

THE ERM FOUNDATION
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022



THE ERM FOUNDATION
A COMPANY LIMITED BY GUARANTEE
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Sabine Hoefnagel Tunde Morakinyo James Stacey
Charity number	1113415
Company number	ERM Foundation 05621200
Registered office	Exchequer Court 33 St Mary Axe London EC3A 8AA
Principal address	2nd Floor Exchequer Court 33 St Mary Axe London EC3A 8AA
Independent Examiner	Mr C J Dadswell FCA DChA Caladine Ltd Chantry House 22 Upperton Road Eastbourne BN21 1BF
Banker	Barclays Bank PLC One Churchill Place London E14 5HP
Solicitor	Veale Wasbrough Vizards Barnards Inn 86 Fetter Lane London EC4A 1AD
Chair	Sabine Hoefnagel

THE ERM FOUNDATION
A COMPANY LIMITED BY GUARANTEE
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THE ERM FOUNDATION
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their report and financial statements for the year ended 31 March 2022.

The accounts have been prepared in accordance with the accounting policies set out in note to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)"

Structure, governance and management

The Foundation is a company limited by guarantee, incorporated on 14 November 2005. The Foundation is also a registered Charity and is governed by its Memorandum and Articles of Association as amended dated 17 March 2006 and by the Charities Act 2011. The objectives of The Foundation are as follows:

1. To promote for the benefit of the public, sustainable development by the preservation, conservation and protection of the physical and natural environment.
2. To relieve poverty, suffering and hardship in any part of the world.

Sustainable development means "development that meets the needs of the present without compromising the ability of future generations to meet their own needs".

The Trustees, who are also the directors for the purpose of company law, who served during the year and to the date of approval, were:

Sabine Hoefnagel
Tunde Morakinyo
James Stacey

Caroline Vail is responsible for the day-to-day management of The ERM Foundation. None of the Trustees has any beneficial interest in the company. Each of the Trustees is a member of the company and guarantees to contribute £1 in the event of a winding up.

Under the terms of the charity's constitution, management of the charity's affairs is vested in the Board of Trustees. The Board of Trustees has the right to appoint members to the Management Committee either as additional members or to fill any casual vacancies.

The chair of the Trustees is responsible for the induction of any new Trustees which involves awareness of Trustee's responsibilities, the governing document, administrative procedures, the history and philosophical approach of the charity. A new Trustee will receive copies of the previous year's annual report and financial statements and a copy of the Charity Commission leaflet "The essential trustee: What you need to know".

No trustees have received any remuneration or expenses for their roles in the financial year.

Public Benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing The Foundation's aims and objectives and when planning future activities and setting the loan making policy for the next year.

The ERM Foundation supports environmental, community and sustainable development causes that are of benefit to the public through appropriate charitable, educational and technical means. The ERM Foundation is run by employees of ERM, a global sustainability consulting group, and others. The ERM Foundation provides pro-bono as well as financial support to projects and social enterprises primarily located in Europe and the developing world. These include protecting local livelihoods, increasing access to clean energy for off-grid communities, providing environmental education and creating sustainable employment.

THE ERM FOUNDATION
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Risk management

The Trustees have identified, monitored, and reviewed significant risks and have implemented systems and processes to manage and mitigate those risks. The main risks facing the charity are that we fail to maintain employee donations, which are the Foundation's funding base. However, ERM (the company) covers all of the Foundation's overhead and management costs, so the impact would be slight.

Objectives and activities

The ERM Foundation's objectives are to provide support to environmental, community and sustainable development causes that are of benefit to the public through appropriate charitable, educational and technical means. This is done through appropriate charitable, educational and technical endeavours.

The ERM Foundation selects projects to support that adhere to one or more of the following criteria:

- Reducing carbon emissions
- Protecting the natural environment
- Improving access to clean water and sanitation
- Supporting female livelihoods

The ERM Foundation seeks, through its programmes and partnerships, to provide financial resources and technical pro-bono support and volunteer time in ways that result in a better global environment achieved through sustainable and equitable development. ERM has provided generous support through making available technical, administrative and management support on an as-needed basis.

The ERM Foundation aims to be a responsive and learning organisation that is knowledgeable about the development, aspirations, needs, culture and environment of its partners. It is committed to encouraging diversity and professionalism among all its members, staff and volunteers.

The ERM Foundation raises money from employees of ERM and other donors. ERM provides matching funds where those donations are raised by employees specifically for charitable purposes. The ERM Foundation is advised by a committee of specialists from ERM's current staff and alumni.

The ERM Foundation also coordinates a variety of activities whereby ERM staff provide professional and volunteering support to environmental and social initiatives of benefit to local communities.

Achievements and performance in the year to 31 March 2022 ('FY22')

In FY22, core funding for the ERM resumed following the peak of the COVID-19 pandemic, and some limited employee fundraising resumed, though at a reduced level due to on-going home working arrangements. The ERM Foundation provided funding for two on-going partnerships: Solar Aid, which invests in networks of female solar entrepreneurs in sub-Saharan Africa, and Catalyse Change, which provides mentoring and work placements for young women wishing to pursue careers in sustainability in the United Kingdom.

During FY22, there was also a fundraise among ERM shareholders to establish a new ERM Foundation Future Fund ("Future Fund"). The purpose of the Future Fund is to accelerate progress towards the Sustainable development goals by investing in programmes at the intersection between biodiversity protection, women's livelihoods, and climate action. The progress to short list grantees commended in FY22, the first tranche of funding will be disbursed in FY23.

During FY22 the ERM Foundation published a digital-only Annual Review showcasing achievements from the financial year, including grant funding and employee-led professional support.

**A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2022

Financial Review

During FY22, ERM Foundation received/raised US \$499,434 in donations. Donations are comprised of \$355,556 in cash received via fund raising and cash donations and \$143,878 of donated services through pro bono of ERM Ltd employee's time working for ERM Foundation. Expenses for the year amounted to \$189,154 leading to a surplus of \$310,280. Funds at the balance sheet date stood at \$363,870 and all funds are unrestricted.

Plans for the Future

In FY23 ERM Foundation plans to:

- Invest the first tranche of funding for Future Fund partnerships in APAC and EMEA regions.
- Undertake a third survey of corporate foundations in the UK and share research findings in a report and roundtable event. The objective is to improve understanding and transparency within this sector – this will be an annual report going forward.
- Continue to identify new ways to raise funds and engage ERM employees as patterns of work and employee engagement shifts.
- Achieve the ERM Foundation's FY23 global impact-based targets and public commitments.
- Continue to provide pro bono professional support for a range of charitable organizations.
- Continue to work with other corporate foundations and philanthropic organizations to share best practice and identify opportunities for collaboration.
- Publish our FY23 ERM Foundation Annual Review, setting out a range of case studies of projects undertaken around the world.
- Work towards securing a 0.5% investment of ERM profits in ERM Foundation grants, globally.

On behalf of the board of Trustees



Sabine Hoefnagel

Trustee

Company number: ERM Foundation 05621200,
Charity number: 1113415

THE ERM FOUNDATION
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES

Statement of Trustees' responsibilities in respect of the trustees' annual report and the financial statements

The trustees, who are also the directors of The ERM Foundation for the purpose of company law, 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).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate 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 Companies Act 2006. 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.

THE ERM FOUNDATION
A COMPANY LIMITED BY GUARANTEE
INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE ERM FOUNDATION

I report to the trustees on my examination of the financial statements of The ERM Foundation (the charity) for the year ended 31 March 2022.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Colin Dadswell FCA DChA
Caladine Ltd
Chantry House
22 Upperton Road
Eastbourne
East Sussex
BN21 1BF

Dated: 14/12/2022

THE ERM FOUNDATION
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 US\$ Total Funds	2021 US\$ Total Funds
<u>Income</u>			
Donations and legacies	2	499,434	191,436
Total income		499,434	191,436
<u>Expenditure</u>			
Expenditure on charitable activities	3	189,154	183,090
Total expenditure		189,154	183,090
Net income / (expenditure)		310,280	8,346
Net movement in funds for the year		310,280	8,346
Reconciliation of funds			
Total funds brought forward		53,590	45,244
Total funds carried forward		363,870	53,590

The statement of financial activities also complies with the requirement for an income and expenditure account under the Companies Act 2006. All income and expenditure is unrestricted.

The notes on pages 9 to 12 form part of the financial activities.

THE ERM FOUNDATION
A COMPANY LIMITED BY GUARANTEE
BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022	2021
		US\$	US\$
Current assets			
Cash at bank and in hand	7	363,870	53,590
Total current assets		363,870	53,590
Creditors: Amounts falling due within one year			
		-	-
Net assets			
		363,870	53,590
The funds of the charity			
General unrestricted funds	9	363,870	53,590
Total funds		363,870	53,590

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board 13 December 2022.



Sabine Hoefnagel

Trustee

Company number: ERM Foundation 05621200

Charity number: 1113415

THE ERM FOUNDATION
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF CASH FLOWS

AS AT 31 MARCH 2022

		2022	2021
		Unrestricted	Unrestricted
	Notes	US\$	US\$
Cash flows from operating activities	6	310,280	7,539
Change in cash and cash equivalents in the year		310,280	7,539
Cash and cash equivalents at the beginning of the year		53,590	46,051
Cash and cash equivalents at the end of the year		363,870	53,590

THE ERM FOUNDATION
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies

Company information

The ERM Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is Exchequer Court, 33 St Mary Axe, London, EC3A 8AA.

1.1. Accounting convention

The accounts have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in US Dollars. Monetary amounts in these financial statements are rounded to the nearest \$. The functional currency of the charity is British pounds but accounts are prepared in US Dollars in line with figures prepared for ERM Worldwide Limited who support the foundation.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2. Income

Incoming resources are accounted for on the basis of entitlement, measurement criteria being met and when income becomes probable.

1.3. Expenditure

When the Foundation has entered into a legally enforceable contract to make charitable grants in future periods, this expenditure is recognised in the period in which the commitment is made. This is also the case where there is a constructive obligation to make such grants. The Foundation is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

1.4. Foreign exchange

The charity operates in local currencies in its main operating jurisdictions, ERM Foundation operates in the UK and also select countries when ERM has an office or working presence. Transactions in other foreign currencies are recorded at the rate ruling at the date of transaction and outstanding balances are regularly revalued to reflect the prevailing rates of exchange.

1.5. Going concern

On the basis of their assessment of the charity's financial position, the directors of The Foundation have a reasonable expectation that the charity will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.6 Donated services

The ERM Foundation receives donated services from ERM employees in their capacity as consultants. The donated services included in the Statement of Financial Activities reflect the value of their donated time at their set ERM charge out rates. The cost of the audit is donated by ERM Europe Ltd, there were no other fees paid to the auditor.

THE ERM FOUNDATION
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1.7 Tax

The ERM Foundation is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.8 Financial Instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

2 Donations and legacies

	2022	2021
	US\$	US\$
	Total Funds	Total Funds
Donations and gifts	355,556	24,556
Voluntary income	-	-
Donated services	143,878	166,880
	<hr/>	<hr/>
Donations and legacies	499,434	191,436
	<hr/>	<hr/>

THE ERM FOUNDATION
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

3 Expenditure on charitable activities

	2022	2021
	US\$	US\$
	Total Funds	Total Funds
Charitable activities:		
Grants to institutions	38,674	19,915
Bank charges	316	307
Donated services	143,878	166,880
FX loss/gain	6,286	(4,012)
Governance costs:		
Governance costs	-	-
Expenditure on charitable activities	<u>189,154</u>	<u>183,090</u>

The independent Examiner was paid \$1,654 (2021: \$1,654) for undertaking the examination. This amount was paid by ERM Europe Limited,

4 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year (2021: \$Nil). No expenses were paid to the Trustees of the ERM Foundation (2021: \$Nil). The Trustees have donated an aggregate sum of \$Nil (2021: \$Nil) to the charity in the year.

5 Employees

There were no employees during the year (2021: Nil).

6 Reconciliation of net movements in funds to net cash flow from operating activities

	2022	2021
	US\$	US\$
Net movements in funds	310,280	8,346
(Gains)/losses on investments	-	-
Increase/(decrease) in creditors	-	(807)
(increase)/decrease in debtors	-	-
Non-cash donations	-	-
Net cash used in operating activities	<u>310,280</u>	<u>7,539</u>

THE ERM FOUNDATION
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

7 Analysis of cash and cash equivalents

	2022 US\$	2021 US\$
Cash in hand	363,870	53,590

8 Capital Commitments

There were no capital commitments at the end of the financial year for which no provision has been made (2021: \$Nil).

9 Movement of Funds

	As at 1 April 2021 US\$	Incoming resources US\$	Outgoing resources US\$	As at 31 March 2022 US\$
Unrestricted funds	53,590	499,434	(189,154)	363,870
Total funds	53,590	499,434	(189,154)	363,870

10 Analysis of net assets between funds

	2022 US\$ Unrestricted Funds	2022 US\$ Total Funds	2021 US\$ Unrestricted Funds	2021 US\$ Total Funds
Funds balances at 31 March 2022 are represented by:				
Current assets	363,870	363,870	53,590	53,590
Total net assets	363,870	363,870	53,590	53,590

11 Related Party Disclosures

ERM Worldwide Limited supported The ERM Foundation with pro-bono time and matching funds for monies raised by ERM Staff to support Foundation projects. The cost of the independent examination was borne by ERM Europe Limited who also provided management and administrative support. As the management support received by The ERM Foundation was so small it has been deemed immaterial and has therefore not been reflected as a gift in kind.