ annual meeting in London in December 2018.

After five years of funding museums and galleries outside London, in January 2019 we published a report of our learning from the evaluation. This confirmed the intrinsic value of supporting curatorial skills, and identified additional multiplier effects, as investing in curatorship both strengthened the organisations themselves and enhanced their external relationships and reputation.

We are also giving longer grants – now typically for three years – of which a growing proportion are towards core costs.

Our investments have done well. We reported a small loss for the year to 31 March 2018, but by contrast 2018/19 saw good growth, and the portfolio value closed at £144 million, our highest-ever level at the year end. Our total return, including income received, was 6.7% for the year (comparing favourably with our investment objective, which is to achieve a real return of 4% above the retail price index).

This strong performance was achieved while we increased our focus on environmental, social and governance (ESG) issues as they apply to our investments. While our investment managers have day to day responsibility for our holdings, the Foundation, and particularly our Trustees on the Finance and Investment Committee, seeks to exercise its stewardship role as the beneficial owner of the endowment portfolio. This ensures as far as practicable that the aims and values we apply in grant making are not diluted by our investment activities.
It remains only for me to thank our excellent executive team, so ably led by our director Nicola Pollock, and also my colleagues on the Board. They have placed their confidence in me, for which I’m hugely grateful. I can say in turn that, in looking back on my nearly ten years here, I’m confident that with their oversight the Foundation remains in very good hands.

Hugh Raven
Chair
Trustees’ Report

Our history

John Ellerman Foundation was created from a combination of the wealth and generosity of a father and son; the first John Ellerman (1862-1933) had built up from scratch an empire of shipping and other businesses in the early part of the 20th century and 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. Like his father a publicity-shy man, 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 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.

Aim and objectives

Our aim is to advance the wellbeing of people, society and the natural world. We seek to achieve this by:

1. funding charities for work which has national significance in the fields of arts, environment and social action (our categories), believing these areas, both separately and together, can make an important contribution to wellbeing; and
2. managing our funds in such a way that balances the desire to maintain grantmaking capacity with operating in the long term, which means in excess of 30 years, while seeking to minimise the risk that our investment policies and investment decisions made on our behalf link to corporate strategies or products which are poorly aligned with the Foundation’s aim and values

The Foundation's strategy and policies are reviewed at Board meetings and through setting annual objectives for governance, administration, investment and grantmaking. Away Days are held every few years and provide a forum to reflect in greater depth on experience and the Foundation’s future direction, with the next one scheduled later in 2019.

Public benefit

This flows from the Foundation making grants to charities engaged in activities which support their beneficiaries. Core funding has long been our signature, which reflects Trustees’ belief in the value of a thriving charity sector in achieving the Foundation’s aim.

Trustees confirm they have referred to the Charity Commission’s guidance on public benefit when reviewing their objectives and aims, making any relevant decisions and reviewing grantmaking policy.
Achievements and Performance

The year in context
In recent annual reports we have commented on an increasingly harsh external environment at both national and local level. This continues to affect us all, from voluntary organisations to families and individuals. The impact of prolonged austerity on the finances of charities and communities, coupled with policies which restrict charities from speaking out about the issues which matter to them, has created a sustained atmosphere of fear and anxiety. Charities themselves remain under scrutiny for their governance, fundraising practices, approach to safeguarding vulnerable people and executive pay.

Adding to this mix the consequences of the vote to leave the EU brings another dimension to what is already a challenging social and political discourse. Divisions across the UK, between urban and rural areas, families and generations and within political parties came to a head in the run up to the deadline for Article 50 to take effect. The findings of the Civil Society Futures initiative not only emphasised these divisions but also questioned the ability of voluntary organisations to bring people together. Both the present and the future feel uncertain and precarious.

Brexit also has a very practical effect on the organisations and issues we support. Concerns range from changes in European funding, to how the 80% of environmental regulation that currently is derived from European legislation can be transferred into UK law with at least equivalent standards. Perhaps most pernicious is the space and attention this takes from other, much-needed legislation, such as the long awaited health and Social Care Green Paper – delayed since 2017 – and the time and energy absorbed from government, charities and others.

However, some challenges lead to opportunities, with welcome developments as the mercury rises on environmental concerns. Public interest in reducing the use of plastics has extended to tackling air pollution, and recent reports on the interconnectedness of biodiversity loss and climate change alongside high profile campaigning have raised awareness of their importance. Companies responsible for these negative effects experience increased pressure, including from some of our grantees. As one of a relatively small group of environmental funders, we were pleased to see that climate change has been identified by our membership body, the Association of Charitable Foundations, as the headline theme of the 2019 annual conference. We hope this will stimulate interest from our peers.

For the Foundation this has been a year of change, for our governance, our grants strategy and for our investments. On the governance side, we said goodbye to our long serving Trustee and Chairman Sarah Riddell and welcomed three new Trustees; each bringing valuable experience which will fill the gaps we identified from a skills audit, from research and policy to campaigning and digital. In common with other charities, we developed policies on safeguarding, both how we cover this in our applications process and with our grantees, and to ensure the Foundation itself creates a safe environment for staff, Trustees and all we come in to contact with. Following this, a new Code of Conduct for Trustees is also in place.

A new, but consistent, grants strategy
In this year of change we launched revised funding guidelines in June 2018, having been closed to new applications since January. This year was therefore a transitional period, with the first part occupied with dealing with the proposals which arrived before we closed, and from Autumn 2018 responding to applications under the new guidelines. Despite this period of
closure, spending came in close to budget, which indicates both financial need and the speed with which the sector responded to our updated funding approach.

While we have new funding guidelines, the Foundation is here for the long term and we remain true to our underlying values and aim to advance wellbeing. Two of our values are being responsive, listening to what charities judge is important, and using our funding criteria to be discerning in our decisions about whom and what to support. These were central to some key decisions in the new strategy: first, to continue to provide core funding, which has long been our signature, and second, prioritising funding for policy, advocacy and campaigning work in our Social Action category – in response to evidence from charities that these are the hardest areas for which to fundraise.

Undertaking advocacy and campaigning remains a challenging area for charities. Despite some warm ministerial words at the launch of last year’s Civil Society strategy about the value of charities speaking out, the reality of ‘gagging’ clauses in statutory contracts and the Lobbying Act leads to caution about this vital work among charity staff and trustees. As an independent funder, we are pleased to be in a position to signal the importance of charities using their experience to press for change and include their beneficiaries in such activities.

As a funder in the environmental sector, we recognise that it is often the system that has to change, so here we will also support those seeking to influence government and the market, which often involves both policy and advocacy. Our Environment funding criteria remain broadly the same as before, with the important addition of the explicit commitment to support work which reduces or prevents the damaging effects of human activity, from overfishing to pollution.

In the arts, our concentration on the creative process responds to what practitioners told us about their limited headroom to create new work; our consultation also confirmed the importance of providing resources outside London. While others prioritise education and participation in the arts, as an independent funder we are free to take another view.

We have also continued our annual Museums and Galleries Fund. This aims to strengthen institutions outside London by enhancing and sustaining curatorial development to attract a broader public. Trustees approved a fifth round of grants in 2018 bringing the total to 31 grants during the lifetime of the Fund worth £2.1m. As a dedicated Fund with specific purposes and outcomes, it offers a great opportunity to learn from the work funded. Evaluation was built in from the start and after five years we had gathered sufficient data and experience to draw conclusions. A report grouped the grants into six funding themes and, interestingly, identified a multiplier effect from our investment in curatorial skills. Alongside the expected benefits to individual curators and their teams, the evaluation found more resilient and confident organisations, with an enhanced external profile and reputation. A successful seminar in March 2018, generously hosted by the Bulldog Trust at 2 Temple Place, was an opportunity to reflect on this experience with an expert group of grantees and others and debate future directions and challenges for collections and curatorial skills. This will inform our future funding in this area.

Funding criteria provide the framework for our decision-making. We also value being flexible, which enables us to respond to interesting ideas, pick up issues which relate to more than one of our funding categories even though they may not meet the specific criteria, and take a more proactive approach where the topic is of special interest. This year a grant to Social Finance enabled us to collaborate with like-minded funders with a common interest in older people, a
topic issue of long-standing concern to the Foundation but not currently an explicit funding priority. And our core grant to Cranfield Trust speaks to the value we place on the core work of charities, by supporting their capacity-building work with voluntary groups.

Our willingness to fund work in the UK Overseas Territories (UKOTs) is unusual among UK funders, and feedback shows this remains highly valued. To enhance the impact of this work, we are looking for ways to increase awareness of these distant and rather orphaned places for which the UK has responsibility, and garner interest from other funders. This included our participation in December 20108 in a discussion of funding with representatives from the UKOTs hosted by the Foreign and Commonwealth Office.

On the operational side, we planned the implementation of a new grants database. This is an opportunity to improve and streamline our processes for applicants, grantees and ourselves, with scope to enhance our use of data, including sharing it through 360 Giving. This was also our first year on Twitter, which we are using to amplify the work of our grantees.

Increased working with others
As a comparatively modest sized funder, we aim to have a personal touch, visiting or meeting all charities being considered for a grant. We are happy to speak to people on the phone before they apply and give feedback to unsuccessful applicants. Relationships with grantees and others are important to us, and we aim to be connected with relevant colleagues and partners in the charitable world and beyond. And where we think we can add value we convene events with grantees and others – such as recent seminar in March 2019 on our Museums and Galleries Fund – and encourage our grantees to use our meeting rooms, which is another way of keeping in touch with them.

In previous years we have worked closely with Tudor Trust, making some joint grants for work with older people, co-funded some charities with Four Acre Trust, and are a long-standing and enthusiastic member of the Environmental Funders Network, which is an invaluable hub to inform and connect funders with common interests.

Over the past year we have expanded our partnerships with others, reflecting the value we place on being part of a wider funding ecology, which brings pooled resources and the benefits of sharing expertise and risk.

We have developed our relationship with Fishmongers Hall and their growing role as convener in the salt and freshwater sector, by participating in several events and discussions about areas of shared interest. We were also pleased to deepen our relationship with Seafarers UK, with whom we have grantees in common working on human rights at sea and strengthening the inshore fishing fleet.

The past twelve months have also seen further collaborations. Following our joint seminar with Esmée Fairbairn and Calouste Gulbenkian Foundations on protecting the seas, we produced a joint publication summarising the key learning; this was published in hard copy and on our website, and circulated to relevant NGOs and funders interested in the environment. It was later shared with the wider funding sector through Trust and Foundation News.

A key message from that seminar was the importance of the ‘high seas’, those parts of the oceans which lie outside the jurisdiction of an individual country. These are subject to exploitation in themselves, and may also form a network with existing marine protected areas, such as those in the UKOTs. There is an immediate opportunity to improve their protection
through influencing the UN sponsored High Seas Treaty. Rather than fund this directly, we joined with expert funder Synchronicity Earth, who will use our unrestricted grant to support work in the high seas. In the longer term this could form the foundation for a shared, pooled Fund to support the protection of these marine environments.

With Tudor Trust, Dulverton Trust and Rayne Foundation we co-developed our shared interest in older people, culminating in a grant to Social Finance to investigate options for transforming outcomes for older people. Once the first phase is complete we will invite other funders to discuss our learning and plans. Working in partnership involves compromise and flexibility but can bring great rewards, and is something Trustees are keen to pursue further.

Our investments
This year saw the sixth anniversary of our changed investment strategy. The Finance & Investment Committee monitors performance throughout the year. At its annual review meeting in February it assesses the previous year, and takes a forward, longer view. The meeting endorsed the core principles of the finance strategy, with the Committee making some adjustments to the investment manager line-up in the course of the year.

The Foundation spends 4.5% of the value of the investment portfolio each year, which means that some 95% of our worth lies outside our grantmaking each year. Having adopted our first responsible investment policy two years ago and published it on our website, the Committee is now taking steps to increase its expectations of how our managers actively prioritise taking account of environmental, social and governance (ESG) issues, and engage proactively with the companies in which we are invested. As a single investor is likely to be more effective when joined with others, we continue to be part of CRIN (the Charities Responsible Investment Network, convened by ShareAction) and keep in touch with the Divest Invest movement.

Trustees will also consider grants which could support the development of ESG policies, and also to use the mainstream grants portfolio to make grants where charities are seeking to influence the market (such as on the use of plastics). This year we used our ability to be flexible to make a core grant to ShareAction, in support of their analysis and movement building on ESG and related issues.

Our grants in numbers
This was an unusual year as the Foundation re-opened for applications at the end of June 2018 with a set of new funding criteria. Due to timings of our decision-making meetings, in the first half of the financial year we dealt with applications received under our previous grants strategy, before moving on to applications under our new criteria from July onwards.

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

Some core data
Grant numbers
We made 55 grants (67 last year) worth £5,132,494 and incurred a further £45,104 of grant related expenditure.

Reflecting one of the Foundation’s core values, flexibility, Trustees supported the work of three organisations which did not strictly fit with our funding criteria, but whose work is very closely aligned with our aims and mission. These are listed as ‘Other’.
Grant size
In line with Trustees’ aspiration to award a smaller number of larger grants, the average overall size of a grant increased again this year to £93,318, an increase of nearly 13% on the previous year. The average grant amount per annum was £34,797.

Core funding
Out of 55 grants, 50 (91%) were for core funding. This follows a growth trend seen in the previous two years (89% in 2017/18 and 85% in 2016/17). Of the 50 core grants, 39 were for specific core costs (typically a salary or other core activity) and 11 were unrestricted.

Length of grant
The majority of grants were again for two or three years. There was a marked increase in the number of 3-year grants as a percentage of the overall number; 43 out of the 55 (78%). This is a significant change; as recently as 2014/15 just 29% of grants were for three years, and since then this proportion has increased year on year. The Foundation actively supports this upward trend, recognising both the benefits of the stability of longer-term funding, and that it takes the same amount of time to prepare an application for two as for three years.

However, we did award five grants for periods of 1 year or less; this is slightly fewer than last year, but an increase on recent years. Sometimes support over a shorter period or for smaller amounts is exactly what is required, and reflects our desire to respond to what is needed when there is a particular window of opportunity.
Share of grants between the different categories
The budget for the year was £5,415,000. Unlike previous years, Trustees did not allocate a share to each category. This was due to it being an unusual year, with a partial closure and applications being assessed across a mix of old and new funding criteria. In the end the spend was quite evenly spread – Arts (including Museums and Galleries) and Environment received 30% and 29% respectively, while Welfare/Social Action combined received 36%.

Eligibility
Out of the 186 general applications received 53 were ineligible. Even with new, less familiar guidelines the percentage of ineligible applications was again lower than last year (24% compared to 31%). This indicates that our aim of providing clearer and more focused funding criteria is effective.

In previous years, the failure to meet our criterion that work should be of national significance was the principal reason for applications being turned down at first stage. This year was different, in that the main reason for ineligibility was lack of fit with the new Social Action guidelines. Out of the 53 applications considered ineligible, 35 (66%) were turned down for this reason. This reflects the most significant change resulting from the 2017/18 strategy review, as the new Social Action category has a very different criteria from the previous Welfare.

Applications and success rates
The Foundation re-opened for applications at the end of June after a six month closure. In total we received 251 applications (including 65 Museums and Galleries Fund applications). This is significantly fewer than the 486 of last year. General (i.e. non-Museums and Galleries) application rates were low in the beginning due to applicants getting used to our new guidelines, but picked up towards the end of the year.

Of the 84 eligible applications received under the old criteria, 23 were invited to second stage. This represents a 27% success rate. Out of the 23 second stage applications, 22 received a grant at a Board meeting in 2018/19. This represents an overall success rate of 26% from first stage to grant award.

Since the end of June 2018 we received 110 eligible general applications under the new guidelines, and 36 were invited to submit a second stage application. This represents a success rate of nearly 33%, slightly higher than last year’s 27%. Of the 36 second stage applications, 32 were reviewed by Trustees at a Board meeting of which 28 received a grant. This represents a success rate of 87.5%, lower than last year’s 93%. Looking at both sets of figures together, this represents an overall success rate of 25%, which is slightly lower than last year, when 27% of eligible first-stage applicants received a grant.

Grants to museums and galleries
This Fund concentrates on museums and galleries outside London, with a focus on enhancing and sustaining curatorial development. This year saw first stage applications return to a more normal level (65), a reduction of nearly 27% compared with the previous year when we received an exceptionally high number of proposals (89).

The overall quality of the applications remains high, with all 65 applications within guidelines, resulting in a highly competitive field. Trustees decided to invite eight to second stage, with final awards made in May 2019.
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 that of 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 over the long term. Trustees have adopted a Total Return approach, which means that both income from the portfolio and the underlying capital can be used to support the Foundation’s activities.

The year to 31 March 2019 continues the Foundation’s strategy established in 2013. We retain six investment managers who have responsibility for all asset allocation decisions within an overarching framework set by the Finance & Investment Committee. The Committee’s responsibilities are focused on the overall investment strategy, while the investment managers have day-to-day responsibility for portfolio management. During the year we made the decision to enhance the range of asset diversification in our portfolio through an investment in the Diversified Liquid Alternatives Fund managed by Fulcrum Asset Management. Investec, Ruffer and Smith & Williamson manage segregated portfolios, while the investments with Newton, Fulcrum and the Charities Property Fund are held in pooled funds.

Investment performance
The Finance & Investment Committee monitors the performance of each 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 serve the Committee with performance measurement analysis, commentary on the managers’ performance and modelling options to assist with the review and planning of the investment strategy.

At 31 March 2019, the Foundation’s investment portfolio was valued at £144m, an increase of 2.4% over the previous year’s level of £141m. The portfolio Total Return for the financial year ending 31 March 2019 was 6.8% (2017/18: 2.6%), compared to the long term RPI + 4% objective of 6.5% (2017/18: 7.5%) and the total return for the simple benchmark of 6.0% (2017/18: 3.4%).

Since the start of our current investment strategy in 2013/14, the portfolio total return of 7.4% per year has exceeded our RPI + 4% benchmark by 1.0% per year and our managers have also, in aggregate, exceeded the simple benchmark by 1.2% per year.

Income and expenditure
The Foundation’s income derives largely from its investment portfolio. Total investment income was marginally below that of the previous year at £4.1m (2017/18: 4.3m). In line with our Total Return approach, we realised £2.0m in September through sales from our portfolio to meet our projected working capital requirements for the near future.

The Foundation has three significant items of expenditure: the grants that we make, the costs of managing the investment portfolio and the running expenses of the Foundation (of which staff costs are the major component). Total expenditure was £6.6m, compared to £6.9m last year. Grants were £5.2m (2017/18: £5.6m); Investment Management costs at £0.7m were
similar to the previous year; and the running costs of the Foundation of £0.6m were 11.1% (2017/18: £0.6m, 10.2%) 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**
We manage our assets and expenditure for the long term – which we define as in excess of 30 years. Trustees regard our present spending policy as demanding, but currently sustainable. 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 the Foundation’s net assets, averaged over the quarter end values of the last three calendar years. The Finance & Investment Committee reviews this policy each year and reports to the Trustees.

**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 the Foundation’s 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 need to be maintained.

**Remuneration policy**
Pay is reviewed annually by the Remuneration Committee, taking into account external market conditions, such as inflation, cost of living awards in other sectors, and the cost as a proportion of overall expenditure. 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**
We recognise that our endowment is invested in the real world. Consequently, there is a risk that our investment policies and investment decisions made on our behalf may be linked to corporate strategies or products which are poorly aligned with our own aim and values. This risk may have both reputational and financial consequences. We seek to minimise it by actively taking account of environmental, social and governance (ESG) issues when considering our investment policies and strategy, and through our engagement with the investment managers who are responsible for day to day investment decisions. We exclude investments in tobacco-related companies.

**Social investment**
The Foundation has invested £150,000 in a Fund created by Social Finance to expand the number of Shared Lives schemes in England. These provide a home and family life, instead of life in an institution, for adults who are unable to manage on their own. Following changes to the original scope of the programme, our maximum commitment now stands at £157,000. We were pleased to receive the first distribution of returns in March 2018. Nevertheless, slower than expected deployment rates within all of the schemes under the programme have reached a point where the Trustees consider an impairment charge to the value of these social investment assets is appropriate. Accordingly, the investment is now held at a value of £99,200.
Grants made in the year ended 31 March 2019

Grants are included in the Statement of Financial Activities once they have been approved by the Trustees and grantees informed. This is a list of the new grants awarded in 2018/19.

Arts

**Alexander Whitley Dance Company**
Towards the salaries of the Producer and Artistic Director to lead the dance company in breaking new choreographic territory through research and using the creative possibilities of digital technology. £101,400 over three years

**Live Theatre**
Towards the costs of extending their *Creative Opportunities* programme to enable emerging and established writers to create and produce new plays. £90,000 over three years

**Mahogany Opera Group**
Towards the core costs of creating and performing new opera in original ways to stretch the boundaries of what opera can be and who it is for. £90,000 over three years

**Nuffield Southampton Theatres**
Towards the salaries of the Artistic Director and CEO to support the organisation through a time of change with the opening of the new theatre and development of new programmes. £90,000 over three years

**New Diorama Theatre**
Towards core costs of supporting new and emerging theatre companies from outside of London to create new work. £75,000 over three years

**Robert Pacitti Company**
Towards core costs to create, commission and produce new works as part of a year-round programme of activity. £90,000 over three years

**Siobhan Davies Dance Company**
Towards the costs of the *Continuous* programme, a new model for dance in galleries based on collaborative working between visual arts organisations and dance artists. £90,000 over three years

**Snape Maltings**
Towards the costs of their *Residencies* programme which provides time, space and resources for artists at any stage of their career to develop new work. £90,000 over three years

**Studio Wayne McGregor**
Towards core costs to provide free studio space for artists to develop new work, and in turn provide learning and engagement opportunities in their local communities across the country. £90,000 over three years

**The Academy of Ancient Music**
Towards core costs, specifically the re-discovery of little or unknown repertoire in order to present it in innovative ways based on rigorous research. £90,000 over three years
The Yard Theatre
Towards the costs of a new writers programme in partnership with theatres outside London. £90,000 over three years

Tron Theatre
Towards the costs of Tron CREATIVE, a programme supporting emerging artists in the development of new work. £67,104 over two years

Total Arts Grants £1,053,504

Environment

Buglife
Towards the salaries of Country Managers in Wales, Scotland and Northern Ireland to drive forward their conservation of invertebrates. £118,619 over three years

Cambridge Conservation Initiative
Towards the salary of a joint Public Engagement Officer to work across CCI and Cambridge Conservation Forum to increase public awareness of biodiversity conservation through a programme of events, lectures and exhibitions. £80,000 over three years

Environmental Investigation Agency Trust
Towards the costs of a programme to significantly reduce the use of plastics by supermarkets and influence government policy on this issue. £120,000 over two years

Fauna & Flora International
Towards the costs of a programme to restore and manage two marine parks in Anguilla to protect their important coastal biodiversity. £128,000 over three years

Fauna & Flora International
Towards the core costs of the Coastal Communities Network in Scotland to enable community groups to actively collaborate, share experiences and create a united voice on sustainable marine issues. £149,964 over three years

Marine Conservation Society
Towards the salary of a Caribbean UKOTs Conservation Officer to help develop environmental and social resilience in the region's communities. £153,000 over three years

New Economics Foundation
Towards the costs of the "Rethinking Coastal Management" project, which will promote green jobs and increase climate resilience in disadvantaged coastal areas. £70,000 over two years

ORCA
Towards the costs of strengthening its citizen science programme to identify and protect critical marine habitats important to cetaceans by expanding the data collection and improving the communication of the data. £90,000 over three years
Royal Society for the Protection of Birds
Towards the salary of an Assistant Programme Manager to support the conservation operation to restore Gough Island, through the eradication of mice. £45,340 over one year

Royal Society for the Protection of Birds (for St Helena National Trust)
Towards the salary of the Head of Conservation on St Helena, which aims to maintain and preserve the rich environmental and natural heritage of the island. £60,000 over three years

Scottish Wildlife Trust
Towards the costs of the Oceans of Value project which aims to improve marine protection by improving how the ocean is valued for its intrinsic qualities and economic value. £97,597 over three years

Sustain
Towards core costs of the "Campaign for a Better Food Britain" and policy advocacy work on sustainable fishing and farming. £150,000 over three years

Synchronicity Earth
Towards the costs of the High and Deep Seas programme supporting a combination of advocacy, research and campaigning. £90,000 over three years

Wales Environment Link
Towards the salaries of policy staff enabling them to continue the coordination of environmental policy and advocacy work in Wales. £150,000 over three years

Total Environment Grants £1,502,520

Welfare

Bail for Immigration Detainees
Towards the costs of their “Separated Families” project, providing legal advice and representation to parents held in or facing detention for immigration reasons. £90,000 over three years

Bromley by Bow Centre
Towards the salary of a National Development Coordinator to support the roll out of social prescribing schemes in England, enabling frontline NHS staff to refer patients to local non-clinical services. £71,000 over two years

Choir with No Name
Towards the core costs of their work with homeless and marginalised people, helping them build confidence and skills through singing. £75,000 over three years

Euan’s Guide
Towards the salary of a part-time Reviewer Engagement and Outreach Coordinator to help build their online community of disabled people sharing their experiences by posting reviews of the accessibility of the places they visit. £25,000 over two years
Jo Cox Foundation
Towards the costs of a programme of evaluation and learning from The Great Get Together 2018 to analyse and disseminate the experience from and benefits of bringing communities together. £78,900 over one year

MyBnk
Towards the costs of establishing a new hub in Liverpool to work with disadvantaged young people across the North West to empower them to be more in control of their finances. £120,000 over three years

Pathway
Towards the costs of creating a film and other learning resources for RESILIENT 1, a programme which aims to bring a fresh approach to improving the mental health of young people with severe mental health problems. £44,485 over one year

Shared Lives Plus
Towards the costs of establishing and developing a UK Carer Peer Champions network to support members who share their home with vulnerable people. £152,752 over three years

Stay Up Late
Towards the costs of expanding their Gig Buddies model, which matches befriending volunteers with people with learning disabilities and/or autism to enable them attend social and cultural events. £60,000 over three years

Street League
Towards the costs of their Monitoring and Evaluation team to deepen their understanding of their work and better support the young people on their programmes. £90,000 over three years

Zacchaeus 2000 Trust
Towards the core costs of working to solve and prevent problems in the disability benefits system identified by those most affected by the issues. £70,000 over three years

Total Welfare Grants £877,137

Social Action

Asylum Support Appeals Project
Towards core costs to enable them to prevent destitution amongst asylum seekers through legal representation and improving policy and practice. £90,000 over three years

Child Poverty Action Group
Towards the costs of the national ‘End Child Poverty’ coalition, which aims to hold the UK Government to account for its promise to end child poverty by 2020. £99,561 over three years

Every Child Protected Against Trafficking (ECPAT UK)
Towards core costs to enable them to continue campaigning on behalf of trafficked children in the UK to protect and uphold their rights. £120,000 over three years
Independent Parental Special Education Advice (IPSEA)
Towards the costs of increasing internal capacity to support individuals and thereby develop evidence for policy and advocacy work to ensure SEND children and young people get the right support and education. £97,953 over three years

INQUEST Charitable Trust
Towards the core costs of their policy work aiming to reduce state-related deaths, and support and empower the victims’ families to make sure their voices are heard. £120,000 over three years

Sheila McKechnie Foundation
Towards core costs to provide support to the campaigning sector through policy and advocacy work, training and consultancy. £150,000 over three years

User Voice
Towards the costs of developing the "User Knowledge" initiative to identify emerging issues in the criminal justice system, campaign for systemic change and proactively develop recommendations for wider service improvements. £120,000 over three years

YoungDementia UK
Towards the salary of the National Development Manager to develop and coordinate the Young Dementia Network which brings together people living or working with young onset dementia to drive changes in UK policy and practice. £90,000 over three years

Young Women’s Trust
Towards the costs of expanding their Advisory Panel of young women and increase their involvement in the Trust's advocacy and influencing work. £75,000 over three years

Total Social Action Grants £ 962,514

Museums and Galleries

Colchester and Ipswich Museums
Towards the costs of the Evolving our Natural Science project, to transform organisational understanding of four natural science collections and develop their in-house curatorial expertise. £87,255 over three years

Dorset County Museum
Towards the salary of a new Curatorial Director, to lead on the curation of four new permanent galleries, boosting organisational curatorial capacity. £90,172 over three years

Gainsborough's House
Towards the salary of the Keeper of Art and Place to maintain curatorial skills and collections-based work and continue the 'Art in Suffolk' initiative with museums across the county. £30,000 over one year
Holburne Museum of Art
Towards the salary of a Contemporary Curator, a new post shared between the Holburne and The Edge at the University of Bath, to develop innovative approaches to curating contemporary art. £89,431 over three years

National Museums Scotland
Towards the costs of the Natural Science across Scotland project, providing a curatorial training and support programme to over 40 local partner museums. £107,000 over two years

Woodhorn Charitable Trust (Museums Northumberland)
Towards the salary of a Project Curator, to provide a programme of collections – care training to staff and volunteers across the Trust's four Northumberland sites. £92,961 over two years

Total Museums and Galleries Grants £496,820

Other

Cranfield Trust
Towards the core costs of their work supporting the wider voluntary sector through the enabling of pro bono business support services to charities through its network of nearly 1000 volunteer consultants drawn from the commercial sector, who share their knowledge and skills, and provide independent advice and support. £90,000 over three years

ShareAction
Towards the core costs of their work promoting responsible investment, in order to ensure safe and sustainable communities and the environment, through promoting the integration of environmental, social and governance factors into investment analysis and decisions. £90,000 over three years

Social Finance
In collaboration with other funders, a grant towards costs of a project to develop a shared vision for change between multiple partners and identify two potential ‘concepts’ to be developed into practical interventions to bring about wider systemic change that will benefit older people who are most likely to be disadvantaged. The project will provide insights and learning, and strengthen relationships across and between sectors. £60,000 over eleven months

Total Other Grants £240,000

Additional grant-related expenditure not included in the above £45,104

TOTAL GRANTS MADE IN THE YEAR ENDING 31 MARCH 2019 £5,177,599
Structure, Governance and Management

Trustees
The Foundation's Trustees are listed at the end of this report. The governing document provides for a maximum of nine and a minimum of three. There are currently nine. 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 the Finance & 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 and Lady Ellerman and had strong links with the Ellerman companies. Over time, this has changed and 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. The most recent round of recruitment brought three new Trustees, each with experience and knowledge of the charitable sector, and substantial expertise in research, policy, campaigning, communications and digital.

Each new Trustee receives a full induction and a detailed information pack, covering the Foundation's governance, history, grant guidelines, investments and objectives. On-going 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 sift initial applications, visit those organisations invited to submit a second-stage application and provide written reports to the Board. Those appointed for their experience in one of the Foundation's funding categories play a lead role in formulating and monitoring the grantmaking strategy in that area. And those with investment expertise sit on the Finance & Investment Committee. All participate in occasional sub-groups to review the Foundation’s policies, practice and strategy.

Organisational Structure
The Trustee Board meets at least six times each year. The Board sets strategy and policy for grantmaking and financial matters, and approves new grants.

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

- The Finance & Investment Committee is responsible for financial and investment matters. The Committee's role includes developing an appropriate investment strategy, including responsible investment, overseeing its implementation and monitoring investment performance. It also reviews and recommends to the Board the annual budget and spending policy, monitors expenditure and ensures that adequate internal controls and procedures are in place. 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 & Audit Committee is responsible for reviewing systems of internal control of governance, operational and financial risks. Meeting at least twice a year, it also reviews the draft annual report and accounts, and meets the auditors.
• 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 to be appointed.

The day-to-day management of the Foundation’s 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 & 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.

The Foundation’s investment activities represent its 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.

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 procedures are included in the Foundation Handbook; these are updated regularly and reviewed annually by the Risk & Audit Committee. A Disaster Recovery Plan and Health & 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 the Foundation’s 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 listing all applications to be discussed. Staff and Trustees are also expected to alert those present to any interests, and may be asked to withdraw from the room 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 of the Foundation has a close relationship.
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 & 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 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 Statement of Recommended Practice (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 and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the 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 & Investment Committee

25 July 2019
Independent Auditors’ Report to the Trustees of the John Ellerman Foundation Charity

Opinion

We have audited the financial statements of John Ellerman Foundation for the year ended 31 March 2019 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 2019, 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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material
misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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
- 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 20, 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.

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.

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 2019

<table>
<thead>
<tr>
<th>Notes</th>
<th>Total Unrestricted Funds 2019 £'000</th>
<th>Total Unrestricted Funds 2018 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Income</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Expenditure</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Net gains on investments</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Net income/(expenditure)</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Net movement in funds</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Reconciliation of funds</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Income
- **Income from investments**: 3
  - **Income from grants**: -
- **Total income**: 4,091

### Expenditure
- **Expenditure on raising funds**: 771
- **Expenditure on Charitable Activities**
  - **Grants to charities**: 5,178
  - **Costs in support of grant-making**: 4
- **Total charitable activities**: 5,773

### Net gains on investments
- **Gains on investment assets**: 9
  - **Gains on investment assets**: 5,844

### Net income/(expenditure)
- **Net income/(expenditure)**: 3,391
  - **Net income/(expenditure)**: (2,476)

### Net movement in funds
- **Net movement in funds**: 3,391
  - **Net movement in funds**: (2,476)

### Reconciliation of funds
- **Total funds bought forward**: 140,156
- **Total funds at 31 March**: 143,547

All the above figures relate to continuing operations. There are no recognised gains or losses other than those disclosed.
Balance Sheet at 31 March 2019

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FIXED ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible Fixed Assets</td>
<td>8</td>
<td>1,513</td>
</tr>
<tr>
<td>Investments</td>
<td>9</td>
<td>144,168</td>
</tr>
<tr>
<td>Social Investment</td>
<td>9</td>
<td>99</td>
</tr>
<tr>
<td><strong>Total Fixed Assets</strong></td>
<td></td>
<td><strong>145,780</strong></td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>10</td>
<td>879</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td></td>
<td>3,707</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td></td>
<td><strong>4,586</strong></td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creditors: amounts falling due within one year</td>
<td>11</td>
<td>(4,757)</td>
</tr>
<tr>
<td><strong>NET CURRENT (LIABILITIES)/ASSETS</strong></td>
<td></td>
<td><strong>(173)</strong></td>
</tr>
<tr>
<td><strong>TOTAL ASSETS LESS CURRENT LIABILITIES</strong></td>
<td></td>
<td><strong>145,609</strong></td>
</tr>
<tr>
<td>Creditors: amounts falling due after more than one year</td>
<td>12</td>
<td>(2,061)</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td><strong>143,547</strong></td>
</tr>
<tr>
<td><strong>FUNDS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expendable Endowment Capital</td>
<td></td>
<td><strong>143,547</strong></td>
</tr>
<tr>
<td><strong>TOTAL FUNDS</strong></td>
<td></td>
<td><strong>143,547</strong></td>
</tr>
</tbody>
</table>

The financial statements were approved by the Trustees on 25 July 2019 and were signed on their behalf by:

Hugh Raven
Chair

GARY STEINBERG
Chair, Finance & Investment Committee
Statement of Cash Flows for the year ended 31 March 2019

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Net cash provided by/(used in) operating activities</td>
<td>15</td>
<td>(5,796)</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest received</td>
<td>16</td>
<td>14</td>
</tr>
<tr>
<td>Investment income received</td>
<td>4,075</td>
<td>4,151</td>
</tr>
<tr>
<td>Purchase of fixed assets</td>
<td>(55)</td>
<td>(8)</td>
</tr>
<tr>
<td>Movements in investments cash balance</td>
<td>(809)</td>
<td>(883)</td>
</tr>
<tr>
<td>(Loss)/gain on foreign exchange</td>
<td>-</td>
<td>195</td>
</tr>
<tr>
<td>Sale of investments</td>
<td>33,535</td>
<td>18,138</td>
</tr>
<tr>
<td>Purchase of investments</td>
<td>(30,343)</td>
<td>(16,024)</td>
</tr>
<tr>
<td>Purchase of social investment</td>
<td>(25)</td>
<td>(23)</td>
</tr>
<tr>
<td>Redemption of social investment</td>
<td>-</td>
<td>250</td>
</tr>
<tr>
<td></td>
<td>6,394</td>
<td>5,810</td>
</tr>
<tr>
<td>Increase/(decrease) in cash</td>
<td>598</td>
<td>(1,217)</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the</td>
<td>3,109</td>
<td>4,326</td>
</tr>
<tr>
<td>reporting period</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the</td>
<td>3,707</td>
<td>3,109</td>
</tr>
<tr>
<td>reporting period</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Notes to the Financial Accounts for the year ended 31 March 2019

1 Charitable status
The 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) 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. 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

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment income from assets in the UK</td>
<td>2,836</td>
<td>3,559</td>
</tr>
<tr>
<td>Investment income from assets outside the UK</td>
<td>1,240</td>
<td>688</td>
</tr>
<tr>
<td>Interest on cash deposits</td>
<td>16</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total investment income</strong></td>
<td>4,091</td>
<td>4,261</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants awarded in the year</td>
<td>5,178</td>
<td>5,580</td>
</tr>
<tr>
<td><strong>Total Grants to Charities (note 5)</strong></td>
<td>5,178</td>
<td>5,580</td>
</tr>
</tbody>
</table>

A list of grants awarded during the year ended 31 March 2019 is shown in the Annual Report.

**Grants awarded in the year:**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants paid in the year</td>
<td>1,543</td>
<td>1,668</td>
</tr>
<tr>
<td>Grants payable within one year</td>
<td>2,242</td>
<td>1,966</td>
</tr>
<tr>
<td>Grants payable after more than one year</td>
<td>1,393</td>
<td>1,946</td>
</tr>
<tr>
<td><strong>Total Grants to Charities</strong></td>
<td>5,178</td>
<td>5,580</td>
</tr>
</tbody>
</table>

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 room for these decisions.

In the financial year 2018/19 there were two such occurrences. Hugh Raven is Chairman of the Marine Conservation Society, which received a grant of £153,000 in July 2018. Hugh also declared a conflict with respect to the Scottish Wildlife Trust which received a grant of £97,597 in January 2019.
Analysis of total expenditure

<table>
<thead>
<tr>
<th>Costs of Raising Funds</th>
<th>Costs of Charitable Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Investment fees</td>
<td>691</td>
<td>691</td>
</tr>
<tr>
<td>Costs of Charitable Activities</td>
<td>5,178</td>
<td>5,178</td>
</tr>
<tr>
<td>Support costs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff costs (note 7)</td>
<td>49</td>
<td>325</td>
</tr>
<tr>
<td>Trustee costs (note 6)</td>
<td>10</td>
<td>89</td>
</tr>
<tr>
<td>Audit fees</td>
<td>-</td>
<td>12</td>
</tr>
<tr>
<td>Legal fees</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Depreciation</td>
<td>3</td>
<td>30</td>
</tr>
<tr>
<td>Monitoring &amp; Evaluation</td>
<td>-</td>
<td>27</td>
</tr>
<tr>
<td>General expenses</td>
<td>18</td>
<td>109</td>
</tr>
<tr>
<td></td>
<td>80</td>
<td>595</td>
</tr>
<tr>
<td>Total expenditure</td>
<td>771</td>
<td>5,773</td>
</tr>
</tbody>
</table>

Support costs include governance costs of £60,000 (2018: £58,000)
Trustees' remuneration

Trustees receive remuneration in accordance with the authority in the Scheme. In carrying out their duties, including visits to applicant charities, seven Trustees incurred travelling and related expenses totalling £7,096 (2018: £8,364), which have been included under Monitoring and Evaluation.

<table>
<thead>
<tr>
<th>Trustee</th>
<th>2019 (£'000)</th>
<th>2018 (£'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sarah Riddell, Chairman (until 31 July 2018)</td>
<td>6</td>
<td>14</td>
</tr>
<tr>
<td>Gary Steinberg, Chair of the Finance Committee</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Tim Glass (until 30 April 2018)</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td>Brian Hurwitz</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Peter Kyle, Chair of the Risk &amp; Audit Committee</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Hugh Raven, Chair (from 1 August 2018)</td>
<td>13</td>
<td>10</td>
</tr>
<tr>
<td>Geraldine Blake</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Keith Shepherd</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>Annika Small</td>
<td>9</td>
<td>-</td>
</tr>
<tr>
<td>Tufyal Choudhury</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td>Rebecca Bunce</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total remuneration</strong></td>
<td><strong>94</strong></td>
<td><strong>77</strong></td>
</tr>
<tr>
<td>Social Security costs</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Pension provision</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total remuneration and Social Security costs</strong></td>
<td><strong>98</strong></td>
<td><strong>80</strong></td>
</tr>
</tbody>
</table>
7 Employees

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>307</td>
<td>289</td>
</tr>
<tr>
<td>Employer's National Insurance costs</td>
<td>31</td>
<td>34</td>
</tr>
<tr>
<td>Pension costs</td>
<td>28</td>
<td>25</td>
</tr>
<tr>
<td>Temporary staff</td>
<td>8</td>
<td>22</td>
</tr>
<tr>
<td><strong>Total staff costs</strong></td>
<td>374</td>
<td>370</td>
</tr>
</tbody>
</table>

The average number of employees during the year ended 31 March 2019 was 5 (2018: 5). The average full-time equivalent number of employees analysed by function was:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generating funds</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Charitable activities</td>
<td>4.6</td>
<td>4.6</td>
</tr>
<tr>
<td><strong>Total full-time equivalent staff</strong></td>
<td>4.8</td>
<td>4.8</td>
</tr>
</tbody>
</table>

For each employee, the Foundation contributes to an approved private pension scheme. The total pension cost for the Foundation was £28,258 (2018: £25,000).

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

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>£60,001 - £70,000</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>£70,001 - £80,000</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>£80,001 - £90,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>£90,001 - £100,000</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>£100,001 - £110,000</td>
<td>1</td>
<td>-</td>
</tr>
</tbody>
</table>

For these employees, the Foundation made contributions to their approved private pension schemes totalling £20,681 (2018: £20,147) 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 £361,049 (2018: £365,001). 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

<table>
<thead>
<tr>
<th></th>
<th>Leasehold property</th>
<th>Furniture, Fittings and Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td><strong>Cost or valuation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 April 2018</td>
<td>1,250</td>
<td>341</td>
<td>1,591</td>
</tr>
<tr>
<td>Purchases during year</td>
<td>-</td>
<td>55</td>
<td>55</td>
</tr>
<tr>
<td>At 31 March 2019</td>
<td>1,250</td>
<td>396</td>
<td>1,646</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 April 2018</td>
<td>-</td>
<td>99</td>
<td>99</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>-</td>
<td>34</td>
<td>34</td>
</tr>
<tr>
<td>At 31 March 2019</td>
<td>-</td>
<td>133</td>
<td>133</td>
</tr>
<tr>
<td><strong>Net book value at 31 March 2018</strong></td>
<td>1,250</td>
<td>242</td>
<td>1,492</td>
</tr>
<tr>
<td><strong>Net book value at 31 March 2019</strong></td>
<td>1,250</td>
<td>263</td>
<td>1,513</td>
</tr>
</tbody>
</table>

As at 1 April 2014, the leasehold property had been re-valued at £1,250,000 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

<table>
<thead>
<tr>
<th></th>
<th>31 March 2019 £'000</th>
<th>31 March 2018 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment assets in the UK</td>
<td>84,266</td>
<td>82,096</td>
</tr>
<tr>
<td>Investment assets outside the UK</td>
<td>56,448</td>
<td>55,996</td>
</tr>
<tr>
<td>Total investments, excluding cash</td>
<td>140,714</td>
<td>138,092</td>
</tr>
<tr>
<td>Investment cash accounts in the UK</td>
<td>3,454</td>
<td>2,645</td>
</tr>
<tr>
<td>Total investments at 31 March</td>
<td>144,168</td>
<td>140,737</td>
</tr>
</tbody>
</table>

The historical cost of the investments (including cash) held at 31 March 2019 was £119,838,000 (31 March 2018: £119,220,000).

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

<table>
<thead>
<tr>
<th></th>
<th>2019 £'000</th>
<th>2018 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 April</td>
<td>138,092</td>
<td>140,317</td>
</tr>
<tr>
<td>Purchases at cost</td>
<td>30,343</td>
<td>16,024</td>
</tr>
<tr>
<td>Disposal proceeds</td>
<td>(33,535)</td>
<td>(18,138)</td>
</tr>
<tr>
<td>Net investment gains</td>
<td>5,813</td>
<td>(111)</td>
</tr>
<tr>
<td>At 31 March</td>
<td>140,714</td>
<td>138,092</td>
</tr>
</tbody>
</table>

Investments are listed on recognised stock exchanges and valued at the middle market prices ruling at the period end. During the year, £2.0m (2018: £1.0m) was withdrawn from the investment portfolios to provide working capital.

The movement during the year of social investments was:

<table>
<thead>
<tr>
<th></th>
<th>2019 £'000</th>
<th>2018 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 April</td>
<td>147</td>
<td>374</td>
</tr>
<tr>
<td>Purchases at cost</td>
<td>25</td>
<td>23</td>
</tr>
<tr>
<td>Redemption proceeds</td>
<td>-</td>
<td>(250)</td>
</tr>
<tr>
<td>Impairment charge</td>
<td>(73)</td>
<td>-</td>
</tr>
<tr>
<td>At 31 March</td>
<td>99</td>
<td>147</td>
</tr>
</tbody>
</table>
## Gains on revaluations and disposals of investments:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>£'000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment gains/(losses)</td>
<td>5,741</td>
<td>(111)</td>
</tr>
<tr>
<td>Realised gains/(losses) on foreign currency</td>
<td>104</td>
<td>195</td>
</tr>
<tr>
<td><strong>Total gains on revaluations and disposals of investments</strong></td>
<td><strong>5,844</strong></td>
<td><strong>84</strong></td>
</tr>
</tbody>
</table>

## 10 Debtors

<table>
<thead>
<tr>
<th></th>
<th>31 March 2019</th>
<th>31 March 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Accrued income and prepayments</td>
<td>878</td>
<td>908</td>
</tr>
<tr>
<td>Other debtors</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>879</strong></td>
<td><strong>909</strong></td>
</tr>
</tbody>
</table>

## 11 Creditors: amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>31 March 2019</th>
<th>31 March 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Accrued expenditure</td>
<td>214</td>
<td>198</td>
</tr>
<tr>
<td>Other creditors</td>
<td>24</td>
<td>10</td>
</tr>
<tr>
<td>Grants payable</td>
<td>4,506</td>
<td>3,579</td>
</tr>
<tr>
<td>Other taxation and social security</td>
<td>13</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,757</strong></td>
<td><strong>3,802</strong></td>
</tr>
</tbody>
</table>

*Included within accrued expenditure is an amount of £2,338 (2018: £2,338) due to pension schemes.*

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

<table>
<thead>
<tr>
<th></th>
<th>31 March 2019</th>
<th>31 March 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Grants payable between 1 to 2 years</td>
<td>2,061</td>
<td>2,436</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,061</strong></td>
<td><strong>2,436</strong></td>
</tr>
</tbody>
</table>
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 2019, the Foundation had provided a total of £150,000 in respect of this commitment, leaving a residual commitment of £7,000.

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

<table>
<thead>
<tr>
<th></th>
<th>31 March 2019</th>
<th>31 March 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Between one and five years</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>31 March 2019</th>
<th>31 March 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>£'000</td>
<td>£'000</td>
</tr>
</tbody>
</table>

Net income/(expenditure) for the reporting period
3,392 (2,476)

Depreciation charges
34 31
Bank interest received
(16) (14)
Investment income
(4,075) (4,151)
Loss/(profit) on foreign exchange
- (195)
(Profit)/ Loss on revaluation of investments
(5,741) 111
(Decrease)/decrease in debtors
30 (220)
Increase/(decrease) in creditors
580 (113)

Net cash provided by (used in) operating activities
(5,796) (7,027)
Trustees, Staff and Registered Office of the Foundation

Board of Trustees
Hugh Raven (Chair from 1 August 2018)
Geraldine Blake
Rebecca Bunce (from 1 September 2018)
Tufyal Choudhury (from 1 May 2018)
Tim Glass (until 30 April 2018)
Dr Brian Hurwitz MD
Peter Kyle OBE, CCMI
Sarah (Lady) Riddell LVO (Chairman until 31 July 2018)
Keith Shepherd
Annika Small OBE (from 1 June 2018)
Gary Steinberg

The following Trustees are members of or served on Committees at 31 March 2019:

Finance & Investment Committee: Gary Steinberg (Chair), Keith Shepherd and Annika Small (from 27 September 2018)

Remuneration Committee: Hugh Raven (Chair), Gary Steinberg, Brian Hurwitz, and Peter Kyle.

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

Members of Staff
Nicola Pollock Director
Matthew Whittell Head of Finance & Resources
Dorothee Irving Head of Grants
Emma Clarke Grants and Administration Manager
Lauren Williamson Office Manager (until 2 May 2019)
Jacqueline Shannon Office Manager (from 20 May 2019)

Registered address of the Foundation
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 Number 263207
Advisers to the Foundation

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

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

Investment Advisers
Stanhope Consulting, 35 Portman Square, London W1H 6LR

Investment Managers at 31 March 2019
Fulcrum Asset Management, Marble Arch House, 66 Seymour St, London W1H 5BT
Charities Property Fund, Cordea Savills, 33 Margaret Street, London W1G 0JD
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
Smith & Williamson Investment Management LLP, 25 Moorgate, London EC2R 6AY

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

Museums and Galleries Fund Advisers
Caroline Collier OBE, Consultant
Dr Virginia Tandy OBE, Consultant