

THE POWER OF  
nutritio<sup>n</sup>

# The Power of Nutrition

Annual Report and Financial Statements

For the year ended 31 December 2020

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114-118 Southampton Row, London, WC1B 5AA

Company number: 09288843

Registered charity number: 1160373

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@FundNutrition

# Trustees' Annual Report

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The Power of Nutrition, a company limited by guarantee, was incorporated in England and Wales on 30 October 2014 with company number 09288843. It was registered as a charity in England and Wales on 6 February 2015 with charity number 1160373.

## Reference & Administrative Details

Company number	09288843
Charity number	1160373
Registered office and operational address	114-118 Southampton Row, London WC1B 5AA (Operational)  One Bartholomew Close, London EC1A 7BL (Registered)
Trustees	Trustees, who are also directors under company law, who served during the period and up to the date of this report were as follows:  Jonathan Brinsden David Bull CBE Michael Rann Ertharin Cousin (resigned 3 July 2020) Mark Cutifani Alasdair Cook Caroline Kuhnert Faustina-Fynn Nyame (appointed 3 July 2020, resigned 5 August 2021)
Principal staff	Simon Bishop (Chief Executive, appointed January 2021) Martin Short (Chief Executive, resigned September 2020) Michelle Thompson (Director of Partnerships and Brands) Alok Ranjan (Director of Investments, appointed January 2021) Mavis Owusu-Gyamfi (Director of Investments, resigned June 2020) Chris Skeet (Director of Finance) Carla Martins (Director of Human Resources and Operations)
Bankers	Barclays PO Box 885 Mortlock House, Station Road Histon CB24 9DE  HSBC 133 Regent Street, London W1B 4HX
Solicitors	BDB Pitmans One Bartholomew Close, London EC1A 7BL
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House, 108-114 Golden Lane, London, EC1Y 0TL

## Message from the Chief Executive

In 2020, 149 million children under five suffered from stunting, a life-altering condition caused by chronic undernutrition, repeated infections, and inadequate childcare and feeding practices. This number increased for the first time in decades. The impacts of stunting are irreversible and go beyond the individual – it affects physical and cognitive development, reducing life prospects and potential. Despite the astounding number of undernourished women and children, the affordability of proven interventions, and the well-known high return of investment, nutrition remains one of the most underfunded areas in development. In 2020, still less than 0.1% of Overseas Development Assistance (ODA) budget was channelled to direct nutrition interventions.

The complexities and challenges the COVID-19 pandemic introduced – impacting nutrition programming, shrinking national economies, and reducing bilateral aid budgets – exacerbated the existing undernutrition crisis and widened the nutrition financing gap. With an estimated additional \$1.7bn of annual funding<sup>1</sup> needed to mitigate the effects of COVID-19 on nutrition (on top of the recommended \$7bn annual nutrition funding gap required to meet the World Health Assembly's targets), **The Power of Nutrition's goal to leverage funding for nutrition is more important than ever.**

The Power of Nutrition was created in 2015 to mobilise new funding for nutrition to invest in programmes tackling stunting at scale, and to enhance the prioritisation of nutrition within governments, foundations, and business actors. As this summary demonstrates, The Power of Nutrition has made important progress against these targets.

### 2015-2020 Achievements

#### DELIVERING FOR WOMEN AND CHILDREN

**60 million**  
women and children  
impacted since 2015



Our partnerships are delivering direct and indirect nutrition interventions to people at greatest risk of stunting. In 2020 alone, our programmes have collectively improved the lives of **12.5 million** children, **1.2 million** adolescents and **7.8 million** women.

**15 programmes**

across Sub-Saharan Africa and Asia

We added **3** new programmes to our portfolio in the past year

We now cover **12** countries with the highest burden of stunting



#### MORE NUTRITION, MORE MONEY

Portfolio of programmes close to  
**USD 500 million**



Since our inception, we have raised **USD 87 million** in diverse investments – unlocking further critical funds for nutrition.

Convened **40+**  
strategic partnerships



Since 2015, we have brokered strong multisectoral partnerships across private and public sectors to maximise the impact of our interventions and transform children's futures.

<sup>1</sup> Standing Together for Nutrition Consortium report: "The COVID-19 crisis will exacerbate maternal and child undernutrition and child mortality in low- and middle-income countries", 2021: <https://www.nature.com/articles/s43016-021-00319-4>

## Programme portfolio

We are proud to share that, as of December 2020, The Power of Nutrition's programmes have helped **prevent 413,000 cases of stunting, 13,500 child deaths, and 513,000 cases of maternal anaemia.**

Since the organisation's inception, the programmes have enabled 40.3 million children under-five, 1.2 million adolescents, and over 18.5 million pregnant and lactating women or new mothers to access vital nutrition solutions including Iron and Folic Acid supplements, Vitamin A supplements, education on Infant and Young Child Feeding and Growth Monitoring Promotion services – reaching **over 60 million people.**

These achievements were made possible with the dedication, funds, and expertise our implementing partners and investors bring to our multi-sectoral partnerships.

*"In 5 years, The Power of Nutrition has established itself as a key player in the global nutrition landscape and operationalised a complex model. [It has] significantly exceeded expectations in terms of the number of women and children reached with key nutrition services."*

**– FCDO Annual Review, 2021**

This reporting period was affected by the spread of COVID-19, where implementers of some programmes had to reduce service provision or scale-up activities. Agility was critical, and we continued to drive fundraising for **COVID-19 nutrition-focused responses** and work with partners to maintain oversight of services and develop contingency plans. Programmes strengthened community education on handwashing with soap and sanitation where possible.

The pandemic also affected knowledge of how health and nutrition services were being impacted. In Africa, while we observed a worrying increase in numbers of malnourished people (Madagascar and Burkina Faso in particular) and reduced spending on activities (Cote d'Ivoire, Tanzania, Benin, Nigeria, Burkina Faso), very few national nutrition results were published due to delayed surveys. The pandemic also caused further reduced IDA availability in Lesotho, meaning our newly approved programme was reduced from \$64.4m to a total programme size of \$26.2m.

COVID-19 provided The Power of Nutrition with intelligence on **good practices and learnings**, which will feed into the design of new investments and ongoing portfolio management. This includes the importance of flexible and adaptable programming, communications on the benefits of nutrition to avoid

## Rwanda Case Study

Our investment in Rwanda has enabled **1.5 million women and children** to access essential health and nutrition interventions (almost 700,000 children, over 850,000 women).

Key achievements in the programme's first two years:

- **Micronutrient powders introduced to 31% of the target population** in certain regions (previously 0%), reaching 77,000 children aged 6-23 months.
- **88% of children under-five had their height measured** at a facility in 2020. Exceeded target of 30% for the year (reaching over 450,000 more children than planned).
- Over **52,000 children aged 6-23 months consuming fortified based flour.**
- The programme is **digitalising the vital registration system** and linking it with the social protection system. These innovative digital health activities allow better distribution of benefits, better monitoring of outcomes and services, and enhance synergies between sectors.

dips in service demand during crises, and the opportunities and complexities of digital-based approaches.

Despite the challenges, our portfolio continued to expand and, as of December 2020, The Power of Nutrition had approved investments in **15 programmes across 12 countries** in sub-Saharan Africa and Asia, representing a total co-investment portfolio worth **\$473m**.

## Fundraising

Between January and December 2020, six Letters of Intent were received by The Power of Nutrition, representing \$9.1m of future grant commitments.

- \$3 million from the Bill and Melinda Gates Foundation (BMGF) for operational expenditure
- \$2.5 million from The End Fund
- \$2.5 million from Open Philanthropy
- \$13,000 from Wood PLC
- \$1 million from Cargill
- \$75,000 from The Cloudera Foundation

Please note that funds committed through Letters of Intent will not all be recognised as income in our accounts in the year of receipt due to Income recognition rules but does provide a good indicator of fundraising activity as well as the diversity of donors.

2020 was one of the most challenging fundraising periods for both The Power of Nutrition and the broader sector since our inception due to the impact of Covid-19. With philanthropy, corporate and development budgets prioritising humanitarian or short-term crisis relief responses, and the Tokyo Nutrition for Growth (N4G) Summit being postponed to 2021, nutrition financing dropped down the agendas of global leaders and investors. The exceptional virtual nature of the year also made relationship-building a significant challenge.

Given these complexities, our expanded network is a huge achievement, and we celebrate the breadth and diversity of our partners committed to ending stunting. As of December 2020, we have brokered **over 40 multi-sectoral partnerships** across private and public sectors and directly raised over **\$87m** in investments, unlocking new and critical funds for nutrition.

*"The Power of Nutrition is filling a critical gap in the sector by aligning donors and country governments around common priorities and supporting countries in scaling up evidence-based nutrition-specific interventions".*

**- Mathematica Midline Assessment, 2020**

## Communications and advocacy

2020 saw **increased focus on advocacy** to keep nutrition high on the agenda of decision-makers, especially in light of UK Aid budget cuts and the delayed N4G Summit, which removed a huge opportunity for putting global focus on nutrition. Influencing efforts included joint engagement of political lobbyists alongside nutrition sector peers, and direct outreach by The Power of Nutrition, which led to meetings with Members of Parliament and parliamentary advocacy groups.

Like many organisations, we pivoted our communications approach and increased our digital presence, allowing us to maintain a proactive external voice. We published regular communications to keep

stakeholders informed on our progress, including e-newsletters, blogs, videos, social media updates, and our first public-facing Biannual Report. Our **digital engagement rates improved exponentially**, with LinkedIn followers increasing by 70% and website visits up 50% in one year.

Our narrative in stakeholder and external communications focused on the widespread and long-term impact of Covid-19 on nutrition, reinforcing the growing numbers of stunted children and the declining funds for nutrition. We hosted educational webinars with partners, including Royal DSM and Bill & Melinda Gates Foundation, allowing potential donors to re-engage with The Power of Nutrition and raising awareness of shared issues. We secured thought leadership platforms for The Power of Nutrition, with media coverage including the Financial Times and a podcast on Business Fights Poverty and speaking slots at the RESULTS International Conference and AVPN Global Conference.

## Looking ahead

Six years since the creation of The Power of Nutrition, we enter a new phase for the organisation.

With a new CEO in place, 2021 has seen our team, Board, and partners engaged in a strategic review to define our role in the nutrition financing sector, respond to a complex (and increasingly challenging) funding landscape, and evolve our model and ways of working to meet the needs of those to whom we are most accountable – malnourished children, adolescents, and women. This process will culminate in late 2021 with a refined model and new organisational strategy for 2022-25 '*Transforming global nutrition fundraising, together*'. This will see The Power of Nutrition keep much of its DNA, including attracting new money to nutrition, convening partnerships and defragmenting the market. We will expand our focus on stunting to tackle all forms of malnutrition and will move from our current prescriptive 'x4 leverage' model to two responsive, innovative models. This will include launching Nutrition Ventures, an innovative financing platform that will see The Power of Nutrition expand beyond (the sadly shrinking) traditional grant aid as its main instrument to explore a range of innovative financing mechanisms and funding flows, with the aim of helping the global nutrition sector become pioneers in innovative financing. We'll also shift from a focus on fundraising for our own programmes to act much more as a tenacious sector champion and public good. All of this will make us a much more sustainable organisation, with diversified sources to fund operational expenditure (OpEx), a more balanced risk/return portfolio, a wider donor base – and with more relevance to changing global agendas.

The Power of Nutrition and partners have also been working on new research quantifying the long-term costs and socioeconomic impact of stunting in childhood. This novel research will launch in 2021 and will bolster the evidence base for investing in nutrition.

Appropriately, 2021 is the 'Nutrition for Growth Year of Action', and the UN Food Systems Summit and Tokyo N4G Summit provide major platforms for The Power of Nutrition to communicate our plans and evidence our value-add for the sector, while pushing for renewed global prioritisation of nutrition. We intend to play an integral role in catalysing action and, through our network, mobilise new financial commitments and partnerships to transform global nutrition and improve the lives of millions more children, adolescents, and women.

Simon Bishop

CEO, The Power of Nutrition

## Strategic Report

The Board of Trustees of The Power of Nutrition, which is also its board of directors, hereby presents the information required by the Companies Act 2006 (the Strategic Report and Directors' Report) together with the financial statements for the year ended 31 December 2020.

Reference and administrative information set out on page 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2015).

### 1. Objectives & activities

#### 1.1. Background

The Power of Nutrition – a company limited by guarantee and a charity registered in the UK, and principally referred to as a “charitable foundation” – grew from a commitment by the Children's Investment Fund Foundation (CIFF), the UK's Department for International Development (DFID [now known as The Foreign, Commonwealth and Development Office - FCDO]) and the UBS Optimus Foundation (UBSOF) to develop a catalytic financing facility that would bridge a financing gap in the nutrition sector to accelerate progress on child undernutrition. It was registered in February 2015 and formally launched in April 2015.

#### 1.2. Purposes & aims

The Power of Nutrition was created to generate new resources to prevent undernutrition and to improve nutrition outcomes for children at scale. Our aim is to save lives and protect children from low birthweight, stunting and other forms of undernutrition. Nutrition is a fundamental building block for life. It is also recognised as a powerful multiplier for economic and social development: it saves lives and enables children and societies to grow to their full potential.

To transform nutrition outcomes, save lives and protect children, we:

- Unlock financing for nutrition from new and diverse sources, including the private sector and non-traditional investors; and
- Make charitable investments to scale up quality, high-impact child and maternal nutrition programmes in countries with the highest need in sub-Saharan Africa and Asia.

To achieve our goals, our current funding model comprises of co-financing agreements with selected partners. The model guarantees that new investors' contributions will be multiplied by a minimum of four times – an exceptional level of co-financing in the international development space.

The Power of Nutrition first finds new funders in nutrition; the funds raised are then matched by The Power of Nutrition. We use this financing to encourage the allocation of more new financing at the country level through a second guaranteed match provided by the implementing partners. The sources of this match currently include new donors to UNICEF, grants and concessional loans through the World Bank's International Development Association (IDA) and new implementing partners. All financing is directed by our implementing partners to quality, high-impact nutrition programmes that focus on improving child and maternal nutrition outcomes at scale.



## 2. Achievements & performance

During the period covered in this report, the charitable foundation completed its fifth full year of independent operation and consolidated its position as an operational entity. We have made significant progress towards our fundraising goals, albeit at a slower pace than in prior years, booking income totalling USD 15.4 million including matched fund income. During the course of the year we also wrote back a total of USD 21.4m relating to grant commitments represented by donor letters of intent, which had been recorded as income in prior years but have either subsequently been withdrawn or are no longer expected to be honoured by donors (please see note 2a for further details). This needs to be seen in the context of COVID-19, which had a significant impact on fundraising for nutrition, as many investments were re-prioritised by funders towards pandemic-relief measures. We also saw donors reprioritise nutrition within their overall organisational strategies. Our Board approved three further programmatic investments during the year (Lesotho, Liberia 2 and Mobile Doctorni – India). We now have twelve active programmes and one completed programme (Liberia Phase 1). The total portfolio value is USD 473m at end 2020.

### 2.1. Supporting quality, high-impact nutrition programmes

We invested USD 5 million in Lesotho with the World Bank as implementing partner. This programme is designed to work with the government of Lesotho to improve the quality and utilisation of health and nutrition services at the facility and community level as well as improving the governance of health and nutrition.

USD 5 million was invested in our 2<sup>nd</sup> programme in Liberia to be disbursed over three years with UNICEF as the implementing partner. The programme will support implementation of the government of Liberia's national nutrition programme and 2018 nutrition policy.

We continued to oversee the implementation of our investments in Tanzania (USD 44 million), Ethiopia (USD 40 million), Madagascar (USD 90 million), Cote d'Ivoire (USD 60.4 million), Rwanda (USD 116 million), Nigeria (USD 3.9 million) and Burkina Faso (USD 30 million) all with the World Bank; as well as our 2<sup>nd</sup> investment in Liberia (USD 10 million), Benin (USD 10 million) and Maharashtra (USD 10 million), all three of which are with our implementing partner UNICEF. Investments with new implementing partners included Gujarat (USD 10 million) with CARE and Action Against Hunger implementing, together with our Indonesian investment (USD 10 million), which is being implemented by Save the Children and Nutrition International.

It should be noted that a number of our programmes are currently reflecting a negative funding balance (see note 13a to the financial statements). A number of these arise from our current accounting treatment where we book the full anticipated expenditure at the start of the programme, even though activities on-the-ground may not start for several years, whereas our grant income recognition policy generally means that promised grant income is only recognized throughout the life of the programme (these are Maharashtra (USD 1.8m) and Liberia 2 (USD 3.3m) ). We are currently reviewing our income and expenditure approach so they more closely reflect the project life cycle. There are a further 3 programmes (Gujarat (USD 2.5m), Indonesia (USD 1.6m) and Benin (USD 2.5m)) where they are not fully funded in their later operating years but we are confident we can fundraise to fill this gap, responsibly scaling back the level of ambition in these programmes if we are unsuccessful.

These negative fund balances are currently covered by our broadly restricted funds (see note 13a-c) totalling USD 20.1m. These broadly restricted funds have looser restrictions whereby The Power of Nutrition has significant flexibility on how and where to spend the funds.

We are working in partnership with the UNICEF to develop a proposal for a new investment in Bangladesh and a second investment in Ethiopia. In March 2021 we gave Board approval for the Bangladesh investment and the second investment in Ethiopia.

### 3. Looking ahead

The Power of Nutrition is working to fulfil its mandate to drive transformative nutrition outcomes at scale. We have built strong foundations and will, in 2021, launch a new, bold and ambitious strategy; this will enable us to bring in new funding, make additional programme investments and ultimately improve the lives of children and women of childbearing age in our priority countries in Africa and Asia.

We also have to acknowledge we are operating in an increasingly challenging environment. Increases in global aid (ODA) allocations to nutrition, following a decade of rises, have now at best plateaued and are likely in decline. Leaders in global nutrition, like FCDO, are significantly reducing their nutrition funding, following the British Government's decision to reduce their aid from 0.7% to 0.5% of GNI. France's recent commitment to increase their aid to 0.7% of GNI and make tackling malnutrition a top 3 priority is welcome but goes against the trend. Covid-19 has - and will likely continue - to impact us, hampering in-person fundraising, a key aspect of our work and we've seen a clear trend in donor funds for nutrition being diverted to the COVID-19 response.

Our two main operating expenditure (OpEx) funders, BMGF and CIFF, are also evolving their nutrition priorities, and will commit less or spend their commitments differently in the years ahead. We are jointly committed to reducing our reliance on them, as part of becoming a more self-sustaining organisation. We are currently working with them to ensure this occurs over time – given the challenge public good organisations like us face in attracting core funders – consistent with their position as responsible donors and to ensure any changes minimise the impact on the people we exist to serve. In respect of programmatic investments, programmes may need to slow down or postpone activities due to Covid-19, which may result in delays and the potential need for extensions in the future. Furthermore, gains in nutrition and health system strengthening made to date may regress due to the pandemic.

See *Section 5.3 Key policies and risk management* below for more information.

Our strategic objectives in the coming years include:

- Launching our new organisational strategy for 2022-25 '*Transforming global nutrition fundraising, together*'
- Building relationships with new funders to bring them into the nutrition space, achieving ambitious fundraising targets and strengthening our network of supporters among philanthropic, corporate, high net worth individuals, bilateral and other funders, including those not currently focused on nutrition.
- Further developing our programmatic investments, including working with existing implementation partners to build a pipeline of new investments, as well as identifying new potential implementing partners.
- Maintaining and building on our systems to ensure accountability, transparency, traceability of financing and impact for our beneficiaries.
- Launching Nutrition Ventures, an innovative financing platform that will see The Power of Nutrition expand beyond traditional grant aid as its main instrument to explore a range of innovative financing mechanisms and funding flows, with the aim of helping the global nutrition sector become pioneers in innovative financing.

- Continue to monitor and evaluate existing investments to ensure compatibility with our investment targets, as well as supporting the long-term independent evaluation of The Power of Nutrition and our impact.
- Improving our communications and advocacy, with stronger messaging and branding, as well as increasing the reach of our communications channels.
- Continuing to invest in our people, to build a first-class team and organisation, with a culture of inclusivity, empowerment, creativity and entrepreneurship.

## 4. Financial review

### 4.1. Income

During the period covered in this report, The Power of Nutrition generated income totalling USD 15.4 million (2019: USD 18.6 million). This income was received from two founding partners, three 3<sup>rd</sup> party donors and one bi-lateral donor:

- CIFF USD 3.6 million (USD 3.4 million)
- FCDO USD 8 million (USD 4.7 million)
- Private and Bi-lateral Donors income of USD 3.7 million. In 2019 we booked income of USD 10.1 million.
- Bank interest earned USD 0.1 million (USD 0.4m)

Offsetting this income were grant income write-backs totalling USD 21.4million which related to income booked in prior years which was either withdrawn by donors or we do not expect to be honoured by donors (please see Section 2 above and note 2b to the financial statements for further details).

### 4.2. Expenditure

A total of USD 13.3 million (2019: USD 29.2 million) was recognised as expenditure during the year. This can be analysed across 2 key expenditure groupings, namely Programmatic and Operational expenditure. Programmatic expenditure is defined as what the Foundation directly spends on programmes that are designed and run by our implementing partners in our target countries. Operational expenditure is defined as the expenses incurred through the day to day running of the Foundation, including the costs of its staff and operations.

#### 4.2.1. Programmatic Expenditure

- Total charitable grants awarded during the course of the year amounted to USD 10.4 million (2019: USD 26.3 million):
  - USD 5 million was expensed against our implementing partner the World Bank in respect of a nutrition programme in Lesotho.
  - USD 5 million was expensed to our implementing partner UNICEF in respect of a 2<sup>nd</sup> nutrition programme in Liberia. Funds will be disbursed over 3 years.

#### 4.2.2. Operational Expenditure

- Operating expenses totalling USD 2.9 million (2019: USD 2.9 million) were incurred during the period:
  - The majority of this operating expenditure was funded through an arrangement with one of our funding partners (CIFF).
  - The most significant cost, USD 1.9 million (2019: USD 1.8 million), was staff related; this equates to 66% of our current operating expenses. Staff costs as a percentage of overall operating expenses will likely remain between 65% and 70% if the organisation continues on its current trajectory.

### 4.3. Foreign exchange movement

Our policy is to convert any currency funds received to USD at the time of receipt. This has better aligned currency funds held with underlying disbursements which are predominantly in USD.

A gain of USD 0.2 million (2019: gain of USD 0.2 million) was realised in respect of the movement on the USD / GBP currency rate impacting on funds received in GBP and converted to USD.

### 4.4. Reserves and going concern

The charitable foundation does not hold a set level of reserves. Net funds totalling \$12.5m of the charitable foundation are considered to be restricted, to be used to fund maternal and child nutrition programmes aimed at reducing child undernutrition and malnutrition worldwide. Funds totalling \$6.2m are considered to be unrestricted. As noted above, to date, operational expenses have substantially been met under an arrangement with one of the funding partners. However, we have begun to diversify our OpEx funding base and have booked USD 2 million to date in respect of OpEx funding from other 3<sup>rd</sup> party donors. Therefore, the trustees do not consider there is a need for a formal reserves policy. However, our aim is to hold at least 6 months' worth of cash reserves to cover operational expenses at any one time.

- Cash holdings are held where possible in interest bearing accounts.
- Cash at bank totalled USD 18.5 million (2019: USD 18.9 million) at year end.

The Executive considers that it has adequate financial reserves to continue to deliver on its plans through to end 2022 and that we have a reasonable expectation that we will have adequate resources to continue in operational existence beyond end 2022. The accounts have therefore been prepared on the basis that the charitable foundation is a going concern.

## 5. Structure, governance & management

### 5.1. Structure

The Power of Nutrition is a charitable company limited by guarantee. It was incorporated as a company on 30 October 2014 under the name Catalytic Financing Facility for Nutrition, and registered as a charity under the same name on 6 February 2015. The company was established under a Memorandum of Association and is governed under its Articles of Association, which sets out its objects and powers.

The name was formally changed to The Power of Nutrition on 19 April 2015 pursuant a Board resolution of 10 March 2015.

The objectives of The Power of Nutrition as stated in the Articles of Association are to support the advancement of health and the prevention or relief of poverty by providing, or assisting in the provision of, financial support to maternal and child nutrition programmes worldwide.

The Board of Trustees have a duty to report in the Trustees' Annual Report on the charitable foundation's public benefit. They should demonstrate that:

- The benefits generated by the activities of The Power of Nutrition are clear. This report sets out in some detail the activities that the charitable foundation has carried out over the past year in order to achieve our mission.

- The benefits generated relate to the objectives of The Power of Nutrition. All activities undertaken are intended to further the charitable objectives of the charitable foundation, noted above.

The accounts of the charitable foundation are filed with Companies House and the Charity Commission.

## 5.2. Governance & management

The governing body of the charitable foundation is the Board of Trustees. The Trustees are appointed in their capacity as individuals and are also Directors for the purposes of company law. The Trustees are responsible for reviewing and approving the strategy and operational policies of the charitable foundation (including such areas as risk management and legal and regulatory compliance), reviewing reports on the charitable foundation's financial activities and monitoring investment and fundraising activities.

### *Board of Trustees*

During the year ended 31 December 2020, the Board of Trustees welcomed one new trustee who joined the Board namely Faustina-Fynn Nyame (3 July 2020). One trustee resigned during the year namely Ertharin Cousin (3 July 2020). One trustee Faustina-Fynn Nyame resigned in the 2021 year (5 August 2021).

The Trustees have no beneficial interest in the charitable foundation. All Trustees sit on the Board of The Power of Nutrition in their own individual capacity and execute their duties in the best interests of the Foundation. There are no Corporate Trustees. All Trustees give their time freely and no Trustee remuneration was paid in the year. Trustees are mindful of identifying and managing conflicts of interest and manage their proceedings in accordance with the detailed conflict of interest procedure set out in the charitable foundation's Articles of Association. Please also see the related party note 17 to the Annual Financial Statements.

The Board met three times during 2020 (2019: three).

### *The Executive*

Day-to-day responsibility is delegated to the Executive under the leadership of the Chief Executive who reports to the Board and works closely with the Chair.

The Executive is responsible for raising new financing, working with the implementing partners to channel the financing to evidence-based investments in nutrition, and reporting to the Board and other key stakeholders.

The team has structured its operational functions across three key pillars: partnerships & brands (fundraising), investments, and communications.

### *Partners*

The Power of Nutrition is a growing partnership of funding and implementing partners committed to helping children grow to their full potential. During the year ended 31 December 2020:

- Three founding funding partners committed financing to the organisation. These are: CIFF, FCDO and UBS Optimus Foundation.
- We continue to work with our two principal implementing partners The World Bank and UNICEF.
- We also work with seven other implementing partners (Save the Children, Nutrition International, Action Against Hunger, Care International, World Vision, GroupM and GiveDirectly), all of whom have been approved by our Board.

### 5.3. Key policies & risk management

The Board is responsible for ensuring that the charitable foundation has an appropriate system of controls, financial and otherwise. It is also responsible for safeguarding the assets of the charitable foundation and, therefore, for taking reasonable steps for the prevention of fraud and other irregularities.

A set of core operating policies guide the day-to-day work of The Power of Nutrition. These include:

- Managing our Costs & Travel Expense policies
- Anti-Bribery & Corruption & Anti-Money Laundering policies
- Whistleblowing policy
- Safeguarding Children and Vulnerable Adults
- Equal Opportunities policy
- Disciplinary & Grievance policy
- Harassment and Bullying policy
- Diversity, Equality and Inclusion policy
- Remuneration and Benefits policy
- Investment Approval policy
- Investor Vetting policy
- Data Protection policy
- Brand and Communications policy
- Privacy policy
- Health and Safety policy.
- Anti-Slavery and Human Trafficking policy

The Power of Nutrition is committed to ensuring that it provides a safe and trusted environment which safeguards and promotes the welfare and wellbeing of beneficiaries, our staff and partners. The Power of Nutrition enforces safeguarding practices through its procedures and policies including:

- ensuring compliance with our Safeguarding Children and Vulnerable Adults policy;
- a code of conduct for staff;
- recruiting staff safely by undertaking due diligence on individuals prior to appointment;
- using our safeguarding procedures to share concerns and relevant information with the appropriate agencies as necessary;
- using our disciplinary procedures to manage any allegations against staff appropriately;
- ensuring there are effective complaint and whistleblowing measures in place as per our Whistleblowing policy.

Our safeguarding policy is reviewed, approved and endorsed by the Board of Trustees annually or when updated after relevant legislation changes.

The Power of Nutrition requires all partners, agencies and grantees to:

- have adopted and to comply with a safeguarding policy ensuring equivalent safeguarding standards and mechanisms as provided for in The Power of Nutrition safeguarding policy; or
- where the partner, agency or grantee has no such policy in place, adhere to The Power of Nutrition safeguarding policy.

Assisted by the Executive and the Finance and Audit Committee, the Board reviews and assesses the major risks to which The Power of Nutrition is exposed. Risks are assigned a 'Gross Risk Score' based on *likelihood of occurrence* and *potential impact*, and a 'Net Risk Score' that takes in to account the strength of mitigation measures in place. Taking into account the controls and safeguards currently in place, the key risks and uncertainties identified by the Board are as follows:

### *Key risks summary*

The Power of Nutrition has in place a risk matrix that is reviewed monthly by the Executive team, before every Board meeting by the Finance and Audit Committee, and by the Board of Trustees at every Board meeting.

As of June 2021, the organisation has identified the following risks as having 'High' or 'Very High' net risk scores:

### *Implications of COVID-19 across the organisation*

The ongoing COVID-19 pandemic poses risks across all areas of the organisation. Currently all employees are working remotely in accordance with government guidelines, and a phased, cautious return to working in the office is planned. Similar precautions have been taken across our partner organisations; and key workers who are continuing to provide critical services are doing so with mitigation measures in place to reduce the risk of COVID-19 transmission.

Across the portfolio, the pandemic has resulted in a slowdown in the delivery of programmatic activities; in some of our programme countries, programme teams are working on a 50% roster basis, to minimise the risk of transmission. Not all team members are able to access reliable internet when working from home. Responses to the pandemic have varied from programme to programme, with some programmes seeing a diversion of funds to a specific COVID-19 / nutrition response, while others have delayed activities and updated messaging to accommodate COVID-19 in social behaviour change campaigns. The key risk from our perspective is that gains made in nutrition slide backwards, due to drops in the uptake of services and the macroeconomic environment creating food security crises. We continue to work closely with our partners to ensure that programmes can continue to implement activities to the greatest extent possible while maintaining safety of workers as a key priority.

The COVID-19 pandemic has understandably diverted the attention of many donors and governments. A concerted effort is underway to communicate the continued importance of funding nutrition and making the link between strengthened health systems and better resilience against pandemics and all shocks that countries may face.

### *FCDO budget cuts and implications for match Model*

One of our founding funders, the UK Foreign, Commonwealth and Development Office (FCDO), has been subject to budget cuts of £4 billion. This has resulted in a cut to funding for The Power of Nutrition;



while we expected to receive £7 million from FCDO in 2021, we will now receive £3 million. Given FCDO is a core partner we reported this to the Charity Commission, as is appropriate. While this 57% reduction was undesirable, this was a positive outcome compared to many FCDO grantees, and they are clear we remain a “highly-valued” partner, scoring A in their 2021 Annual assessment of our performance. In addition, through careful management, we were able to protect almost all of our existing programmes, despite the cuts.

With no certainty around the future of funding commitments from FCDO for 2022 or beyond, the organisation faces a risk in that a core element of our offering - match funding from FCDO – may no longer be provided by them.

The team continues to advocate strongly for a maintained focus on nutrition by the UK government and a reversal of the aid cut decision, and is positioning for a 3-year funding settlement as part of the UK government's 3-year Spending Review, while in parallel seeking to fundraise from alternative funders who may be in a position to take on the role of ‘match funder’ for The Power of Nutrition.

#### *CIFF changing nutrition priorities*

CIFF, our main OpEx funder, is changing their overall nutrition priorities and will, as a result, commit less or spend their commitments differently in the years ahead. Given our current reliance on them, this is a clear risk to The Power of Nutrition. CIFF contributed \$2.8m in OpEx funding and \$0.8m in Programmatic funding in 2020.

We are jointly committed to reducing our reliance on them in the years ahead, as part of becoming a more self-sustaining organisation. We are currently working with them to ensure this occurs over time - given the challenge public good organisations like us face in attracting core funders – and in a way that which is consistent with their position as a responsible donor and to ensure any changes minimise the impact on the people we exist to serve.

We are also having positive discussions with several other funders about providing OpEx, as well as implementing standard (across the international development sector) cost recovery from all funders; something we historically haven't had to do due to the CIFF commitment.

We are also reviewing our expenditure, to ensure we are a lean, efficient organisation.

#### *Inability to raise unrestricted funding & negative programme funding balance*

Given most donors desire to commit funds to front-line programmes, rather than cover (necessary) central costs, we continue to struggle to raise sufficient unrestricted funding. This is often an operational hindrance, given the financial complexity of our model, which requires us to bring together diverse funders and implementers to leverage programmes at scale: more unrestricted funding would speed-up partnerships and most importantly get programmes going more quickly.

The fundraising team continues to actively seek out unrestricted financing, while the finance and audit committee regularly monitors this situation.

As explained under paragraph 2.1, there are currently 3 programmes (Gujurat, Indonesia and Benin) that are not fully funded but we expect to raise future funding that will cover the negative funding balance totaling \$6.6m. To put this in context, our 15 programmes will utilise \$473m but an additional \$6.6m will need to be raised to cover this commitment fully over the longer term. In addition to raising future

funding, we are currently actively exploring other solutions, including discussions with donors, reducing the scale of some programmes and/or allocating unrestricted funds generated.

#### *Staff retention*

Not being able to retain staff is a very high risk in an organisation such as The Power of Nutrition. In a smaller organisation the impact of valued employees leaving can be much greater.

To mitigate this risk, The Power of Nutrition has been taking a proactive approach by implementing competitive and fair remuneration packages, ensuring that robust human resources policies are in place, developing a clear performance management system, giving employees a voice, and ensuring that they feel listened to, respected and able to contribute to their fullest extent. A new *Benefits and Remuneration Policy* was approved by the Board in June 2021, after consultation with all members of the team. Additionally, staff have been fully engaged in the creation of our new Strategy.

#### *Fundraising statement*

The Power of Nutrition does not engage in public fundraising but does occasionally use professional fundraisers. We nevertheless monitor the relevant fundraising regulations (including the Institute of Fundraising guidelines (UK)) and codes to ensure compliance where relevant. During the year there was compliance with these regulations and codes. The charitable foundation did not receive any complaints relating to its fundraising practise during the year.

#### *Remuneration statement*

Salaries for permanent staff across all functions have been set in line with a range of market rate indicators and internal parity. Any salary adjustments made in the year were in line with our Remuneration and Benefits Policy in existence at the time and which was subsequently updated and approved by the Board of Trustees in June 2021.

#### *Public benefit*

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit.' That guidance addresses the need for all charities' aims to be, demonstrably, for the public benefit. The trustees consider the facilitation and provision of nutrition services to be wholly for the public's benefit.

## 6. Statement of responsibilities of Trustees

The Trustees (who are also Directors for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and accounting standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently;

- Observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards and statements of recommended practice 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no information relevant to the audit of which the auditors are unaware; and
- They have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and to establish that the auditors are aware of that information.

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The membership of The Power of Nutrition comprises the Trustees, the Children's Investment Fund Foundation and the UBS Optimus Foundation and entitles the members to voting rights only. Neither the Trustees nor the Members have any beneficial interest in The Power of Nutrition.

The Trustees' Annual Report, incorporating the strategic report and directors' report, has been approved by the Trustees on 17 November 2021 and signed on their behalf by



.....  
Michael Rann, Chairman

## Independent Auditor's Report

### Opinion

We have audited the financial statements of The Power of Nutrition (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including 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 charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

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

## Other Information

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

## Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the

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

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

### Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

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

*Sayer Vincent LLP*

Noelia Serrano (Senior statutory auditor)

3 December 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

For the year ended 31 December 2020

	Note	Unrestricted \$	Restricted \$	2020 Total \$'000	Unrestricted \$	Restricted \$	2019 Total \$'000
<b>Income from:</b>							
Grants	2	5,800	9,458	15,258	3,400	14,839	18,239
Bank interest		16	93	109	9	382	391
<b>Total income</b>		<b>5,816</b>	<b>9,551</b>	<b>15,367</b>	<b>3,409</b>	<b>15,221</b>	<b>18,630</b>
<b>Income write-backs:</b>							
Grants written back	2a	-	(21,431)	(21,431)	-	-	-
<b>Income after write-backs:</b>		<b>5,816</b>	<b>(11,880)</b>	<b>(6,064)</b>	<b>3,409</b>	<b>15,221</b>	<b>18,630</b>
<b>Expenditure on:</b>							
Raising funds	3	1,728	97	1,825	1,784	-	1,784
Charitable activities	3	1,170	10,257	11,427	1,134	26,250	27,384
<b>Total expenditure</b>		<b>2,898</b>	<b>10,354</b>	<b>13,252</b>	<b>2,918</b>	<b>26,250</b>	<b>29,168</b>
<b>Net Loss before other recognised gains and losses</b>		<b>2,918</b>	<b>(22,234)</b>	<b>(19,316)</b>	<b>491</b>	<b>(11,029)</b>	<b>(10,538)</b>
Gain on foreign exchange movements		208	-	208	211	-	211
<b>Net movement in funds</b>		<b>3,126</b>	<b>(22,234)</b>	<b>(19,108)</b>	<b>702</b>	<b>(11,029)</b>	<b>(10,327)</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward	13b	3,040	34,811	37,851	2,338	45,840	48,178
<b>Total funds carried forward</b>	13a	<b>6,166</b>	<b>12,577</b>	<b>18,743</b>	<b>3,040</b>	<b>34,811</b>	<b>37,851</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 13 to the financial statements.



As at 31 December 2020

	Note	\$'000	2020 \$'000	\$'000	2019 \$'000
<b>Fixed assets:</b>					
Tangible assets	9a		42		46
Intangible assets	9b		31		-
<b>Current assets:</b>					
Debtors	10	17,166		36,799	
Short term deposits		2,047		1,982	
Cash at bank and in hand		18,509		18,944	
			<b>37,722</b>	<b>57,725</b>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	11a	6,554		8,046	
<b>Net current assets</b>					
			<b>31,168</b>		49,679
<b>Total assets less current liabilities</b>					
			<b>31,241</b>		49,725
Creditors: amounts falling due after one year	11b		12,498		11,874
<b>Total net assets</b>					
			<b>18,743</b>		37,851
<b>The funds of the charity:</b>					
Restricted income funds	12		12,577		34,811
Unrestricted income funds			6,166		3,040
<b>Total charity funds</b>					
			<b>18,743</b>		37,851

Approved by the trustees on 17 November 2021 and signed on their behalf by


Michael Rann  
Chairman

For the year ended 31 December 2020

		<b>2020</b>		<b>2019</b>	
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>	Note				
<b>Net cash used in operating activities</b>	14		<b>(634)</b>		<b>(4,298)</b>
<b>Cash flows from investing activities:</b>					
Interest income		<b>109</b>		<b>391</b>	
Purchase of fixed assets		<b>(53)</b>		<b>(54)</b>	
<b>Net cash provided by investing activities</b>			<b>56</b>		<b>337</b>
<b>Change in cash and cash equivalents in the year</b>			<b>(578)</b>		<b>(3,961)</b>
Cash and cash equivalents at the beginning of the year			<b>20,926</b>		<b>24,676</b>
Change in cash and cash equivalents due to exchange rate movements			<b>208</b>		<b>211</b>
<b>Cash and cash equivalents at the end of the year</b>			<b>20,556</b>		<b>20,926</b>

## 1 Accounting policies

### a) Statutory information

Power of Nutrition is a charitable company limited by guarantee and is incorporated in England & Wales. The registered office address 50 Broadway, London, SW1H 0BL and the operational address is 114-118 Southampton Row, London, WC1B 5AA

### b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

### c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

### d) Going concern

The trustees consider that there are no material uncertainties about the charitable foundation's ability to continue as a going concern and that they do not consider the impact of Covid 19 to have an impact on the ability of the foundation to continue as a going concern

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

### e) Presentational currency and foreign exchange

The presentational and functional currency of the charitable foundation is United States Dollars (USD). At the year end the exchange rate adopted was £1: USD 1.36 (Prior year £1: USD 1.32) Assets and liabilities in foreign currencies are translated into USD at the rate of exchange for the month in which the transaction was incurred. Exchange differences are shown on the statement of financial activities.

### f) Income

Income is recognised when the charitable foundation has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

### g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. In the case of FCDO match funding, NORAD and Platform funding which are classified as restricted, these type of funds are broadly restricted meaning they are not specific to a programme on booking and could be used across different programmes and geographies. Unrestricted funding can be utilised as required by the organisation, The Power of Nutrition's OPEX funding is classified as unrestricted.

### h) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

**1 Accounting policies (continued)****i) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of grant-making undertaken to further the purposes of the charity and associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**j) Grants payable**

Grants payable are charged to the Statement of Financial Activities in the year in which the offer is conveyed to the recipient. The balance of grants payable due at the end of each reporting period are shown as creditors on the balance sheet.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

**k) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

- Cost of raising funds	55%
- Grant making	30%
- Governance costs	15%

Governance costs are the costs associated with the governance arrangements of the charitable foundation. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charitable foundation's activities.

**l) Operating leases**

Rental charges are charged on a straight line basis over the term of the lease.

**m) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds \$660 (£500). Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Leasehold improvements (over the life of the lease)	3 years
- Computer equipment	3 years

**n) Intangible fixed assets**

Intangible fixed assets acquired separately from the charity are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. The intangible asset is an Investment Management System which is in development and yet to go live hence no amortisation has been charged in the year.

## 1 Accounting policies (continued)

### o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### q) Creditors and provisions

Creditors and provisions are recognised where the charitable foundation has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charitable foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

### r) Pensions

The charitable foundation operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable foundation in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable foundation to the fund. The charitable foundation has no liability under the scheme other than for the payment of those contributions. All such contributions form part of unrestricted expenditure.

**2 Income from grants**

	<b>Unrestricted \$'000</b>	<b>Restricted \$'000</b>	<b>2020 Total \$'000</b>	<b>Unrestricted \$'000</b>	<b>Restricted \$'000</b>	<b>2019 Total \$'000</b>
Children's Investment Fund Foundation (CIFF)	2,800	764	<b>3,564</b>	3,400	-	3,400
Department for International Development (DFID)	-	8,040	<b>8,040</b>	-	4,683	4,683
Bill and Melinda Gates Foundation	3,000	-	<b>3,000</b>	-	-	-
Eleanor Crook Foundation	-	-	-	-	2,505	2,505
Rotary Foundation	-	-	-	-	5,000	5,000
NORAD	-	-	-	-	1,149	1,149
JSW Foundation	-	-	-	-	500	500
DFAT - Australian Government	-	500	<b>500</b>	-	500	500
Others	-	154	<b>154</b>	-	502	502
	<b>5,800</b>	<b>9,458</b>	<b>15,258</b>	<b>3,400</b>	<b>14,839</b>	<b>18,239</b>

**2a Write backs against booked grant income**

	<b>Unrestricted \$'000</b>	<b>Restricted \$'000</b>	<b>2020 Total \$'000</b>	<b>Unrestricted \$'000</b>	<b>Restricted \$'000</b>	<b>2019 Total \$'000</b>
Eleanor Crook Foundation	-	(2,500)	<b>(2,500)</b>	-	-	-
JSW Foundation	-	(2,500)	<b>(2,500)</b>	-	-	-
Asia Philanthropy Circle	-	(1,582)	<b>(1,582)</b>	-	-	-
Tata Trust	-	(10,000)	<b>(10,000)</b>	-	-	-
Grand Challenges Canada (GCC)	-	(2,400)	<b>(2,400)</b>	-	-	-
Department for International Development (DFID) (GCC Match Funds)	-	(2,449)	<b>(2,449)</b>	-	-	-
	<b>-</b>	<b>(21,431)</b>	<b>(21,431)</b>	<b>-</b>	<b>-</b>	<b>-</b>

The write back against grant income figures represent the withdrawal of grant commitments by the following donors which had been booked to grant income in earlier years ( \$2.5m in respect of the Eleanor Crook Foundation and \$2.5m in respect of the JSW Foundation which were withdrawn ahead of the planned programmes). A further \$1.582m was withdrawn from our active Indonesian programme by the Asia Philanthropy Circle. In addition we have made write backs against Tata Trusts (\$10m) and Grand Challenges Canada (\$2.4m) where we are of the opinion that it is very unlikely that they will honour their initial commitments to the organisation. There is also an associated DFID match funding amount of \$2.449m for GCC that will not be received.

**3a Analysis of expenditure - current year**

	Cost of raising funds \$'000	Grant-making \$'000	Governance costs \$'000	Support costs \$'000	<b>2020 Total \$'000</b>	<b>2019 Total \$'000</b>
Staff costs (Note 6)	635	601	228	458	<b>1,922</b>	1,820
Other staff costs	82	60	71	15	<b>228</b>	87
Grant commitments	97	10,257	-	-	<b>10,354</b>	26,250
Premises	-	-	-	155	<b>155</b>	209
Travel	8	18	13	6	<b>45</b>	225
Office, IT and insurance	7	1	11	110	<b>129</b>	107
Communications and business development	16	1	-	3	<b>20</b>	105
Audit	-	-	30	-	<b>30</b>	22
Consultancy	100	24	-	82	<b>206</b>	133
Fundraising Intermediaries	28	-	-	-	<b>28</b>	55
Legal and professional fees	-	-	-	109	<b>109</b>	133
Depreciation	-	-	-	26	<b>26</b>	22
	<u>973</u>	<u>10,962</u>	<u>353</u>	<u>964</u>	<b><u>13,252</u></b>	<u>29,168</u>
Support costs	530	289	145	(964)	-	-
Governance costs	322	176	(498)	-	-	-
	<u>1,825</u>	<u>11,427</u>	<u>-</u>	<u>-</u>	<b><u>13,252</u></b>	
<b>Total expenditure 2020</b>	<b><u>1,825</u></b>	<b><u>11,427</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>13,252</u></b>	
Total expenditure 2019	<b><u>1,784</u></b>	<b><u>27,384</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>29,168</u></b>	

**3b Analysis of expenditure - prior year**

	Cost of raising funds \$'000	Grant-making \$'000	Governance costs \$'000	Support costs \$'000	<b>2019 Total \$'000</b>	<b>2018 Total \$'000</b>
Staff costs (Note 6)	738	646	71	365	<b>1,820</b>	1,924
Other staff costs	56	4	-	27	<b>87</b>	79
Grant commitments	-	26,250	-	-	<b>26,250</b>	49,914
Premises	-	-	-	209	<b>209</b>	153
Travel	118	71	25	11	<b>225</b>	264
Office, IT and insurance	3	1	-	103	<b>107</b>	83
Communications and business development	41	2	-	62	<b>105</b>	106
Audit	-	-	22	-	<b>22</b>	21
Consultancy	22	2	-	109	<b>133</b>	323
Fundraising Intermediaries	55	-	-	-	<b>55</b>	23
Legal and professional fees	2	-	-	131	<b>133</b>	129
Depreciation	-	-	-	22	<b>22</b>	28
	<b>1,035</b>	<b>26,976</b>	<b>118</b>	<b>1,039</b>	<b>29,168</b>	<b>53,044</b>
Support costs	571	312	156	(1,039)	-	-
Governance costs	177	97	(274)	-	-	-
<b>Total expenditure 2019</b>	<b>1,784</b>	<b>27,384</b>	<b>-</b>	<b>-</b>	<b>29,168</b>	
Total expenditure 2018	<b>1,965</b>	<b>51,079</b>	<b>-</b>	<b>-</b>	<b>53,044</b>	



**4a Grant making - current year**

	Grants to institutions \$'000	Support costs \$'000	<b>2020 \$'000</b>
<b>Cost of grants</b>	<b>10,257</b>	<b>1,170</b>	<b>11,427</b>

**4b Grant making - prior year**

	Grants to institutions \$'000	Support costs \$'000	<b>2019 \$'000</b>
<b>Cost of grants</b>	<b>26,250</b>	<b>1,134</b>	<b>27,384</b>

The Power of Nutrition makes charitable grants to its implementing partners to scale up quality, high-impact child and maternal nutrition programmes

In 2020, USD 10.3m (2019: USD 26.3m) was committed mainly across 2 nutrition programmes, namely Lesotho (\$5m) with the World Bank and our 2nd programme in Liberia (\$5m) with UNICEF.

**5 Net loss for the year**

This is stated after charging / (crediting):

	<b>2020 \$'000</b>	<b>2019 \$'000</b>
Depreciation	26	22
Operating lease rentals:		
Property	95	115
Auditor remuneration (excluding VAT):		
Audit	30	22
Other services	-	-
Foreign exchange gains	<b>(208)</b>	<b>(211)</b>

## 6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2020 \$'000	2019 \$'000
Salaries and wages	1,643	1,505
Redundancy and termination costs	-	57
Social security costs	188	163
Employer's contribution to defined contribution pension schemes	54	44
Other forms of employee benefits	37	51
	<b>1,922</b>	<b>1,820</b>
	<b>1,922</b>	<b>1,820</b>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2020 No.	2019 No.
\$273,000 - \$285,999 (£210,000 - £220,000)	-	-
\$247,000 - \$259,999 (£190,000 - £210,000)	-	1
\$195,000 - £207,999 (£150,000 - £160,000)	1	-
\$182,000 - \$194,999 (£140,000 - £150,000)	1	-
\$169,000 - \$181,999 (£130,000 - £140,000)	-	-
\$156,000 - \$168,999 (£120,000 - £130,000)	-	1
\$143,000 - \$155,999 (£110,000 - £120,000)	1	1
\$130,000 - \$142,999 (£100,000 - £110,000)	1	-
\$104,000 - \$116,999 (£80,000 - £90,000)	2	1
\$91,000 - \$103,999 (£70,000 - £80,000)	1	1
\$78,000 - \$90,999 (£60,000 - £70,000)	4	-
	<b>4</b>	<b>-</b>
	<b>4</b>	<b>-</b>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were \$945,455 (2019: \$962,946).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2019: \$nil). No charity trustee received payment for professional or other services supplied to the charity (2019: \$nil).

Travel expenses relating to trustees totalled \$2,937 (2019: \$17,719).

Related party transactions are disclosed in note 17.

## 7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 20 (2019: 15.9).

	2020 No.	2019 No.
Raising funds	6.5	5.8
Grantmaking	7.3	6.2
Support	6.0	3.7
Governance	0.2	0.2
	<b>20.0</b>	<b>15.9</b>
	<b>20.0</b>	<b>15.9</b>

## 8 Taxation

The charitable foundation is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

**9a Tangible fixed assets**

	Computer \$'000	Leasehold \$'000	Total \$'000
<b>Cost or valuation</b>			
At the start of the year	60	79	139
Additions in year	18	4	22
Disposals in year	-	-	-
At the end of the year	<u>78</u>	<u>83</u>	<u>161</u>
<b>Depreciation</b>			
At the start of the year	39	54	93
Charge for the year	14	12	26
Eliminated on disposal	-	-	-
At the end of the year	<u>53</u>	<u>66</u>	<u>119</u>
<b>Net book value</b>			
<b>At the end of the year</b>	<u><b>25</b></u>	<u><b>17</b></u>	<u><b>42</b></u>
At the start of the year	<u>21</u>	<u>25</u>	<u>46</u>

**9b Intangible fixed assets**

	IM system \$'000	Total \$'000
<b>Cost or valuation</b>		
At the start of the year	-	-
Additions in year	31	31
Disposals in year	-	-
At the end of the year	<u>31</u>	<u>31</u>

The Investment Management System is in development and yet to go live hence no amortisation has been charged in the year. All of the above assets are used for charitable purposes.

**10 Debtors**

	2020 \$'000	2019 \$'000
Grant income receivable	17,020	36,577
Other debtors	39	130
Prepayments	107	92
	<u>17,166</u>	<u>36,799</u>

\$8m (2019: \$22.5m) is classified as short-term debtors with the expectation of receiving these funds within 12 months of the year end date. \$9.2m (2019: \$14.5m) is classified being due for collection between 13 and 24 months post year end date.

**11a Creditors: amounts falling due within one year**

	<b>2020</b>	2019
	<b>\$'000</b>	\$'000
Trade creditors	5	81
Grant return payable to FCDO	-	1,000
Grants payable to UNICEF	<b>3,969</b>	2,639
Grants payable to the World Bank	-	2,000
Grants payable to CARE and Action Against Hunger	<b>543</b>	1,052
Grants payable to Save The Children	<b>957</b>	956
Accruals	<b>85</b>	251
Other creditors	<b>995</b>	67
	<b>6,554</b>	8,046

**11b Creditors: amounts falling due between one and three years**

	<b>2020</b>	2019
	<b>\$'000</b>	\$'000
Grants payable to UNICEF	<b>6,076</b>	5,462
Grants payable to CARE and Action Against Hunger	<b>3,572</b>	3,064
Grants payable to Save The Children	<b>2,850</b>	3,348
	<b>12,498</b>	11,874

**12a Analysis of net assets between funds (current year)**

	Unrestricted	Restricted	<b>Total funds</b>
	\$'000	\$'000	<b>\$'000</b>
Tangible fixed assets	42	-	<b>42</b>
Intangible fixed assets	31	-	<b>31</b>
Net assets	6,093	25,075	<b>31,168</b>
Long term liabilities	-	(12,498)	<b>(12,498)</b>
<b>Net assets at 31 December 2020</b>	<b>6,166</b>	<b>12,577</b>	<b>18,743</b>

**12b Analysis of net assets between funds (prior year)**

	Unrestricted	Restricted	<b>Total funds</b>
	\$'000	\$'000	<b>\$'000</b>
Tangible fixed assets	46	-	<b>46</b>
Net assets	2,994	46,685	<b>49,679</b>
Long term liabilities	-	(11,874)	<b>(11,874)</b>
<b>Net assets at 1 January 2019</b>	<b>3,040</b>	<b>34,811</b>	<b>37,851</b>

**13a Movement in funds (year 2020)**

By Programme/Funder	Bal 1 Jan 2020 \$'000	Total Incoming Resources \$'000	Total Resources Expensed \$'000	Transfers \$'000	Bal 31 Dec 2020 \$'000
<b>Unrestricted</b>					
OPEX funding	3,040	6,024	(2,898)	-	6,166
<b>Restricted</b>					
(a) FCDO Match funding	9,941	(911)	-	-	9,030
(b) NORAD funding	1,591	-	-	-	1,591
(c) Platform Funding	9,672	(96)	-	-	9,576
(d) Maharashtra programme	(2,500)	691	-	-	(1,809)
(e) Indonesia programme	(2,000)	(1,082)	-	-	(3,082)
(f) Gujarat programme	(2,500)	-	-	-	(2,500)
(g) Benin programme	(2,500)	-	-	-	(2,500)
(h) Research Programmes	100	65	(226)	-	(61)
(i) ECF Funder	2,500	(2,500)	-	-	-
(j) JSW Funder	2,500	(2,500)	-	-	-
(k) Comic Relief (USA) Funder	576	-	-	-	576
(l) Rotary Foundation Funder	5,000	-	-	-	5,000
(m) TATA Foundation Funder	10,000	(10,000)	-	-	-
(n) GCC Funder	2,400	(2,400)	-	-	-
(o) Lesotho programme	-	5,000	(5,000)	-	-
(p) Liberia 2 programme	-	1,667	(5,000)	-	(3,333)
(q) Unilever programme	-	70	(53)	-	17
Other	31	116	(75)	-	72
<b>Total Restricted</b>	<b>34,811</b>	<b>(11,880)</b>	<b>(10,354)</b>	<b>-</b>	<b>12,577</b>
<b>Total Funds</b>	<b>37,851</b>	<b>(5,856)</b>	<b>(13,252)</b>	<b>-</b>	<b>18,743</b>

**Purposes of unrestricted funds**

These funds are not restricted for a specific purpose and can be utilised as required by the organisation. In practise these funds are used to fund the operating expenses of The Power of Nutrition.

**Purposes of restricted funds**

Restricted funds are to be used for specific purposes as advised by the donor (i.e in a specific programme or geography), some of these restricted funds above are classified as broadly restricted funds (see a-c) which means these funds can be used across different programmes and geographies including transfers to other funds that may be in deficit if required.

**Restricted Funds description****(a) FCDO match funds**

FCDO match funds will be used to fund nutrition programmes across various geographies with the exception of India.

**(b) NORAD funding**

Norad funding can be used across The Power of Nutrition approved programmes but this funding is intended for our Bangladesh programme and our Mobile Doctorni programme in India which is still to be launched.

**(c) Platform Funding**

Platform Funding is aimed to be used within nutrition programmes when required.

**(d) Maharashtra programme**

Funding for the Maharashtra programme supports the strengthening of the implementation capacity and and delivery of essential nutrition services in Maharashtra at both State and District levels for the benefit of children and mothers. The negative balance at the end of 2020 reflects funds committed to those activities and for which monies are expected to be received in the 2021 to 2024 years from the Children's Investment Fund Foundation.

In year 2021, \$582k was received from the Children's Investment Fund Foundation towards the Maharashtra programme.

**(e) Indonesia programme**

Funding for the BISA programme in Indonesia, this programme is assisting the Government of Indonesia in transforming the lives of women, adolescent girls and young children, enabling them to access better nutrition and helping children reach their full potential. The negative balance at the end of 2020 reflects funds committed to those activities and for which \$1,500k is expected to be received in the 2021 to 2023 years from DFAT. To cover the remaining \$1,582k negative, we are looking for a replacement funder (year 2021 to 2023) after the withdrawal by APC of their funding commitment for this programme.

In year 2021, \$500k was received from DFAT towards the BISA programme in Indonesia.

**(f) Gujarat programme**

Funding for the Gujarat nutrition programme which will support the State Government of Gujarat to deliver its stunting reduction programme. The negative balance at the end of 2020 reflects funds committed to those activities and which monies are expected to be received in the period 2021 to 2024.

**(g) Benin programme**

Funding for the Benin programme is to support the Government of Benin's national nutrition programme which is expected to avert 9,000 cases of stunting amongst children; avert 85,400 cases of maternal anaemia and 1,000 child deaths. The negative balance at the end of 2020 reflects funds committed to those activities and for which monies are expected to be received in the period 2021-2024.

**(h) Research programmes**

Funding for supporting research primarily linking good nutrition with improved business returns and uplift in a country's GDP.

The negative balance at the end of 2020 reflects funds committed to those activities and which monies are expected to be received in the period 2021.

**(i) ECF funder**

Funding from the Eleanor Crooke Foundation (ECF) for a future nutrition programme that has been withdrawn.

**(j) JSW funder**

Funding from the JSW Foundation for a future nutrition programme that has been withdrawn.

**(k) Comic Relief (USA) Funder**

Funding that is to support the Burkina Faso programme, this programme is supporting the nutrition component of the Government of Burkina Faso's Health Services reinforcement Project

**(l) Rotary Foundation funder**

Funding from the Rotary Foundation for a future nutrition programme

**(m) TATA Foundation funder**

Funding from the TATA Foundation to support future nutrition programmes, written back against income as unlikely to be honoured

**(n) GCC funder**

Funding from Grand Challenges Canada to support future nutrition programmes , written back against income as unlikely to be honoured.

**(o) Lesotho programme**

Funding for the Lesotho programme aimed at increasing the utilisation and quality of key nutrition and health services and improving nutrition related behaviour change.

**(p) Liberia 2 programme**

Funding for our 2nd programme in Liberia, working to improve nutrition at scale in Liberia and supporting the implementation of the Liberian government's national nutrition programme and 2018 nutrition policy. The negative balance at the end of 2020 reflects funds committed to those activities and for which monies are expected to be received in the 2021 to 2023 years from Medicor and FCDO.

In year 2021, we received funding of \$1,323k from FCDO and \$200k from Medicor towards the Liberia 2 programme.

**(q) Unilever programme**

Funding from Unilever that will be used for a future programme in India

**13b Movement in funds (year 2019)**

<b>By Programme/Funder</b>	Bal 1 Jan 2019 \$'000	Total Incoming Resources \$'000	Total Resources Expensed \$'000	Transfers \$'000	<b>Bal 31 Dec 2019 \$'000</b>
<b>Unrestricted</b>					
OPEX funding	2,338	3,620	(2,918)	-	<b>3,040</b>
<b>Restricted</b>					
(a) FCDO Match funding	5,260	4,681	-	-	<b>9,941</b>
(b) NORAD funding	497	1,149	(55)	-	<b>1,591</b>
(c) Platform Funding	9,288	384	-	-	<b>9,672</b>
(d) Burkina Faso programme	11,100	-	(11,100)	-	<b>-</b>
(e) Maharashtra programme	2,500	-	(5,000)	-	<b>(2,500)</b>
(f) Indonesia programme	2,250	750	(5,000)	-	<b>(2,000)</b>
(g) Gujarat programme	2,500	-	(5,000)	-	<b>(2,500)</b>
(h) Benin programme	(2,500)	-	-	-	<b>(2,500)</b>
(i) Research Programmes	(55)	250	(95)	-	<b>100</b>
(j) ECF Funder	-	2,500	-	-	<b>2,500</b>
(k) JSW Funder	2,000	500	-	-	<b>2,500</b>
(l) Comic Relief (USA) Funder	576	-	-	-	<b>576</b>
(m) Rotary Foundation Funder	-	5,000	-	-	<b>5,000</b>
(n) TATA Foundation Funder	10,000	-	-	-	<b>10,000</b>
(o) GCC Funder	2,400	-	-	-	<b>2,400</b>
Other	24	7	-	-	<b>31</b>
<b>Total Restricted</b>	<b>45,840</b>	<b>15,221</b>	<b>(26,250)</b>	<b>-</b>	<b>34,811</b>
<b>Total Funds</b>	<b>48,178</b>	<b>18,841</b>	<b>(29,168)</b>	<b>0</b>	<b>37,851</b>

**Purposes of unrestricted funds**

These funds are not restricted for a specific purpose and can be utilised as required by the organisation. In practise these funds are used to fund the operating expenses of The Power of Nutrition.

**Purposes of restricted funds**

Restricted funds are to be used for specific purposes as advised by the donor (i.e in a specific programme or geography), some of these restricted funds above are classified as broadly restricted funds (see a-c) which means these funds can be used across different programmes and geographies including transfers to other funds that may be in deficit if required.

## Restricted Funds description

### (a) FCDO match funds

FCDO match funds will be used to fund nutrition programmes across various geographies with the exception of India.

### (b) NORAD funding

Norad funding can be used across The Power of Nutrition approved programmes but this funding is intended for our Bangladesh programme and our Mobile Doctorn programme in India which is still to be launched.

### (c) Platform Funding

Platform Funding is aimed to be used within nutrition programmes when required.

### (d) Burkina Faso programme

Funding for the Burkina Faso programme supports the nutrition component of the Government of Burkina Faso's Health Services Reinforcement Project.

### (e) Maharashtra programme

Funding for the Maharashtra programme supports the strengthening of the implementation capacity and and delivery of essential nutrition services in Maharashtra at both State and District levels for the benefit of children and mothers. The negative balance at the end of 2019 reflects funds committed to those activities and for which monies are expected to be received in the 2020 to 2024 years from the Children's Investment Fund Foundation.

### (f) Indonesia programme

Funding for the BISA programme in Indonesia, this programme is assisting the Government of Indonesia in transforming the lives of women, adolescent girls and young children, enabling them to access better nutrition and helping children reach their full potential. The negative balance at the end of 2019 reflects funds committed to those activities and for which monies are expected to be received in the 2020 to 2023 years from DFAT.

### (g) Gujarat programme

Funding for the Gujarat nutrition programme which will support the State Government of Gujarat to deliver its stunting reduction programme. The negative balance at the end of 2019 reflects funds committed to those activities and which monies are expected to be received in the period 2020 to 2024.

### (h) Benin programme

Funding for the Benin programme is to support the Government of Benin's national nutrition programme which is expected to avert 9,000 cases of stunting amongst children; avert 85,400 cases of maternal anaemia and 1,000 child deaths. The negative balance at the end of 2019 reflects funds committed to those activities and for which monies are expected to be received in the period 2020-2024.

### (i) Research programmes

Funding for supporting research primarily linking good nutrition with improved business returns and uplift in a country's GDP.

### (j) ECF funder

Recognising incoming funding from the Eleanor Crooke Foundation (ECF) for a future nutrition programme.

### (k) JSW funder

Recognising funding from the JSW Foundation for a future nutrition programme.

### (l) Comic Relief (USA) Funder

Funding that is to support the Burkina Faso programme, this programme is supporting the nutrition component of the Government of Burkina Faso's Health Services reinforcement Project

### (m) Rotary Foundation funder

Recognising incoming funding from the Rotary Foundation for a future nutrition programme.

### (n) TATA Foundation funder

Funding from the TATA Foundation to support future nutrition programmes.

### (o) GCC funder

Funding from Grand Challenges Canada to support future nutrition programmes



**14 Reconciliation of net loss to net cash flow from operating activities**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Net loss for the reporting period (as per the statement of financial activities)</b>	<b>(19,316)</b>	<b>(10,538)</b>
Depreciation charges	<b>26</b>	22
Interest income	<b>(109)</b>	(391)
Decrease/(Increase) in debtors	<b>19,633</b>	(1,602)
(Decrease)/Increase in creditors	<b>(868)</b>	8,211
<b>Net cash provided by operating activities</b>	<b>(634)</b>	<b>(4,298)</b>

**15 Operating lease commitments**

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods. These leases relate to property.

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Less than one year	<b>134</b>	118
Years two to five	<b>279</b>	400
	<b>413</b>	518

**16 Legal status of the charitable foundation**

The charitable foundation is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to \$1.36 (£1).

**17 Related party transactions**

One trustee of the charitable foundation was a senior employee of CIFF during the year. The charitable foundation received \$3.6m of income from CIFF (2019: \$3.4m) during the year.

One trustee of the charitable foundation is a partner of the legal firm BDB Pitmans. The Power of Nutrition paid \$81,443 (2019: \$100,964) in legal fees to BDB Pitmans in the year. All transactions were at an arm's length basis.

**18 Post balance sheet event**

At the end of April 2021 we were advised by FCDO that due to the UK government reducing the spend on International Aid from 0.7% of Gross National Income to 0.5%, our budget allocation from FCDO for the 2021/2022 year would reduce from \$9.7m to \$4.1m. Despite the cuts, we have been able to protect the majority of our programmes with just 2 out of 17 existing programmes requiring additional funding over the next 2 year period to cover the gap in funding. Currently we have no certainty over funding commitments from FCDO for 2022 or beyond.