

REAL LIVES REAL IMPACT

ANNUAL REPORT 2021



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Greg Gorman

HEAR FROM OUR
CEO ON PG 04



30 YEARS OF
IMPACT ON PG 07



Frontline AIDS / Rahul Tiwari



AT A GLANCE



LOVE.
COMPASSION.
DIGNITY.



AIDS HAS
ALREADY CLAIMED
MORE THAN
38 MILLION LIVES
GLOBALLY.

Since 1992, the Elton John AIDS Foundation has worked to overcome the stigma, discrimination and neglect that keep us from ending AIDS. Through public and private supporters and partners, we help to create a world of love, compassion and dignity for people living with or at risk of HIV/AIDS.





AT A GLANCE
CONTINUED



882,493

PEOPLE REACHED
ACROSS ALL PROJECTS



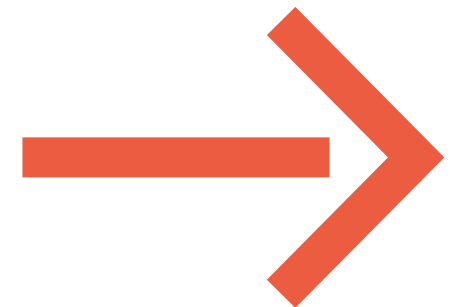
87

ACTIVE GRANTS
IN 54 COUNTRIES

(including 27 new grants, in 18 countries)

359,586

PEOPLE
TESTED FOR HIV





LETTER FROM SIR ELTON JOHN, DAVID FURNISH AND ANNE ASLETT

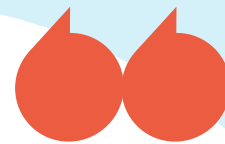
MAKING REAL IMPACT WHERE IT MATTERS.

SIR ELTON JOHN
Founder




TO SUPPORTERS AND PARTNERS OF THE ELTON JOHN AIDS FOUNDATION

On the eve of our 30th anniversary, we want to take a moment to reflect on our work, progress and learning over the past three decades, as well as the challenges that lie ahead. 2021 marked 40 years since AIDS cases first surfaced in North America. Since then, it has become one of the deadliest pandemics the world has ever seen. We have lost more than 36 million people, a generation of children have been orphaned across Africa and countless individuals, families and communities around the globe have been devastated by illness, lost productivity, exclusion and discrimination.



WE'VE BEEN MEETING
THE MOST URGENT NEEDS
OF THE AIDS EPIDEMIC
FROM PALLIATIVE CARE TO
PREVENTATIVE MEDICATION
SINCE 1992.



LETTER FROM SIR ELTON JOHN, DAVID FURNISH AND ANNE ASLETT CONTINUED

Since our founding in 1992, we have funded more than 3,000 HIV projects in over 90 countries, reaching more than 100 million people with lifesaving information and services. The Foundation has been agile in meeting the most urgent needs of the AIDS epidemic—from palliative care to preventative medication, including pre-exposure prophylaxis (PrEP), to expanding HIV treatment, testing and prevention for mothers and their children. We are proud to have contributed to the extraordinary progress that today enables 28 million people to access lifesaving HIV treatment and has led to a decline in new HIV infections in so many parts of the world: achievements that were unimaginable when we began.

That's not to say we haven't had our fair share of challenges, especially in 2021. We've confronted two pandemics, an overdue reckoning around racial injustice and an inconsistent transition to remote work.

We're proud to say we've risen to these challenges with speed and efficiency, directing funds where they were most needed by our incredible grantees and partners.

As we face the long-term realities of the COVID-19 pandemic, it's important to remember AIDS is not over—in fact, it delivers many important lessons in the fight against the coronavirus and future pandemics. The first lesson is equality. Excluding or criminalizing the most vulnerable is not only morally wrong, it prevents us from truly defeating disease.

The second is partnership. Effectively responding to global pandemics means placing people living with disease at the center of the conversation, informing and helping to shape government policy, health systems, science and funding, all of which must work together seamlessly.



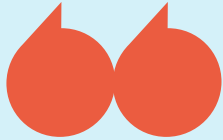
AIDS DELIVERS MANY IMPORTANT LESSONS IN THE FIGHT AGAINST FUTURE PANDEMICS. THE FIRST LESSON IS EQUALITY.

DAVID FURNISH
Chair





LETTER FROM SIR ELTON JOHN,
DAVID FURNISH AND ANNE ASLETT
CONTINUED



THE CHALLENGES FACED BY THE WORLD TODAY MAKE ENDING AIDS MORE IMPORTANT THAN EVER.

And, finally, we now know we must harness innovation, particularly high tech, to reach more people quickly; to tailor support to different populations; to assess cost and effectiveness; and to glean valuable data on what is needed where and by whom. These lessons are integral to the Foundation's approach to expand the highly effective HIV testing, treatment and prevention that has emerged over the past 40 years and will help us realize an end to AIDS.

In using these lessons to accelerate our goals, we have harnessed our voices and the voice and credibility of the Foundation in advocating to policymakers and leaders around the world, including working side by side with President Emmanuel Macron in 2018 to leverage \$14 billion for the Global Fund for AIDS, TB & Malaria. These efforts bring lasting, systemic change.

On the following pages, you will see how the Foundation uses these lessons to accomplish meaningful impact in our programs. For example, faced with a worldwide shut down, we used technology to take our iconic Academy Awards Viewing Party online and across the globe, raising \$3 million for our programs.

We also launched the new Elton John Eyewear collection with Walmart and Sam's Club. This partnership will raise \$1 million annually for the Foundation and use the stores' footprint to provide access to vital services in the southern United States, allowing us to reach more people with HIV care and save lives. The Foundation's fantastic team deserve huge credit for their dedication and ingenuity in bringing these initiatives to life. We are deeply grateful.

As always, thank you for your support this year and in the years ahead. By demonstrating the impact that your generosity has on the lives of so many people, we hope that our Annual Report energizes you as we look ahead to 2022. The challenges faced by the world today make ending AIDS more important than ever. You are a critical part of the solution, and with all of you on board, we will undoubtedly make it all the way to the finish line.

Sincerely
SIR ELTON JOHN, DAVID FURNISH
AND ANNE ASLETT



ANNE ASLETT
Chief Executive Officer



OUR IMPACT OVER 30 YEARS

EQUALITY. PARTNERSHIP. INNOVATION.



Carol Allen-Storey



1992: The Elton John AIDS Foundation is established and holds its first-ever Academy Awards® Viewing Party.

1992/93: Support of HIV/AIDS community services begin in the US, UK and Africa.

1996: More than 800,000 vulnerable and orphaned children receive shelter, food and education.

800,000

CHILDREN RECEIVE SHELTER,
FOOD AND EDUCATION

1999: The first-ever White Tie & Tiara fundraising event is held in the UK.



2002: Sir Elton John testifies before the US Congress, pleading for more funds to fight the global AIDS epidemic.



Getty Images



2005: 10,000 infants and babies receive lifesaving treatment in sub-Saharan Africa.

2010: The Foundation becomes one of the first organizations to support services to prevent mother-to-child transmission of HIV.



OUR IMPACT OVER 30 YEARS
CONTINUED

\$10m

LGBT FUND LAUNCHES
IN MORE THAN 26 COUNTRIES

2012: Services expand to support HIV testing in Asia, Eastern Europe, Africa, the UK and the US.

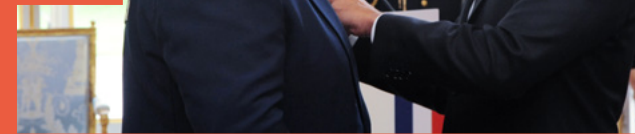
2015: Sir Elton John speaks before the US Senate, highlighting the steps needed to end HIV.



2016: The \$10 million LGBT Fund launches to distribute HIV resources to LGBTQ+ communities in more than 26 countries.

2018: Sir Elton John and the Duke of Sussex announce the \$1.2 billion MenStar Coalition.

2019: Sir Elton John and President Emmanuel Macron of France successfully launch a \$14 billion appeal to raise funds for the Global Fund to Fight AIDS, Tuberculosis and Malaria.



Agnes Dierbeys

\$1.2bn

MENSTAR COALITION

2019: RADIANT, a \$25 million partnership between the Foundation and Gilead Sciences, launches in Eastern Europe and Central Asia.

2020: The COVID-19 Emergency Fund launches to provide extra support for vulnerable communities.

2021: A national partnership with Walmart launches to raise funds, awareness and access to HIV testing in the US.



Frontline AIDS/Tony Kawimbe



OUR MISSION

OUR MISSION IS SIMPLE:
AN END TO THE AIDS
EPIDEMIC FOR EVERYONE.

As a leader in the global AIDS community, the Elton John AIDS Foundation is committed to overcome the stigma, discrimination and neglect that keep us from ending AIDS. The Foundation harnesses local expertise across four continents to challenge discrimination, prevent infections and provide treatment for these groups, as well as mobilizing governments to end AIDS. We build love, compassion and dignity for those with or at risk of HIV and a future for young people free from the fear of AIDS.

A WORLD FREE FROM AIDS



WHAT MAKES US UNIQUE

WE'RE STILL STANDING STRONG

THE FOUNDATION'S GLOBAL REACH TRANSCENDS GEOGRAPHIC BORDERS WHILE STAYING FOCUSED ON SPECIFIC COMMUNITIES, POPULATIONS AND AREAS OF CONCERN MOST AFFECTED BY HIV/AIDS.

A WORLD WITHOUT AIDS

The commitment to end AIDS by 2030 involves more than just eliminating a disease. Punitive and judgmental attitudes around the world persist, and laws targeting HIV and the groups most vulnerable to it need ongoing care and advocacy. Combatting disproportionate underfunding for vital services and care to these groups requires the trust of the vulnerable communities we serve and that services can be effectively delivered to them.

CHANGING LAWS

The Elton John AIDS Foundation works to bring about political and social change across the globe. Criminalising people for who they are makes it impossible for many to access their human rights, including health care.

PROMOTING DIGNITY AND COMPASSION

The Foundation seeks to create a world in which people living with or at risk of HIV feel empowered to fight for their rights and are treated with compassion, dignity, respect and equity and where they can claim their legal rights to health services and support. No matter who or where they are. Representation and visibility matter.

CHANGING SYSTEMS

We work to change systems because providing support now isn't enough. Bringing about systemic cultural, social and political changes is instrumental in working toward realizing an AIDS-free future.



ALL OVER THE WORLD

WHERE WE FUNDED IN 2021:



1. Armenia
2. Belarus
3. Benin
4. Botswana
5. Burkina Faso
6. Burundi*
7. Cambodia
8. Cameroon
9. Canada
10. Côte d'Ivoire*
11. Democratic Republic of the Congo
12. Dominican Republic
13. Eswatini
14. Ethiopia
15. Georgia
16. Ghana
17. Guyana
18. Haiti*
19. India
20. Indonesia
21. Kazakhstan
22. Kenya*
23. Kyrgyzstan
24. Malawi*
25. Malaysia
26. Mali*
27. Mauritania*
28. Mauritius*
29. Mexico
30. Moldova
31. Mozambique*
32. Myanmar (Burma)*
33. Namibia
34. Nigeria
35. Philippines
36. Romania
37. Russia*
38. Senegal
39. Sierra Leone
40. South Africa*
41. Tajikistan
42. Tanzania*
43. Thailand
44. Togo
45. Trinidad and Tobago
46. Turkmenistan
47. Uganda*
48. Ukraine
49. United Kingdom*
50. United States of America*
51. Uzbekistan*
52. Vietnam
53. Zambia
54. Zimbabwe*

* Newly awarded grants in 2021.

ACADEMY AWARDS® VIEWING PARTY



A VIRTUAL PHENOMENON



WE CERTAINLY WEREN'T GOING TO MISS OUR ANNUAL OSCAR PARTY TO BENEFIT THE FOUNDATION—EVEN IF IT MEANT GOING VIRTUAL.

Hosted by Emmy® and Tony Award®-winning actor Neil Patrick Harris, alongside Sir Elton John and David Furnish, the Foundation's 29th annual Academy Awards® Viewing Party, its first-ever virtual gala, took place on Sunday, April 25, 2021. The famed Oscar party, streamed live across four time zones, raised \$3 million for the Foundation's global efforts to end AIDS, ensuring lifesaving programs could continue uninterrupted through the COVID-19 pandemic.

A 60-minute pre-show special featured a phenomenal performance by Grammy® Award-winning artist Dua Lipa, as well as appearances by special guests Lady Gaga, Olly Alexander, Nathaniel Curtis, Omari Douglas, Cynthia Erivo, Callum Scott Howells, Elizabeth Hurley, David Walliams and Lydia West and other members of the cast of the television miniseries *It's a Sin*.



Neil Patrick Harris brought his characteristic humor and warmth to the show, and Dua Lipa lit up the night with performances of her chart-topping hits “Levitating”, “Pretty Please”, “Hallucinate” and “Don't Start Now”. Guests were also treated to an extra-special duet, with Sir Elton John and Dua Lipa performing “Bennie and the Jets” and “Love Again”.

“We certainly weren't going to miss our annual Oscar Party to benefit the Foundation—even if it meant going virtual,” said Sir Elton John. “It was so much fun to perform with the gorgeous and talented Dua Lipa and open our party to supporters all over the world. I'm so grateful to Neil for hosting, to everyone who attended and to all my friends who participated, ensuring that we could continue this legendary event and raise vital funds to end the AIDS epidemic.”

Cisco Webex and Parx Casino partnered with the Foundation as the evening's leading partners. Co-sponsors included Gilead Sciences, Robert Kraft, and Judy and Leonard Lauder, with associate sponsors Elena and Victor Pinchuk, Rosewood London, Sam's Club, and Iris and Michael Smith.

The Foundation sincerely appreciates the contributions of these valued supporters, which helped make this iconic fundraiser such a tremendous success.



PLANNED GIVING



START YOUR LEGACY



IN 2021, WE LAUNCHED A PARTNERSHIP WITH FREEWILL, A LEADING ESTATE-PLANNING TOOL, PROVIDING OUR SUPPORTERS IN THE UNITED STATES WITH A FREE AND EASY ONLINE RESOURCE FOR CREATING A LEGAL WILL.

Your planned gift to the Elton John AIDS Foundation costs nothing and will improve outcomes for future generations. Start your legacy today and help us achieve our mission to leave no one behind in the global fight to eliminate AIDS at: www.eltonjohnaidsfoundation.org/get-involved/planned-giving/.

Questions? Please reach out to Fundraising@eltonjohnaidsfoundation.org.

ZERO HIV SOCIAL IMPACT BOND

DURING THE PAST THREE YEARS, THE ZERO HIV SOCIAL IMPACT BOND (SIB) HAS RESULTED IN MORE THAN 460 PEOPLE IN SOUTH LONDON EITHER BEING NEWLY DIAGNOSED WITH HIV OR BROUGHT BACK INTO HIV CARE, PROVIDING ACCESS TO LIFESAVING TREATMENT, PREVENTING ONWARD TRANSMISSION OF THE VIRUS AND AVOIDING AN ESTIMATED £90 MILLION OF COSTS TO THE HEALTH CARE SYSTEM.



LEAVING NO ONE BEHIND



The comprehensive data we compiled in this ground-breaking initiative presented compelling evidence that embedding opt-out testing into the health system—rather than testing people who fit a simplistic or biased HIV stereotype—reduces stigma, as well as creating opportunities to help people before they become sick or unknowingly pass HIV on to anyone else.

This innovative program proves that opt-out HIV testing in hospital emergency rooms and doctors' offices can reach members of the community who do not receive HIV testing services anywhere else. It also helps ensure that Black and ethnic minorities, women and older people are not being left behind in the fight to end AIDS in the UK. There is still more to be done to reach zero HIV transmissions by 2030, but the Zero HIV SIB confirms that delivering the right services in the right places can expedite meeting that goal and tackle inequalities in access to care.

We are proud that the UK government will now fund these services across England as part of its comprehensive HIV Action Plan, and we'd like to thank our amazing partners in hospitals, primary care and community organizations. We'd also like to recognize our funding partner the National Lottery Community Fund; investors Comic Relief, Big Issue Invest and ViiV Healthcare; commissioners in Lambeth, Southwark and Lewisham councils; NHS England and Public Health England; and Maclaren Consulting and Freshfields Bruckhaus Deringer, for their pro bono support.

UK HIV COMMISSION

TEST, TEST, TEST

THE UK HIV COMMISSION, SUPPORTED BY THE FOUNDATION, TERENCE HIGGINS TRUST AND NATIONAL AIDS TRUST, ESTABLISHED A UNIQUELY AMBITIOUS PROCESS TO IDENTIFY AND ADVANCE A VIABLE PATH TO ENDING NEW HIV TRANSMISSIONS AND HIV-ATTRIBUTED DEATHS IN ENGLAND BY 2030.

Intent on examining the issues and finding attainable solutions, 12 independent commissioners received thousands of responses from individuals and organizations, visited HIV clinics and sexual health and other support services providers and attended public meetings all over the country. Our Foundation also submitted evidence derived from the Zero HIV SIB (see above), which informed the commission's landmark final report, published in December 2020. In addition to emphasizing "test, test, test" the report makes 20 recommendations, prioritizing the following:

→ England should take the necessary steps to be the first country to end new HIV transmissions by 2030, with an 80% reduction by 2025.

- The national government must drive and be accountable for reaching this goal by publishing a comprehensive HIV Action Plan.
- HIV testing must become routine—opt-out, not opt-in—across health services.
- The Department of Health and Social Care and the Cabinet Office should jointly report to Parliament on progress toward achieving these goals on an annual basis.

Many of the report's recommendations are endorsed in the government's new HIV Action Plan, which allocates £23 million—the first new money for HIV in many years—to fund them. This includes £20 million to expand the opt-out testing work piloted in the Zero HIV SIB.

SEE PAGE 14 FOR MORE INFORMATION





UNITED STATES

LIFTING BARRIERS

IN THE UNITED STATES, AN ESTIMATED 1.2 MILLION PEOPLE ARE LIVING WITH HIV. 14% OF THOSE INDIVIDUALS ARE UNAWARE THEY'RE INFECTED, AND, OF THOSE DIAGNOSED, 42% ARE NOT RECEIVING CONSISTENT CARE.

What's more, this significant gap in testing and care is widest among people of racial and sexual minorities in the South—more than a quarter of annual new diagnoses occur among Black gay, bisexual and other men who have sex with men, and an estimated 44% of Black transgender women are living with HIV. To address these pronounced health inequities, we've developed a diverse portfolio of partnerships that focus on removing barriers to diagnosis and care through direct community-based services, as well as pushing for enduring systemic change through new policies and laws.

We started in the state with the highest rate of new HIV infections in the South: Georgia. In Atlanta, where more than 40,000 people are living with HIV, we supported several community-based organizations doing great work in the city and surrounding rural areas to reach people needing immediate support. Notably, our partnership with Point Source Youth expanded rapid rehousing for young people living with HIV from LGBTQ+ communities—an especially acute need during the COVID-19 pandemic. The initiative also provided direct cash transfers to young people experiencing homelessness, helping to meet their most fundamental needs.



WE'VE DEVELOPED A DIVERSE PORTFOLIO OF PARTNERSHIPS THAT FOCUS ON REMOVING BARRIERS TO DIAGNOSIS AND CARE.

1.2m

PEOPLE LIVING WITH HIV IN THE US

We also created a new way for people to access HIV testing in Atlanta through our collaboration with Walmart stores. By removing social and practical barriers to HIV testing and engaging local partners with expertise in HIV community outreach, more than 200 people were tested in 2021. Through this partnership, we aim to dramatically expand HIV testing in future years.

Projects like these provide immediate support. To achieve long-term sustainability, though, we must also actively enact laws and policies that broaden access to much-needed services. In 2021, with the Foundation's support:

- Georgia Equality, the largest LGBTQ+ advocacy group in the state, started its Ending the Epidemic fellowship program, providing three recent college graduates a yearlong immersion into the policy-making process. Already, the fellows are engaging in diverse and impressive work across the areas of treatment access, housing equity and outreach to young people.
- The Kaiser Family Foundation (KFF) developed valuable policy insights on a national scale—its most recent work details how people living with HIV would gain access to medical services if Medicaid was expanded in non-expansion states.
- Quantified Ventures analyzed gaps in services for HIV testing and treatment in Atlanta and assessed the viability of using outcomes-based financing to advance one or more potential solutions. Its findings have enabled us to push for a model that promotes re-engagement within the existing Medicaid system.



UNITED STATES
CONTINUED

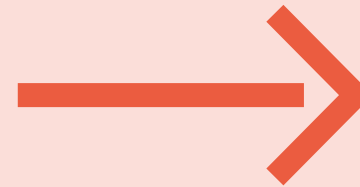


THE ORGANIZATIONS WE SUPPORT ARE STEADFASTLY DEDICATED TO BRINGING HIV TESTING AND CARE DIRECTLY TO THOSE WHO NEED IT MOST.

These organizations and the others we support are steadfastly dedicated to bringing HIV testing and care directly to those who need it most. Together, we are fostering solutions that address existing barriers to HIV prevention and treatment and ultimately improve health outcomes for everyone. Our progress in Georgia reaffirms what can be accomplished across the entire US and motivates our enduring vision for a world free of HIV/AIDS.



ARBURTHA FRANKLIN WORKS AT THE TRANSLATIN[®] COALITION, AN ORGANIZATION THAT ADVOCATES FOR IMMIGRANT TRANSGENDER LATINAS WHO RESIDE IN THE UNITED STATES.



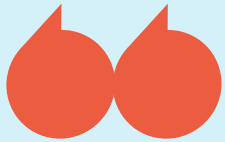
She met the team at the TransLatin[®] Coalition—a partner of the Foundation's Fund for Resilience, Equity and Engagement (FREE), which supports community-led organizations in addressing Black LGBTQ+ needs in the US—after 23 years in the California State Prison system.

The TransLatin[®] Coalition immediately welcomed Arburtha with compassion and support, providing services ranging from medical assistance, mental health and HIV prevention to violence prevention and emergency housing. Arburtha started working as an intern at the TransLatin[®] Coalition in 2021 and is now the coordinator of its transitional housing program, HOPE House, where she looks forward to continuing to grow and work for her community.

MEET
ARBURTHA
IN THE US



EASTERN EUROPE AND CENTRAL ASIA



EASTERN EUROPE AND CENTRAL ASIA (EECA) HAVE THE FASTEST-GROWING HIV EPIDEMIC IN THE WORLD—THE ANNUAL NUMBER OF NEW HIV INFECTIONS INCREASED BY AN ESTIMATED 43% FROM 2010 TO 2020, WHILE, OVERARCHINGLY, CASES DECLINED GLOBALLY.

FIGHTING THE TREND

As the largest philanthropic funder of HIV programming in the region, we are committed to reversing this trend and ensuring the region is not left behind. We do this by investing in community-led, innovative and sustainable programming that delivers compassionate and quality care widely to marginalized communities, including:

01

The Eastern Europe and Central Asia Key Populations Fund (EECA KP Fund), which awarded grants in nine countries in the region, including an emergency support fund that was vital during the COVID-19 pandemic. Started in 2018, EECA KP Fund projects brought HIV-related services closer to key communities, enabling people excluded from health systems to access services where they feel safe and accepted. Responding with strategic creativity to effectively continue and, in some cases, even improve community-led HIV services, EECA KP Fund projects provided HIV-related services to 149,263 people in 2021, including:

- Testing 100,302 people for HIV;
- Initiating 8,924 people on HIV treatment; and
- Retaining 8,225 people in HIV care.

02

RADIAN, the Foundation's ground-breaking initiative in partnership with Gilead Sciences, which aims to help end the HIV epidemic in EECA. After just one full year of operation, projects supported by RADIAN in 2021 had:

- Delivered services to 29,129 people;
- Tested 8,061 people for HIV (with 1,143 testing positive);
- Initiated care for 4,962 people living with HIV; and
- Trained 2,327 key stakeholders to reduce stigma and improve the quality and access of care for key groups.



EASTERN EUROPE AND CENTRAL ASIA CONTINUED

Additionally, to ensure that national health systems and community efforts align seamlessly, the Foundation awarded two new grants through the RADIANT Model Cities program in 2021. These aim to create sustainable models for communities to partner with existing health systems to:

- Reduce the number of new HIV infections and increase the proportion of people living with HIV who know their status, are receiving treatment and have an undetectable HIV;
- Improve well-being and reduce stigma toward people living with and at risk of HIV;
- Build on existing systems to provide HIV services more effectively for key populations; and
- Document and disseminate project findings to help other regions across EECA end their HIV epidemics.

FIGHTING THE UNIQUE CHALLENGES AND INJUSTICES FACED BY WOMEN LIVING WITH HIV IS A DAILY REALITY AND TRUE PASSION FOR LYUBOV, ONE OF OUR RADIANT CHANGEMAKERS, FROM ALMATY, KAZAKHSTAN.



MEET LYUBOV IN KAZAKHSTAN

Living with HIV for 17 years—and receiving treatment only due to her pregnancy—she is intimately familiar with the myriad ways that HIV intersects with women’s health, safety and well-being.

Lyubov works for a community organization that advocates for the rights of people living with HIV and uses her personal experiences to motivate and deliver positive outcomes to her clients. She is very aware of the value she brings, speaking openly about her own HIV diagnosis, a rare and powerful thing for a woman in Kazakhstan. “Unfortunately, I am one of the few who feel able to talk openly about my HIV status, but I think this can be extremely impactful when we are conducting training with doctors, police and the community—it is very important for them to see a real-life example.”



PEOPLE WHO USE DRUGS

114,000

PEOPLE REACHED WHO USE DRUGS



DESTIGMATIZE, DECRIMINALIZE, DEMARGINALIZE.

Despite ongoing societal challenges and overburdened health care systems, in 2021 our partners continued to provide essential HIV and harm reduction services to people who use drugs on three continents. Notably, our partners:

- Reached 114,000 people who use drugs with a wide range of services;
- Provided HIV testing to more than 33,000 individuals; and
- Helped over 1,500 people diagnosed with HIV access lifesaving treatment.

In India, where the Delta variant of the coronavirus spread widely in early 2021, our partners in the Accelerate program set up community-based services in Delhi and Uttar Pradesh for people who use drugs, their partners and their families. Over the past year, local teams connected more than 260 people to HIV treatment, referred 600 people who inject drugs to opioid substitution therapy and provided HIV testing to 345 partners and contacts.

CONTINUED



THERE'S AN URGENT NEED TO ADDRESS PUNITIVE LAWS THAT CRIMINALIZE PEOPLE WHO USE DRUGS AND RESTRICT ACCESS TO ESSENTIAL SYRINGE SERVICES.



PEOPLE WHO USE DRUGS
CONTINUED

ADDITIONALLY, THE PROGRAM RESPONDED TO RISING RATES OF HIV AMONG YOUNG PEOPLE, REACHING MORE THAN 1,600 PEOPLE UNDER THE AGE OF 25 WHO USE DRUGS, AND CONNECTING 44 YOUNG PEOPLE TO HIV TREATMENT.



And the Samarth 2.0 project continued to serve LGBTQ+ communities who use drugs through a combination of online and physical outreach. This innovative, community-led program is one of few in India tailored to the specific needs of men who have sex with men and transgender communities who use drugs.

Our work to aid people who use drugs continued in the US, too. With drug-overdose deaths rising persistently and 7% of all new HIV transmissions in the country attributed to unsafe injection, there is an urgent need to address the punitive laws that criminalize people who use drugs and restrict access to essential syringe service programs.

By funding the Syringe Access Fund, for instance, we empowered community-based partners in Indiana and Oklahoma to participate in state-level advocacy and improve the legal and policy environment for people who use drugs. In both states, advocates successfully shaped new legislation that made the operation of syringe service programs legal and provided a lifeline to those at risk of overdose, HIV and other blood-borne viruses. Furthermore, our partners engaged tirelessly with local stakeholders, law enforcement, media and politicians to gain support for meaningful policy and legal changes and provided a range of educational sessions identifying the benefits of harm reduction.

And in Armenia, our funding supported innovative HIV testing and treatment services and the formation of a national advocacy coalition. Aimed at increasing funding for harm reduction and establishing improved guidelines on service delivery for people who use drugs, the program made more than 1,600 people who use drugs aware of their HIV status, as well as introduced community-based hepatitis C testing for the first time in Armenia.

7%

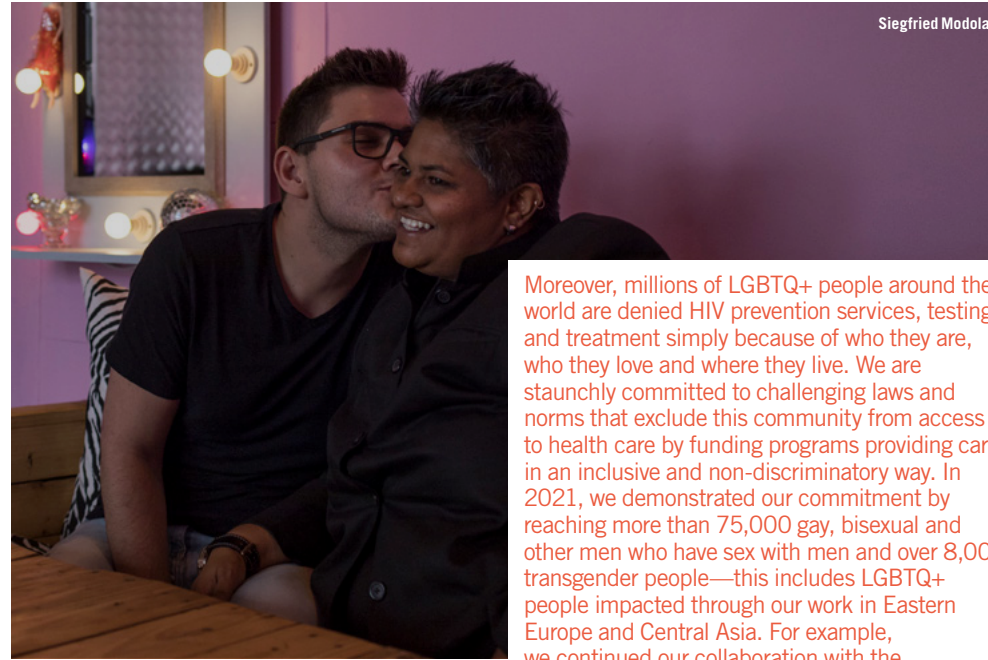
OF NEW HIV TRANSMISSIONS
ARE FROM UNSAFE INJECTIONS



GLOBAL LGBTQ+



MILLIONS AROUND THE WORLD ARE DENIED SERVICES, TESTING AND TREATMENT SIMPLY BECAUSE OF WHO THEY ARE, WHO THEY LOVE AND WHERE THEY LIVE.



Siegfried Modola

HIV continues to disproportionately affect LGBTQ+ communities across the globe. According to the Joint United Nations Program on HIV/AIDS, transgender women have a 34 times greater risk of acquiring HIV than other adults, and gay men and other men who have sex with men are at 25 times greater risk of acquiring HIV than heterosexual adult men. These risks are exacerbated by stigma and discrimination, criminalizing laws and other structural barriers that create a climate of fear and exploitation and restrict access to vital HIV services.

Moreover, millions of LGBTQ+ people around the world are denied HIV prevention services, testing and treatment simply because of who they are, who they love and where they live. We are staunchly committed to challenging laws and norms that exclude this community from access to health care by funding programs providing care in an inclusive and non-discriminatory way. In 2021, we demonstrated our commitment by reaching more than 75,000 gay, bisexual and other men who have sex with men and over 8,000 transgender people—this includes LGBTQ+ people impacted through our work in Eastern Europe and Central Asia. For example, we continued our collaboration with the Population Council and its partners to implement an ambitious project in Lagos, Nigeria, serving gay men and transgender communities who remain extremely marginalized and at risk of HIV and have limited access to quality health care. Through the project, 8,232 LGBTQ+ people have received HIV services and care, more than 6,000 people have been tested for HIV and over 500 health providers have been taught to sensitively support marginalized communities, ensuring LGBTQ+ people can access HIV services in safe and non-stigmatizing settings.

We also partnered with the Foundation for AIDS Research (amfAR) and Global Action for Trans Equality (GATE) on an important project to increase transgender inclusion in national strategic plans for HIV/AIDS, helping to ensure resources and support are accessible and appropriate for transgender populations in Ukraine, Thailand, Uganda, Kenya and Zambia.

We continued our work with PrEPster in 2021, too, ensuring that knowledge of and access to preventative HIV medication for LGBTQ+ increases in the UK and globally. This occurs through targeted educational activities and information sharing in communities where access to the preventative medication called PrEP is limited.

And we maintained our strong partnership with the KFF, which conducted policy analysis to improve the health system for LGBTQ+ people in the US and examined the impact of the COVID-19 pandemic on people with and at risk of HIV, HIV programs and LGBTQ+ populations. KFF is also tracking the progress of Ending the HIV Epidemic Initiative: A Plan for America, a federal effort to reduce new HIV infections in the US.

ENDING DISCRIMINATION, REDUCING RISK



YOUNG PEOPLE

TODAY, AIDS IS AMONG THE TOP THREE KILLERS OF YOUNG PEOPLE IN THE WORLD.

Too often, young people are confronted by a lack of vital information about their HIV risk; services that are hard to reach or not designed with them in mind; and social norms restricting their ability to get the help they need. At the Elton John AIDS Foundation, we champion the right of all young people to have access to care, services and relevant and accurate information wherever they are, free from discrimination and stigma. To that end, we have developed a portfolio of innovative and affordable programs designed to overcome logistical and social barriers and provide young people with sexual health services that are confidential, convenient and choice driven.



CHAMPION THE FUTURE

IN 2021 ALONE, THE FOUNDATION REACHED MORE THAN 60,000 YOUNG PEOPLE THROUGH THE FOLLOWING PROGRAMS.

See the following pages



YOUNG PEOPLE CONTINUED

KWAZULU-NATAL CHILDREN'S HOSPITAL, SOUTH AFRICA

THE ELTON JOHN AIDS FOUNDATION
CO-FOUNDED AN ADOLESCENT CENTER
AT SOUTH AFRICA'S KWAZULU-NATAL
CHILDREN'S HOSPITAL (KZNCH), LOCATED
IN A DISTRICT WITH THE HIGHEST HIV
INFECTION RATE OF ADOLESCENTS
ANYWHERE IN THE WORLD.



With more than 18,000 young people on antiretroviral therapy (ART) living within a roughly 50-mile radius of the hospital—and this represents only a fraction of those who are infected with HIV—the center will minimize the barriers young people encounter in accessing health services and deliver customized care from caregivers who specialize in adolescent health. The center is also integrating mental health services into its treatment programs, and once it is fully operational (Autumn 2022), the unit will serve 600 young people in person and even more virtually each month. Through its pioneering approach to care, KZNCH aims to serve as a blueprint for other successful adolescent-specific centers across Africa.

A BLUEPRINT FOR SUCCESS





YOUNG PEOPLE CONTINUED

FRONTLINE AIDS, MOZAMBIQUE

LEADING FROM THE FRONT

Our continued collaboration with Frontline AIDS is advancing a three-year project in Maputo, Mozambique, in partnership with the UK's Foreign, Commonwealth & Development Office. Designed to reach adolescents and young people at highest risk of HIV, the initiative enables access to a comprehensive package of HIV services, including HIV prevention, testing, treatment and care services. It also utilizes and expands the community adolescent treatment supporters (CATS) model, a unique and highly effective peer-driven intervention model for adolescents living with HIV that was pioneered with the Foundation's support in Zimbabwe. The project helps people who are HIV negative stay negative and diagnoses and provides treatment for those who are HIV positive. By the end of 2021, the project had trained 47 CATS, who are supporting 369 young people with access to HIV services, care and treatment.



EKA'S JOURNEY WITH CATS STARTED IN EARLY 2021, WHEN HE GOT A CALL FROM A NEARBY FACILITY INFORMING HIM HE'D BEEN SELECTED TO JOIN A PROGRAM FOR ADOLESCENTS AND YOUNG PEOPLE LIVING WITH HIV.

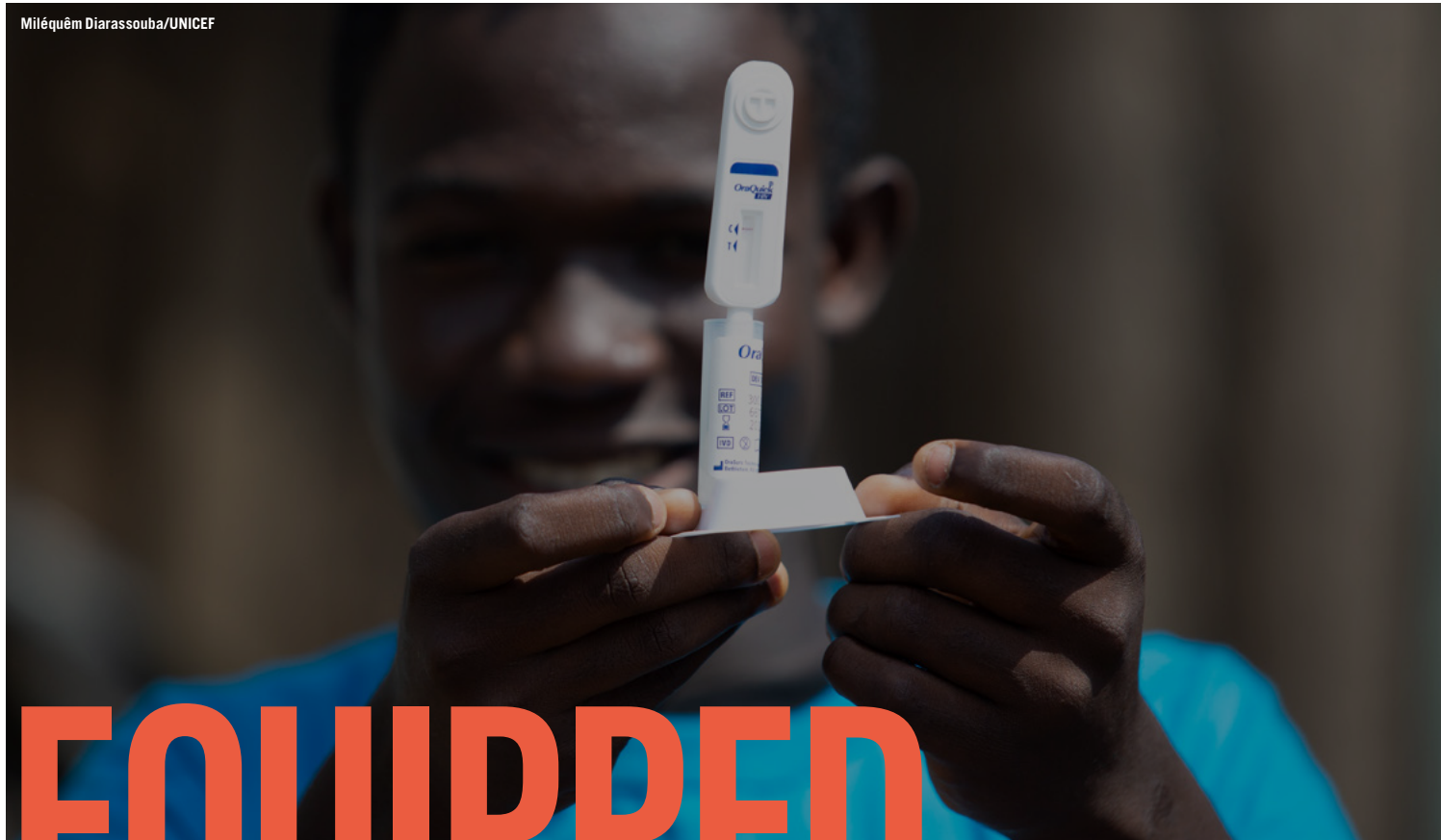


After successfully enrolling in CATS and learning more about the new role, he became excited to meet other young people living with HIV. The experience of being with peers living with HIV was a game changer for Eka, who said, "For the first time since my HIV diagnosis, I got a chance to talk about myself." After sharing his story, Eka also learned about his peers' experiences, which helped him to understand that he was not alone in facing the challenges of living with HIV.



YOUNG PEOPLE CONTINUED
UNICEF, CÔTE D'IVOIRE

Miléquém Diarassouba/UNICEF



EQUIPPED
TO THRIVE

60,000

YOUNG PEOPLE REACHED
WITH PREVENTION PACKAGES

In Côte d'Ivoire, the Foundation partnered with UNICEF to provide young people with critical tools to prevent HIV, including HIV self-testing kits and the preventative medication PrEP. Capitalizing on UNICEF's existing digital platform, U-Report, this grant strategically gathered information from young people on topics they care about most and reached more than 60,000 young people with HIV-combined prevention packages. Additionally, over 12,000 young people were tested for HIV, and nearly 1,000 young people initiated PrEP through the project. Although this program concluded in 2021, it has been officially transferred to the National AIDS Control Program, a government agency leading the response against HIV/AIDS under the Ministry of Health and Public Hygiene, which will help establish a clear path to sustainability and expansion.



YOUNG PEOPLE CONTINUED

UNITED FOR GLOBAL MENTAL HEALTH, WORLDWIDE

Three-quarters of mental health disorders start before the age of 25, and more than 50% of young people experience at least one period of mental illness by the same age. Mental illness and HIV are linked. Young people suffering from depression and/or anxiety have been shown to initiate intercourse at an earlier age, be less likely to use condoms, have higher rates of STIs, have more unintended pregnancies and more sexual partners and be more likely to use drugs and alcohol. All of these factors increase a young person's likelihood of acquiring HIV, compared to those without a history of mental illness. Young people with mental health issues are also less likely to access HIV education, prevention, testing or treatment.

To help illuminate the link between HIV and mental health and increase funding for integrated programming on a global scale, the Foundation partnered with the advocacy group United for Global Mental Health (UGMH). Together, we successfully advocated for the Global Fund to Fight AIDS, Tuberculosis and Malaria—the world's largest independent funder of HIV programs—to ensure a new high-level strategy for 2023–28 clearly articulates the need to integrate mental health services within its HIV and TB responses.

Despite strong and growing evidence that recommends combining HIV and mental health services, many high-prevalence countries have been reluctant to include psychosocial services into HIV funding streams. With its proven track record of leading and shaping global responses to HIV, the Global Fund is well positioned to shift the narrative, emphasizing the importance of addressing mental health, highlighting the most effective interventions and playing a significant role in destigmatizing inclusion of such services in HIV care.

The Foundation will continue its work with UGMH to ensure that country-specific coordinating mechanisms—which help determine the organizations and approaches the Global Fund allocates money to—are informed about both the utility of incorporating mental health services into HIV and TB interventions and the specific implementation options at their disposal.

CHANGING THE NARRATIVE

IN 2021, WE AWARDED SEVERAL NEW GRANTS TO PILOT AND INVEST IN INNOVATIVE NEW TECHNOLOGIES. THESE NEW GRANTEEES SPENT 2021 PREPARING TO LAUNCH THEIR PROGRAMMING—HERE ARE THEIR EXCITING PLANS FOR 2022 AND BEYOND:





YOUNG PEOPLE CONTINUED

PRAEKELT, META AND
WHATSAPP, SOUTH AFRICA

Smartphone use is growing exponentially across sub-Saharan Africa, and Meta (previously Facebook) and WhatsApp are the most utilized social media platforms throughout the region, providing an affordable and highly effective means of reaching young people with sexual and reproductive health information and services on platforms they already use. In partnership with Meta and Praekelt, a South Africa-based app creator, WhatsApp will host a first-of-its-kind private digital forum, in which South African youth can confidentially ask questions about sensitive topics and learn from diverse and engaging forms of edutainment, ranging from video clips to quizzes to chatbots. Young people will be able to leverage what they learn and access services and products through online and offline providers of their choosing.

Thanks to the unique and expansive offerings of these platforms, combined with Meta's support in providing targeted advertising to South African youth aged 15–24, we anticipate introducing 100,000 new users to the platform within six months of launch. We have also partnered with the South African National Department of Health and the Global Fund to Fight AIDS, Tuberculosis and Malaria to help ensure the project's scalability and sustainability.

SMARTER SERVICES

ZIPLINE, KENYA

DIRECT AND ON DEMAND

Our commitment to bring care directly to young people is evident in our partnership with the on-demand drone-delivery company Zipline, in western Kenya. Together, we will put health products directly in the hands of youth, avoiding many of the barriers to care that currently confront young people—health clinics can be hard to reach and expensive, often provide inappropriately retrofitted adult or paediatric care and are often run by discriminatory personnel.

Community health workers can place orders using WhatsApp, text messaging or phone, and drones fulfill the orders at any point of care within a roughly 50-mile range, and in about 15–45 minutes. What's more, the drones are inexpensive—approximately \$14 per flight—resulting in substantial cost savings. Most importantly, this approach meets youth where they are: in night clubs, community centers and sporting events, allowing them to meet their health needs outside a traditional clinical setting. Over the three-year lifecycle of the program, we anticipate reaching more than 32,000 young people with lifesaving services and products.

32,000

YOUNG PEOPLE TO BE REACHED WITH
LIFESAVING SERVICES AND PRODUCTS



YOUNG PEOPLE CONTINUED

IN THEIR HANDS BY TRIGGERISE, KENYA



Triggerise

HANDS ARE REACHING OUT

In Their Hands, a mobile-based platform by Triggerise, empowers young people to decide if, when and where to access sexual and reproductive health services, giving them control over their health choices. The platform reduces significant barriers for adolescents, linking them to information, products and nearby services, which are both discreet and subsidized. It can also send reminders and capture real-time demand and data use, to better understand adolescent needs. Additionally, quality care is incentivized: clinics get paid per visit and young people rate their experience and earn points, which they can then redeem at local stores. Clinics with consistently low ratings are removed, ensuring youth voices play a central and substantive role in shaping the service.

In partnership with the Elton John AIDS Foundation, In Their Hands is expanding its model to reach young men in Kenya, in addition to adolescent girls and young women. It will also expand its clinical offerings to include mental health screenings and services. Over the lifecycle of the program, Triggerise anticipates reaching approximately 4,000 young people with mental health services in 55 clinics.

And, for the first time, Triggerise will integrate its platform with Kenyan public sector HIV services in 30 clinics, delivering behavioral nudges to incentivize and retain both HIV-positive young people and those needing the preventative medication PrEP. Through this ground-breaking approach, we anticipate:

- Testing approximately 12,000 young people for HIV;
- Enrolling roughly 2,200 high-risk HIV-negative young people on PrEP; and
- Providing treatment to approximately 1,500 HIV-positive young people.



DONOR LIST FOR 2021

THANK YOU →

WE ARE GRATEFUL TO ALL OF OUR DONORS
FOR THEIR GENEROUS SUPPORT IN 2021.

\$300,000+

Cisco Webex
The Coca-Cola Company
Gilead Sciences, Inc.
JA Films/YouTube
Christian Lundberg
and R. Martin Chavez
Bob and Tamar Manoukian
Walmart

\$100,000-\$299,999

The Estée Lauder Companies
Charitable Foundation
Fonix Mobile
Charlie and Cynthia Hendon
Robert K. Kraft
Matthias Lanz
Leonard & Judy Lauder Fund
LEWIS PR Inc
M-A-C VIVA GLAM
Michael Melnick and Fin Gray
Oliver Wyman
Victor and Elena Pinchuk
Sam's Club
Iris and Michael Smith
Universal Music Group

* CAD, EUR, and GBP amounts have been converted to USD using the prevailing exchange rate on the date of transaction.



DONOR LIST FOR 2021

\$50,000–\$99,999

Bloomberg Philanthropies
Cadillac
Ann and Gordon Getty
Foundation
Gillian Hearst
Moondance Foundation
Col Needham
Netflix
Dr. Betsee Parker
Vivier Pharma
ZTPR – Zack Teperman

\$20,000–\$49,999

Carol Allen-Storey
Bill and Tani Austin
Big Win Philanthropy
Bono
Aryeh Bourkoff
Jez Cartwright
Crow's Theatre
Dart Group Foundation Inc
Ed Finger
David Geffen Foundation
Ed Glazer
Patricia Hearst Shaw
Hebson Family Foundation
Martin and Celestina Hughes
Marilyn and Jeffrey Katzenberg
Zach and Holly Levow
Tamara Mellon
Newman's Own Foundation
John and Elaine Thibault
Lynn Wyatt

\$10,000–\$19,999

Bruce Bastian
Bobby Berk
Beth Burke
Stephen Carlino and Dennis Fee
Cartier
William and Cindee Dietz
Rami Fustok
Grubman Shire Meiselas
& Sacks
Daniel Huguet and Ricardo
Mora
iHeartMedia
Diana Jenkins
Emma Kane and Ian
Rosenblatt, OBE
Kevin Kane
Ilana Kloss and Billie Jean King
Jeff Krug
Lalique
Bryce Lingo
Dua Lipa
Marshall Mathers Foundation
Steven and Laura Mayer Family
Foundation
Merck Mercuriadis
Leslie Murphy
Joseph R. Paolino, Jr.
Victoria Beckham Ltd.
David Walliams
The Warden Family Charitable
Fund

\$2,500–\$9,999

Tommy Baughman
Bergen County's United Way
Clark and Gretchen Beyer
Joseph Blount
Bravado International Group
Brown Brothers Harriman
Kevin Burke
Citrone 33
Melissa Cobb
Defected Records
John Demsey
Mark Dybul
Michael Fishman
Martina Forman
Virginia Fout
Cobus Gauche and Jesse Blas
Jody Gerson
Frank Giustra
Emily and Sam Glick
Christopher Graham
Madeline Jacquet
Rafi and Jo Manoukian
David Millar

\$2,500–\$9,999 continued

Weston Milliken
Timothy Mitchell
Jack Pierson
Barry Platnick
David and Jennifer Rabinowitz
Saks Incorporated
Schoolfield/Kechejian Family
Fund
The Carl and Ruth Shapiro
Family Foundation
Caryl Stern
Craig Susser
Michael Vivier
Sherry Walton
Eric Whitney
Jon Winter

IN-KIND DONATIONS OF \$2,500+

American Airlines
Buckles Solicitors LLP
Cisco Webex
Freshfields Bruckhaus
Deringer LLP
Tony Maclaren
Rocket Music Entertainment
Group
Rosewood London Hotel
Seyfarth Shaw LLP

* CAD, EUR, and GBP amounts have been converted to USD using the prevailing exchange rate on the date of transaction.



FINANCIAL REVIEW

REVIEW OF THE YEAR

CONSOLIDATED FINANCIAL OUTCOME	2021 \$000	2020 \$000
Income	13,775	24,790
Costs of raising funds	(3,395)	(989)
Expenditure on charitable activities	(14,503)	(16,897)
(Loss)/gain on investment	(357)	42
Corporation tax	113	(113)
Net (deficit)/surplus	(4,367)	6,833
Fund balance January 1, 2021	25,726	18,893
Fund balance December 31, 2021	21,359	25,726

Despite the global situation, the Trustees planned for a sustained level of grant making in 2021, resulting in a deficit. This reduced the unrestricted reserves to a level closer to the amount required by the reserves policy.

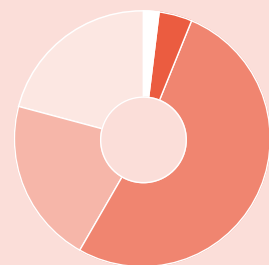
In 2020, income included \$11.1 million donated assets from the integration of the Elton John AIDS Foundation Inc, the US branch of the Foundation, and \$10.0 million of grant income. \$3.7 million of the income was generated from costs of raising funds. In 2021, \$2.6 million of income related to grant income and \$11.2 million was generated from costs of raising funds.

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

Incoming resources

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

2021 INCOME



- Donated assets
- Trading income
- Donations
- Grants
- Investment income

Charitable expenditure

Consolidated total expenditure on charitable activities decreased to \$14.5 million (2020: \$16.9 million) due to reduced grant commitments. 77% (2020: 80%) of expenditure on charitable activities in the year is direct awards to implementing partners, including \$1.5 million to health care partners from EJAF Social Impact CIC. The remaining 23% was used to ensure that these partners and their projects are adequately supported, monitored and evaluated; that the charity is governed and managed effectively and appropriately and in support of further developing the effectiveness of its fundraising.

Total expenditure on support increased in 2021 due to including the full year of activity for the Elton John AIDS Foundation Inc.

Net (deficit)/surplus

Overall in 2021, the Foundation reported a net deficit of \$4.4 million (2020: surplus of \$6.8 million). This was the result of income decreasing to \$13.8 million (2020: \$24.8 million) and expenditure remaining at \$17.9 million (2020: \$17.9 million) to maintain a sustained level of grant making.

INVESTMENTS

The Foundation has an agreed Investment Policy. This provides delegated authority to the Finance & Investment Committee (FIC) to manage the Foundation's investments within stated parameters. FIC is chaired by the Treasurer and reports to the Board.

The Foundation seeks to produce the best financial return within an acceptable level of risk to maintain the real value of investable funds, before they are required for grant making.

RESERVES POLICY

The objective of the reserves policy is to ensure that the level of unrestricted reserves will finance the strategic plans of the Foundation, mindful of the economic environment in which it finds itself. The Board, through its delegated authority to FIC, agreed to maintain unrestricted cash reserves of \$13.2 million, which equates to the total of grant commitments at the year-end plus 12 months of sustainable operating costs.

Monies received by the Foundation for specific initiatives are classified as restricted. Each restricted fund is administered separately to ensure accurate allocation and compliance with the donors' requirements.

The Foundation's total funds as at December 31, 2021 were \$21.4 million (2020: \$25.7 million), of which \$5.0 million are classified as restricted funds (2020: \$7.9 million) and \$16.4 million as unrestricted funds (2020: \$17.8 million). \$0.1 million (2020: \$0.5 million) of the unrestricted funds have been designated for the EECA KP Fund and \$0.3 million (2020: \$0.3 million) for the Robert Key Memorial Fund.

GOING CONCERN

The Management has prepared an annual budget and cash flow projection to December 2022 and a high-level budget and cash flow projection to the end of 2025. These are used by management to ensure the organization has sufficient funds in place to manage working capital in both the short term and longer term and enables the planning of resource allocation, organizational strategy, sustainability and development. Management has identified fundraising underperformance as the main risk to cash flow management. Scenario modelling has been carried out to understand the impact of varying degrees of income reduction on the solvency of the organization. Under all scenarios, the organization is shown to have sufficient funds to meet its cash flow obligations to beyond the end of 2023 and there are no concerns over the ability to continue in operation for at least 12 months from the date of the financial statements.

On this basis, together with the strong fundraising performance seen in the first four months of 2022, the Board has approved the preparation of the financial statements on the going concern basis.



FINANCIAL REVIEW CONTINUED

CHANGE IN PRESENTATION CURRENCY

Due to an increased volume of US Dollar transactions, the Elton John AIDS Foundation has decided to present its results in US Dollars with effect from January 1, 2021. The change in functional currency from UK Pound Sterling will significantly reduce the volatility of the Group's net income due to foreign exchange movements, in particular due to translation of foreign currency balances.

Given that a significant majority of income and expenditure is denominated in US Dollars, we believe that the presentation currency change will give readers of the accounts a clearer understanding of our performance.

To satisfy the requirements of FRS 102 with respect to a change in presentation currency, the statutory financial information, as previously reported in the Group's Annual Report for the year ended December 31, 2020, has been restated from UK Pounds Sterling to US Dollars using the basis outlined below:

- Assets and liabilities where the functional currency was other than US Dollars were translated into US Dollars at the relevant closing rates of exchange;
- Non-US Dollar income and expenditure was translated into US Dollars at the relevant average rates of exchange; and
- All exchange rates used were extracted from the Foundation's underlying financial records.

The exchange rates used were as follows:

UK POUNDS STERLING/US DOLLARS EXCHANGE RATE	2021	2020
Closing rate	0.74075	0.73265
Average rate	0.72718	0.77981

PLANS FOR FUTURE PERIODS

As part of our strategy to widen our donor base, we have invested in platforms for cryptocurrency donations and legacies. In addition, we hosted a highly successful Academy Awards Viewing Party in March and an intimate evening with Elton at Annabel's in London in May. We are continuing to deliver the 2020–2025 Grants Strategy, providing additional funding to grantees, in areas of acute need such as Ukraine, to enable them to deliver HIV services safely.

We have strengthened our operations through the appointment of external human resources and legal advisers. We now have grants and fundraising systems that are fully integrated with the finance system and have implemented Power BI reporting to enable us to report on all activity.

FIONA RUSSELL
Chief Financial Officer



STRUCTURE, GOVERNANCE & MANAGEMENT

PURPOSE

The Elton John AIDS Foundation was established in 1992 and is one of the leading independent AIDS organizations in the world. Our mission is simple: an end to the AIDS epidemic. We are committed to overcoming the stigma, discrimination and neglect that keep us from ending AIDS. With the mobilization of our network of generous supporters and partners, we fund local experts across four continents to challenge discrimination, prevent infections and provide treatment, as well as influencing governments to end AIDS.

Our contribution to this vision is through making grants, mainly to civic organizations that will improve people's access to services and get their rights addressed. Developing communications programs that generate significant global awareness of the threat of HIV/AIDS and help reduce stigma and partnering with key stakeholders to attract additional funding and support to the cause are also critical elements of our work. The Foundation believes that since collaboration between formal and non-formal sectors is essential in achieving this vision, it will use its influence with other grant makers and with governments to leverage further funding and services and break down stigma and discrimination.

MAIN ACTIVITIES UNDERTAKEN

The Foundation continues to fund a broad range of services for those living with or affected by HIV, including education, peer support, medical care, commodities and HIV counselling and testing. The Foundation funds operational research but does not support pure medical research. Emphasis is given to the most disadvantaged or high-risk groups, both nationally and internationally, and to community driven programs that place people living with HIV at the center of service provision.

Grant-making activity

The Foundation's website provides information about how it views the current landscape of, and needs to combat, the AIDS epidemic. It highlights case studies of responses it has made to those needs to date and details the type of work it aims to fund going forward.

Advocacy and communications

The Foundation seeks to use its influence to unlock bilateral and unilateral resources in the global fight against AIDS and to ensure that such resources are appropriately weighted toward key drivers of the epidemic and those groups or populations most at risk. It also seeks to bring new champions to the issue who have the resources, access or geographical reach to influence global impact. Our communications aim to bring both the progress and continuing jeopardy regarding ending AIDS to the attention of policymakers, business and the general public.

PUBLIC BENEFIT

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

THE FOUNDATION AIMS TO:

1. Be transparent and accountable.
2. Be effective and responsible as a grant-making charity.
3. Achieve a positive impact with its funding.
4. Work in partnership with a wide range of stakeholders to mobilize resources.
5. Learn from its work and share knowledge gained.

The Trustees consider that the Foundation has complied with Section 17 of the Charities Act 2011 and, subsequently 2022, in respect of Public Benefit, and the Trustees have had regard to the Charity Commission's guidance.

PERFORMANCE EVALUATION AND PLANNING

An appraisal of the charity's performance against goals is reviewed annually by both staff and Trustees. The charity's strategic plan, covering the period 2020–2025, was approved by the Board in April 2020. Work plans and budgets against the strategy are developed annually to fulfill governance, finance, fundraising and grant-making objectives and monitored at Senior Management Team (SMT) and Board meetings throughout the year. During 2021, the charity's risk was reviewed regularly at FIC and Board meetings.

TRUSTEES' REPORT

The Trustees of the Elton John AIDS Foundation (The Foundation) are pleased to present their report together with the financial statements of the charity for the year ended December 31, 2021. Since all Trustees are Directors of the organization, this report can also be considered as the Directors' report.

As part of the process of greater integration with the Elton John AIDS Foundation Inc in the US, the US Foundation became a subsidiary of the Foundation on December 14, 2020, with Anne

Aslett remaining Chief Executive Officer of both entities.

The accounts have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's governing document, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities", together with applicable accounting standards and the Companies Act 2006.

The Foundation has maintained trustee indemnity insurance to indemnify Trustees and other officers against the consequences of any neglect or default on their part.

GOVERNING DOCUMENT

The Foundation was incorporated on February 1, 1993 and is governed by its Articles of Association, which were reviewed and updated in November 2018. The Board has agreed to amend the Articles of the Foundation and former Directors of the US Foundation have joined the UK Board.

DIRECTORS AND TRUSTEES

The governing body of the Foundation is its Board of Trustees, who are also Directors for the purposes of company law. The names of the Trustees who served during the year are set out under Reference & Administrative Details on page 38 of this report.

New Trustees are appointed by the Board on the recommendation of the Nominations & Remuneration Committee, which is chaired by the Deputy Chair of the Board. The Trustees collectively provide a range of expertise in development, the non-profit sector, fundraising, financial management, marketing and legal affairs, as well as representing the views of those affected by and living with HIV/AIDS. A needs



STRUCTURE, GOVERNANCE & MANAGEMENT CONTINUED

analysis of the Board's skills base is undertaken to ensure it retains sufficient expertise to govern the organization.

With the exception of the Chair, David Furnish (who has no time limit on his appointment) and Trustees who were in place when the 2018 Articles were approved (where special transitional arrangements apply), Trustees serve a three-year term of office with the option for a further term's re-election. In exceptional circumstances, a Trustee may be re-elected for a third term, after which they cannot serve as a Trustee again. Sandra Lee, Thomas Moore and Barron Segar joined the Foundation Board on February 9, 2021. In addition, three new Trustees, Chris Cooper, Tani Austin and Kevin Martinez, joined the Board in February 2022.

A formal Trustee Handbook covers the legal objectives, mission and powers of the Foundation, how it operates, Board composition and terms of reference for the charity's committees. The handbook also sets out the role of Trustees (recruitment, responsibilities and leaving the Board) and provides guidance from the Charity Commission with respect to good governance and Trustees' responsibilities.

An induction planner and checklist for new Trustees are also included. In addition to the handbook, the Foundation has an assessment framework that includes an analysis of any conflicts of interest, a self-assessment questionnaire for the Board, a Trustee performance appraisal and a diversity perception questionnaire. This framework is reviewed every other year. Any new Trustees are, as part of their ongoing training and understanding of the organization and the context of its activities, expected to attend one meeting of each of the committees and to take a role within one of these committees, in addition to visiting programs in the field.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors for company law purposes) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees must prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Trustees confirm that so far as they are aware, there is no relevant audit information (as defined by Section 418(3) of the Companies Act 2006) of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as Trustees to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

GOVERNANCE STRUCTURE

The Foundation's governing Board normally meets at least four times a year. The Board has overall responsibility for the activities of the charity. It reviews and agrees the overall strategy for the charity, together with strategies for grant making, fundraising and advocacy and communications, and approves its business plan, budget and policies.

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

Board collectively has both general oversight of the organization's activities as well as detailed understanding of each of its key areas of operation.

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

THE DEVELOPMENT BOARD

The Development Board supports fundraising activities for the Foundation, particularly building links with individual and corporate donors. The Development Board meets monthly.

THE ADVISORY GRANTS PANEL

The Advisory Grants Panel (formerly called the Grant Panel) provides technical advice, guidance and oversight to applications reviewed and proposed for funding by the Grants Team. It is chaired by a Trustee and its members include external technical advisors and specialists. It reviews the outputs, geographical spread and strategic focus of grants, as well as in-depth analysis of proposed individual grants. This analysis is provided in the form of electronic reports produced by grants staff who assess funding applications' merits in the context of the Foundation's current goals, commitments and approved strategy. Funding recommendations are made by way of a majority vote and significant grants are also ratified by the Board. There is an appeal procedure for grant applicants that are unsuccessful. The Advisory Grants Panel meets at least five times a year.



STRUCTURE, GOVERNANCE & MANAGEMENT CONTINUED

THE PROGRAM REVIEW COMMITTEE

The Program Review Committee reviews the progress and impact of grants made to organizations through the Advisory Grants Panel process and to advise on any changes to the Foundation's strategy policies or processes. The Committee meets at least once a year.

THE FINANCE AND INVESTMENT COMMITTEE (FIC)

FIC advises the Board on the organization's financial, investment and risk management activities. It specifically reviews financial performance, advises on the Foundation's investment strategy and undertakes periodic reviews of organizational risk, internal controls and financial policies and procedures.

FIC met four times during the year, with each meeting attended by three to four members who were supported by the Finance Director. The committee formally reviewed the organization's financial performance and strategy, which included examining the 2020 audited accounts, managing and setting the risk appetite of the Foundation and reviewing forecasts and the budget.

THE NOMINATIONS & REMUNERATION COMMITTEE

This Committee has been established to oversee the recruitment of new Trustees for recommendation to the Board and to set the remuneration of the CEO. The Committee meets at least once a year.

SUBSIDIARIES

Elton John AIDS Foundation Inc

On December 14, 2020, the Foundation became the sole member of the Elton John AIDS Foundation Inc (EJAF Inc).

EJAF Inc is based at 584 Broadway, Suite 906, New York, NY 10012. Its independent Directors are:

Anne Aslett
Monica Risam
Jamie Cooper

EJAF Trading Limited

The Foundation has a wholly-owned trading subsidiary, EJAF Trading Limited, which provides the management for one-off fundraising events. All profits from its activities are paid to the charity. During 2021, EJAF Trading Limited was able to host the Dine & Disco event with Virgin Radio's Chris Evans, resulting in sales of \$2.6 million (2020: \$39,000) and a net loss of \$0.2 million (2020: net loss of \$3,000). The Trustees are satisfied with the performance and results of the subsidiary for the year ended December 31, 2021.

EJAF Trading Limited (Company Registration Number 02951448) is based at Work.Life Hammersmith, Kings House, 174 Hammersmith Road, London W6 7JP and its Directors are:

Sir Elton John
David Furnish
Anne Aslett

EJAF Social Impact (1) CIC

The Foundation established a community interest company, EJAF Social Impact (1) CIC, in November 2017. This company is a vehicle for the first Social Impact Bond around HIV and focuses on early identification and support for people with HIV in London. During 2021, EJAF Social Impact (1) CIC generated income of \$2.1 million (2020: \$2.0 million) and net profit of \$0.6 million (2020: \$0.5 million). The Social Impact Bond completed activities on December 31, 2021 and the entity is in the process of being wound up.

EJAF Social Impact (1) CIC (Company Registration Number 11059787) is based at Work.Life Hammersmith, Kings House, 174 Hammersmith Road, London W6 7JP and its members are:

Anne Aslett (resigned March 31, 2022)
Barbara Storch (resigned March 31, 2022)
Daniel Wilson (resigned March 31, 2022)
Andrew Billington (resigned March 31, 2022)
Alan Tudhope (resigned March 31, 2022)
Catherine Ferrier (resigned January 28, 2021)
Amir Rizwan (resigned January 28, 2021)
Elton John AIDS Foundation
Anne Fiona Russell

RISK ANALYSIS

The Board of Trustees continue to review and assess the risks that the charity faces and the potential impact they may have on the organization. This analysis is undertaken both for the charity and for individual large-scale grants. The main components of the risk management system are as follows:

AREA	DETAIL
Risk register	The risk register includes key risks, their likelihood and significance and how they are managed and mitigated.
Grant review procedures	During 2021, Crowe, a major international firm of accountants, conducted a review of five selected grants.
Reporting	FIC reviews the risk register, assesses the adequacy of existing controls and reports its findings to the Board.



STRUCTURE, GOVERNANCE & MANAGEMENT CONTINUED

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

RISK	MITIGATION
Reduced unrestricted reserves due to lower income in 2020 and 2021.	We have had two successful events in 2022 which have boosted unrestricted reserves. We have expanded and strengthened our Development team to enable us to explore new funding opportunities.
Cyber attacks and other IT security breaches.	We use high-quality malware/virus detection systems and all incoming emails are scanned. Staff are trained on cyber awareness. Key software is kept up to date and there is double authentication required for key systems.
The COVID-19 pandemic has caused a shift away from funding HIV/AIDS.	We are working closely with the Global Fund and others to help ensure continued bilateral and multilateral resources for HIV services, as well as additional provision for COVID-19 services so as to prevent the reduction in HIV funding.

MANAGEMENT

The Chief Executive Officer is appointed by the Trustees to manage the operations of the Foundation. To facilitate this effectively, the Chief Executive Officer has, within the terms of delegation approved by the Trustees, authority for all operational matters, including grants, fundraising and finance.

The SMT met regularly during the year to update on progress against goals for 2021 and to identify new opportunities and risks.

There is a clearly articulated and approved staff structure within which all staff have defined management lines, detailed job descriptions and a formal appraisal process.

Virtual staff meetings were held weekly throughout the year.

The Foundation's principle on remuneration is to ensure the reward package is competitive with other equivalent organizations, to enable recruitment and retention of staff. We seek to attract, incentivize and retain team members who are critical to delivering our strategy. A comprehensive benchmarking exercise is undertaken regularly for all existing and new staff positions. The Foundation continues to identify further opportunities to develop staff members' relevant professional qualifications and knowledge; deepen staff engagement with the work of Foundation grantees; and explore discrete projects that create new staff teams.

ROLE AND CONTRIBUTION OF VOLUNTEERS

In line with the mission statement, volunteers play a vital part in supporting the fundraising and charitable activities of the Elton John AIDS Foundation. In 2021, we did not require the direct support of volunteers as we were unable to host any events.

FUNDRAISING STANDARDS AND COMPLAINTS

In 2021, there were no failures by the charity, or by any person acting on its behalf, to comply with fundraising standards or the scheme for fundraising regulation that the charity or the person acting on its behalf has voluntarily subscribed to. There were no complaints received by the charity, or by a person acting on its behalf for the purposes of fundraising, about the fundraising activities that the charity has done.

INTERNAL CONTROL

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. These controls are periodically subject to governance review by FIC.

On behalf of the Board of Trustees

DAVID FURNISH
Trustee
May 23, 2022



REFERENCE & ADMINISTRATIVE DETAILS

FOUNDATION INFORMATION

Company Registration Number	02787008
Company type	Limited by guarantee Incorporated in England and Wales
Charity Registration Number	1017336
Registered office	Kings House 174 Hammersmith Road London W7 6JP
Website	www.eltonjohnaidsfoundation.org

ADVISORS

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

DIRECTORS AND TRUSTEES

The governing body of the Foundation is its Board of Trustees, who are also Directors for the purposes of company law. Trustees at the date the report is approved or who served during the year are:

David Furnish	Chair
Tracy Blackwell	Treasurer
Mark Dybul	
Eric Goosby	
Ilana Kloss	
Ajaz Ahmed	
Johnny Bergius	Resigned February 8, 2022
Evgeny Lebedev	Resigned January 27, 2021
Emma Kane	
Sandra Lee	Appointed February 9, 2021
Thomas Moore III	Appointed February 9, 2021
Barron Segar	Appointed February 9, 2021
Chris Cooper	Appointed February 8, 2022
Tani Austin	Appointed February 25, 2022
Kevin Martinez	Appointed February 25, 2022



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE ELTON JOHN AIDS FOUNDATION

OPINION

We have audited the financial statements of the Elton John AIDS Foundation (the Group) for the year ended December 31, 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Foundation Balance Sheets, the Consolidated 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 Group's and the charitable company's affairs as at December 31, 2021 and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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 statement 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 Group or parent charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorized for issue.

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

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information

contained within the financial statements. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- The information given in the Strategic Report and the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Strategic Report and the Trustees' Report have 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 Group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Trustees' Report.

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

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company 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.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement set out on page 35, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE ELTON JOHN AIDS FOUNDATION

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

Based on our understanding of the Group and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the Group, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements.

We also considered the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to revenue recognition and the Group's net income for the year.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, review of correspondence with legal advisors, enquiries of management and review of internal audit reports in so far as they related to the financial statements, and testing of journals and evaluating whether there was evidence of bias by the Trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

USE OF OUR REPORT

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

SUBARNA BANERJEE (SENIOR STATUTORY AUDITOR) FOR AND ON BEHALF OF UHY HACKER YOUNG CHARTERED ACCOUNTANTS AND STATUTORY AUDITOR

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

June 9, 2022



CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED DECEMBER 31, 2021

	NOTES	UNRESTRICTED FUNDS \$	DESIGNATED FUNDS \$	RESTRICTED FUNDS \$	TOTAL 2021 \$	TOTAL 2020 \$
Income						
Donations and legacies	2	3,264,167	–	2,813,377	6,077,544	11,724,431
Donated assets	2,3	–	–	–	–	11,102,640
Other trading activities	3	7,338,070	–	31,838	7,369,908	1,819,019
Investments	4	288,609	–	39,021	327,630	143,811
Total income		10,890,846	–	2,884,236	13,775,082	24,789,901
Expenditure						
Costs of raising funds	5	3,394,669	–	2	3,394,671	988,964
Expenditure on charitable activities	6	8,179,522	1,626	6,321,547	14,502,695	16,896,822
Total expenditure		11,574,191	1,626	6,321,549	17,897,366	17,885,786
(Loss)/gain on investments	14	(357,914)	–	–	(357,914)	42,004
Tax on surplus	12	113,292	–	–	113,292	(113,292)
Net (expenditure)/income	11	(927,967)	(1,626)	(3,437,313)	(4,366,906)	6,832,827
Transfers between funds	20, 21	(136,835)	(385,024)	521,859	–	–
Net movement in funds		(1,064,802)	(386,650)	(2,915,454)	(4,366,906)	6,832,827
Reconciliation of funds						
Fund balances at January 1, 2021		17,069,585	791,643	7,864,491	25,725,719	18,892,892
Fund balances at December 31, 2021	19	16,004,783	404,993	4,949,037	21,358,813	25,725,719



CONSOLIDATED AND FOUNDATION BALANCE SHEETS

AS AT DECEMBER 31, 2021

	NOTES	GROUP		FOUNDATION	
		2021 \$	2020 \$	2021 \$	2020 \$
Fixed assets					
Tangible assets	13	222,444	245,912	97,392	122,739
Investments	14	17,133,453	8,358,795	6,963,872	6,610,854
		17,355,897	8,604,707	7,061,264	6,733,593
Current assets					
Stock		–	13,468	–	–
Debtors	15	4,743,412	3,644,461	3,648,153	3,167,615
Cash at bank and in hand	24, 25	20,408,745	38,306,823	14,691,946	21,510,545
		25,152,157	41,964,752	18,340,099	24,678,160
Creditors: amounts falling due within one year	16	(15,214,186)	(20,200,053)	(9,355,261)	(12,719,469)
Net current assets		9,937,971	21,764,699	8,984,838	11,958,691
Total assets less current liabilities		27,293,868	30,369,406	16,046,102	18,692,284
Creditors: amounts falling due over one year	17	(5,799,073)	(4,643,687)	(4,445,944)	(4,587,015)
Provision for liabilities	18	(135,982)	–	–	–
Net assets	19	21,358,813	25,725,719	11,600,158	14,105,269
Represented by:					
Unrestricted Funds	19	16,004,783	17,069,585	9,375,649	5,814,135
Designated Funds	20	404,993	791,643	404,993	791,643
Total Unrestricted Funds		16,409,776	17,861,228	9,780,642	6,605,778
Restricted Funds	21	4,949,037	7,864,491	1,819,516	7,499,491
Total Foundation Funds		21,358,813	25,725,719	11,600,158	14,105,269

The Foundation has taken advantage of the exemption under Section 408(3) to not present the Foundation's profit and loss account.

The accounts were approved and authorized for issue by the Board on May 23, 2022.

DAVID FURNISH
Chair

The Elton John AIDS Foundation
Company Registration Number 02787008
Charity Registration Number 1017336



CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

	NOTES	2021		2020	
		\$	\$	\$	\$
Net cash (used in)/provided by operating activities	23		(8,964,735)		349,656
Cash flows from investing activities:					
Finance expenses		–		(1,769)	
Cash acquired from Elton John AIDS Foundation Inc		–		14,033,565	
Proceeds of sale of fixed asset investments		6,277,242		–	
Purchase of fixed asset investments		(15,389,795)		(6,563,017)	
Investment income		327,630		143,811	
Purchase of tangible fixed assets		(148,420)		(117,137)	
Foreign exchange gain		–		21,449	
Net cash (used in)/provided by investing activities			(8,933,343)		7,516,902
(Decrease)/increase in cash	23, 24		(17,898,078)		7,866,558
Cash balance at January 1, 2021			38,306,823		30,440,265
Cash balance at December 31, 2021	23, 24		20,408,745		38,306,823



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective January 1, 2015)—(Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognized at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

1.1 Preparation of the financial statements on a going concern basis

The financial statements of the Foundation and subsidiary companies have been prepared on the going concern basis and under the assumption that adequate cash resources will be available to cover the requirements for working capital and capital expenditure for at least the next 12 months. Scenario modelling has been carried out to understand the impact of varying degrees of income reduction on the solvency of the organization. Under all scenarios, the organization is shown to have sufficient funds to meet its cash flow obligations to beyond the end of 2023 and there are no concerns over the ability to continue in operation for at least 12 months from the date of the financial statements.

1.2 Group financial statements

These financial statements consolidate the results of the Foundation and its wholly-owned subsidiaries, EJAF Trading Limited, EJAF Social Impact (1) CIC and Elton John AIDS Foundation Inc on a line by line basis. A separate statement of financial activities for the Foundation itself is not presented because the Foundation has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006.

The Foundation received Gift Aid from EJAF Trading Limited of \$2,133,510 (2020: \$1,227,541) which has been eliminated on consolidation.

In 2020, the Foundation received \$300,000 in donations from International Friends of the Elton John AIDS Foundation UK. This company has been since been dissolved.

1.3 Business combinations

Business combinations are accounted for by applying the purchase method. The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. For combinations at nil or nominal consideration which are in substance a gift, any excess of the fair value of the assets received over the fair value of the liabilities assumed is recognized as a gain in the Statement of Financial Activities (SOFA). On acquisition, the fair values are attributed to the identifiable assets, liabilities and contingent assets.

1.4 Consolidation

The financial statements consolidate the Foundation and its subsidiaries (Group). On December 14, 2020, the assets and liabilities of the Elton John AIDS Foundation Inc were transferred to the Foundation. The income and expenditure from the date of acquisition were incorporated in the financial statements for the year ending December 31, 2020.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

1.5 Income

Income consists of grants received, donations and Gift Aid on income when donations are made under Gift Aid or a Deed of Covenant. Income from grants and general donations is recognized when entitlement has been passed to the Foundation, it is probable the income will be received and the amount can be measured reliably. Bank interest is recognized when receivable.

Income from EJAF Trading Limited is recognized when entitlement has been passed to the Company, it is probable the income will be received and the amount can be measured reliably.

1.6 Legacy income

For legacies, entitlement is taken as the earlier of the date on which either: the Foundation is aware that probate has been granted, the estate has been finalized and notification has been made by the executor(s) to the Foundation that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Foundation has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Foundation or the Foundation is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

1.7 Donated services and facilities

Donated assets are included in incoming resources when legally transferred to the Foundation. The value attributed to the transfer is that which a willing buyer would have been prepared to pay for the assets.

Donated professional services and donated facilities are recognized as income when the Foundation has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Foundation of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognized.

On receipt, donated professional services and donated facilities are recognized on the basis of the value of the gift to the Foundation, which is the amount the Foundation would be willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognized in expenditure in the period of receipt.



NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED DECEMBER 31, 2021

1 ACCOUNTING POLICIES continued

1.8 Expenditure

Expenditure is recognized once there is a legal or constructive obligation to make payment to a third party, it is probable settlement will be required and the amount can be measured reliably.

Costs of raising funds comprise commercial trading event costs and their associated support costs.

Charitable activities include expenditure associated with providing activities for the beneficiaries and includes both the direct costs and support costs relating to those activities; governance costs; and general support costs for activities undertaken to further the purpose of the Foundation.

Staff costs are apportioned between activities on a time spent basis. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

1.9 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Furniture & equipment	Straight line over 3 years
Software	Straight line over 3 years

1.10 Pensions

The pension costs charged in the financial statements represent the contributions payable by the Foundation during the period which are recognized when they are due.

1.11 Foreign currency translation

In 2021 the presentation currency of the Group was changed from UK Pounds Sterling to US Dollars to reflect that the Group now operates predominantly in US Dollars. Comparatives for the previous reporting period have been restated from UK Pounds Sterling to US Dollars using the exchange rate prevailing at December 31, 2020 for the balance sheet and using the average exchange rate for the year ended December 31, 2020 for the SOFA. For 2021, transactions denominated in foreign currencies are recorded at the rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into dollars and differences are included in net movements in funds.

1.12 Grant commitments

Grants are accounted for when the commitment arises. Commitments at the year end are therefore recorded as grant creditors. Grant creditors are classified as amounts falling due within one year based on the payment dates to be made. Grant creditors are classified as amounts falling due over one year based on the payment dates to be made. Grant creditors falling due over one year have been discounted to reflect the present value of the grant commitment as at the balance sheet date. The discount rate used represents the opportunity cost of the average interest which could be received by the Company if the funds were to be invested in the Company's bank accounts.

1.13 Accumulated funds

Restricted Funds are subject to individual donors' specific terms and conditions as to their utilisation. The purposes and uses of the restricted funds are set out in Note 21 to the financial statements.

Designated Funds comprises the EECAKP Fund and the Robert Key Memorial Fund. The purpose of these funds is set out in Note 20 and Note 21.

1.14 Debtors

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

1.15 Cash at bank and in hand

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

1.16 Creditors and provisions

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

Creditors' amounts falling due after more than one year are measured at amortized cost using the effective interest method.

1.17 Investments

Fixed asset investments are recognized at fair value calculated at closing market value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

Forward contracts are recognized at the fair value of the gain or loss that would be recognized if the contract were to be closed at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

Investments in subsidiaries are held at cost less any impairments.

1.18 Company status

The Company does not have share capital and is limited by guarantee up to a maximum of £1 for each member. The Company satisfies the requirements of Section 60 (1) of the Companies Act 2006 and, having made a statutory declaration to this effect, is exempt from using the word 'Limited' in its name.



NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED DECEMBER 31, 2021

1 ACCOUNTING POLICIES continued

1.19 Judgments and estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and judgments regarding the following areas: depreciation, provisions and intangible income relating to donated services and facilities.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

1.20 Taxation

The charitable members of the Group are exempt from taxation on their income and gains falling within Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to their charitable purposes. The non-charitable subsidiaries, although subject to taxation, do not pay UK corporation tax as their policy is to donate taxable profits as Gift Aid to the Foundation. In common with many other charities, the charitable members of the Group are unable to recover the majority of Value Added Tax (VAT) incurred on expenditure. The amount of VAT that cannot be recovered is included within the underlying cost to which it relates. Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2 DONATIONS AND LEGACIES

	UNRESTRICTED FUNDS \$	RESTRICTED FUNDS \$	TOTAL 2021 \$	TOTAL 2020 \$
Donations	3,264,167	170,265	3,434,432	1,770,473
Grants received	–	2,643,112	2,643,112	9,953,958
Total donations and legacies	3,264,167	2,813,377	6,077,544	11,724,431
Assets acquired on donation	–	–	–	11,102,640
	3,264,167	2,813,377	6,077,544	22,827,071

Included in donations is \$646,933 of intangible income (2020: \$340,662). \$77,423 (2020: \$72,197) relates to office space provided free of charge for use by the Foundation. \$160,175 (2020: \$197,935) relates to pro bono work provided by Freshfields Bruckhaus Deringer LLP to assist in the management of a social impact bond. \$200,000 relates to pro bono work provided by Webex to cover live stream production costs (2020: \$70,530 from TikTok). \$211,529 (2020: \$nil) relates to filming location expenses provided free of charge from Rosewood Hotel. \$14,750 (2020: \$nil) relates to air miles were given by American Airlines. \$15,624 (2020: \$nil) relates to pro-bono legal work provided by Seyfarth Shaw LLP, \$8,756 (2020: \$nil) relates to pro bono work was provided by Maclaren Consulting and \$3,909 (2020: \$nil) relates to pro-bono legal work was provided by Buckles Solicitors LLP.

Assets acquired on donation relate to the net assets of the Elton John AIDS Foundation, Inc, which the charity took control over on December 14, 2020.

3 TRADING INCOME

	2021 \$	2020 \$
Trading income from Elton John AIDS Foundation UK	–	2,358
Trading income from EJAF Trading Limited	2,553,618	38,604
Trading income from International Friends of Elton John AIDS Foundation	–	257
Trading income from EJAF Social Impact (1) CIC	1,926,631	1,774,800
Trading income from Elton John AIDS Foundation Inc	2,889,659	3,000
Total trading income	7,369,908	1,819,019



NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED DECEMBER 31, 2021

3 TRADING INCOME continued

3.1 UK subsidiary—EJAF Trading Limited

The wholly-owned trading subsidiary, EJAF Trading Limited (Company Registration Number 02951448), which is incorporated in the United Kingdom, pays all its distributable profits to the Foundation by Gift Aid. EJAF Trading Limited provides management of one-off fundraising events. The Foundation owns the entire issued share capital of one ordinary share of \$1. A summary of the trading results is shown below:

	2021 \$	2020 \$
Trading income	2,553,618	38,604
Cost of sales	(551,285)	4,406
Administrative expenses	(17,523)	(30,241)
Interest receivable	–	46
Net profit	1,984,810	12,815
Amount gifted to the Foundation	(2,133,510)	(1,227,541)
Retained earnings brought forward	(3,247)	1,211,479
Retained earnings carried forward	(151,947)	(3,247)
The assets and liabilities of the subsidiary were:		
Current assets	7,621	2,558,055
Creditors: amounts falling due within one year	(23,586)	(2,561,302)
Provision for liabilities	(135,982)	–
Total net assets	(151,947)	(3,247)
Aggregate share capital and reserves	1	1

Administrative expenses includes auditor's remuneration of \$12,717 (2020: \$10,326).

3.2 US subsidiary—International Friends of Elton John AIDS Foundation UK

The wholly-owned US charitable subsidiary, International Friends of Elton John AIDS Foundation UK (EIN 81-2095910), which was incorporated in the US, paid all its distributable profits to the Foundation through grant payments. The subsidiary was incorporated in March 2016 and dissolved in December 2020 and therefore there were no transactions in 2021.

3.3 UK subsidiary—EJAF Social Impact (1) CIC

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

	2021 \$	2020 \$
Donations and legacies	151,467	197,935
Trading income	1,926,631	1,774,800
Expenditure on services	(1,266,313)	(1,072,141)
Administrative expenses	(269,273)	(301,137)
Corporation tax	113,292	(113,292)
Net profit	655,804	486,165
The assets and liabilities of the subsidiary were:		
Amount gifted to Foundation	(596,278)	–
Retained earnings brought forward	535,589	49,424
Retained earnings carried forward	595,115	535,589
The assets and liabilities of the subsidiary were:		
Current assets	994,144	1,008,752
Creditors: amounts falling due within one year	(399,029)	(473,163)
Total net assets	595,115	535,589
Aggregate share capital and reserves	595,115	535,589



NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED DECEMBER 31, 2021

3 TRADING INCOME continued

3.4 US subsidiary—Elton John AIDS Foundation Inc

The wholly-owned US charitable subsidiary, Elton John AIDS Foundation Inc (EIN 58-2033460), which is incorporated in the US, was acquired by the Foundation on December 14, 2020. A summary of results is shown below.

	UNRESTRICTED FUNDS \$	RESTRICTED FUNDS \$	TOTAL 2021 \$	TOTAL 2020 \$
Donations	2,259,064	512,851	2,771,915	113,886
Grant income	–	3,000,000	3,000,000	150,000
Trading income	2,857,821	31,838	2,889,659	3,000
Cost of raising funds	(2,337,449)	–	(2,337,449)	(45,416)
Expenditure on charitable funds	(7,253,396)	(780,167)	(8,033,563)	(283,480)
Unrealized loss on investments	(172,995)	–	(172,995)	(2,941)
Investment income receivable	109,811	–	109,811	50,418
Net expenditure	(4,537,144)	2,764,522	(1,772,622)	(14,533)
Donated assets	–	–	–	11,102,640
Reserves brought forward	10,723,108	365,000	11,088,108	–
Reserves carried forward	6,185,964	3,129,522	9,315,486	11,088,107

	UNRESTRICTED FUNDS \$	RESTRICTED FUNDS \$	TOTAL 2021 \$	TOTAL 2020 \$
The assets and liabilities of the subsidiary at December 31, 2021 were:				
Fixed assets	10,294,631	–	10,294,631	1,871,115
Current assets	3,848,317	4,650,086	8,498,403	13,719,785
Creditors: amounts falling due within one year	(6,846,330)	(1,278,089)	(8,124,419)	(4,446,121)
Creditors: amounts falling after one year	(1,110,654)	(242,475)	(1,353,129)	(56,672)
Total net assets	6,185,964	3,129,522	9,315,486	11,088,107
Aggregate share capital and reserves	6,185,964	3,129,522	9,315,486	11,088,107

Donated assets transferred to the Elton John AIDS Foundation in 2020 were transferred at fair value which is equal to their net book value.

4 INVESTMENT INCOME

	UNRESTRICTED FUNDS \$	RESTRICTED FUNDS \$	TOTAL 2021 \$	TOTAL 2020 \$
Interest on cash deposits	178	39,021	39,199	76,405
Interest on other investments	288,431	–	288,431	67,406
	288,609	39,021	327,630	143,811



NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED DECEMBER 31, 2021

5 COST OF RAISING FUNDS

	UNRESTRICTED FUNDS \$	RESTRICTED FUNDS \$	TOTAL 2021 \$	TOTAL 2020 \$
Trading direct costs	2,002,473	–	2,002,473	35,009
Intangible income expense	226,279	–	226,279	502,053
Investment management charge	40,892	–	40,892	7,657
Staff costs	655,905	–	655,905	245,222
Other	469,120	2	469,122	199,023
	3,394,669	2	3,394,671	988,964

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

6 EXPENDITURE ON CHARITABLE ACTIVITIES

	EECA FUND \$	YOUNG PEOPLE FUND \$	LGBT FUND \$	COVID-19 EMERGENCY FUND \$	USA FUND \$	PWUD FUND \$	TOTAL 2021 \$	TOTAL 2020 \$
Grants committed (Note 6.1)	5,280,332	3,888,150	1,430,500	61,182	(1,188,706)	169,578	9,641,036	14,365,541
Exchange losses and contributions	(45,848)	(33,760)	(10,823)	(531)	(8,372)	(1,472)	(100,806)	(16,548)
Other grants costs	1,449,725	1,067,499	392,776	16,798	264,689	46,558	3,238,045	2,084,045
Staff costs (excl. general support)	372,356	274,183	100,875	4,314	67,992	11,958	831,678	21,010
Advocacy	24,206	17,824	6,557	280	4,420	777	54,064	43,298
Governance (see Note 7)	70,933	52,231	19,216	822	12,952	2,278	158,432	354,657
General support (see Note 8)	304,557	224,259	82,508	3,529	55,612	9,781	680,246	44,819
	7,456,261	5,490,386	2,021,609	86,394	(791,413)	239,458	14,502,695	16,896,822

Grants committed for the USA Fund includes \$1,335,500 relating to the termination of a grant.



NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED DECEMBER 31, 2021

6 EXPENDITURE ON CHARITABLE ACTIVITIES continued

6.1 Grants committed to institutions

	2021 \$	2020 \$
Regional Public Fund, "New Life"	2,990,000	–
Charity Foundation "Tomsk-AntiAIDS"	2,115,000	–
Praekelt	1,720,642	–
Lambeth Borough Council	1,331,677	1,127,203
Triggerise	1,084,892	–
Zipline	765,000	–
AFEW International Uzbekistan	412,555	577,981
Scanad Kenya	–	800,000
ECOM	–	804,360
Eurasian Harm Reduction Association	–	729,975
EVA Association	–	629,100
ICAP	–	2,750,000
Regional Public Fund "New Life"	–	624,769
NGO "Humanitarian project"	–	625,505
Population Council	–	997,400
Frontline AIDS Mozambique	–	1,315,730
COVID-19 Emergency Fund	–	866,340
Johns Hopkins University	–	1,000,000
Other institutions	(778,730)	1,517,178
	9,641,036	14,365,541

7 GOVERNANCE COSTS

	COST OF RAISING FUNDS \$	CHARITABLE EXPENDITURE \$	TOTAL \$	BASIS OF APPORTIONMENT
Audit fees	29,825	31,311	61,136	Governance
Legal and other professional fees	67,260	55,216	122,476	Invoice specific & apportioned
Depreciation	27,422	62,413	89,835	Use of asset
Trustees insurance	–	9,162	9,162	Governance
General office	12,901	330	13,231	Office running expenses
	137,408	158,432	295,840	

8 SUPPORT COSTS

	COST OF RAISING FUNDS \$	CHARITABLE EXPENDITURE \$	TOTAL \$	BASIS OF APPORTIONMENT
Staff costs	655,905	170,872	826,777	
Legal and other professional fees	198,799	211,370	410,169	
Depreciation	27,422	25,708	53,130	Use of asset
General office	149,632	272,296	421,928	Office running expenses
	1,031,758	680,246	1,712,004	



NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED DECEMBER 31, 2021

9 STAFF COSTS AND TRUSTEE REMUNERATION

	2021 \$	2020 \$
Wages and salaries	2,004,808	960,335
Social security costs	212,989	113,459
Other pension costs	115,092	59,263
Other employment costs	111,692	15,386
	2,444,581	1,148,443

Staff costs include \$103,276 (2020: \$18,248) of termination payments to three employees (2020: one employee). \$77,056 (2020: \$11,327) is considered ex gratia. Termination payments are charged on an accruals basis based on senior management's best estimate. when the Council is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

In 2020, the Foundation recharged \$165,474 of salaries to Elton John AIDS Foundation Inc prior to the acquisition of this entity relating to management of the entity.

10 EMPLOYMENT COSTS

The Trustees were not paid or reimbursed for expenses incurred during the year. \$687 of hair and makeup costs were paid to a third party in relation to one Trustee's duties (2020: \$8,746 relating to accommodation and travel for one Trustee). In addition, the Foundation paid \$9,162 (2020: \$1,912) for trustees indemnity insurance to indemnify the Trustees and other officers against the consequences of any neglect or default on their part.

The key management personnel comprise the Trustees and the Chief Executive Officer. Total remuneration of key management personnel during the year was \$386,935.

The number of employees whose annual emoluments were \$82,500 or more were:

GENERAL MANAGEMENT FUNCTION	2021 NUMBER	2020 NUMBER
\$82,500–\$92,499	1	–
\$92,500–\$102,499	–	1
\$102,500–\$112,499	–	2
\$112,500–\$122,499	1	–
\$132,500–\$142,499	2	–
\$142,500–\$152,499	1	–
\$152,500–\$162,499	2	–
\$292,500–\$302,499	–	1
\$312,500–\$322,499	1	–
	8	4



NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED DECEMBER 31, 2021

10 EMPLOYMENT COSTS continued

The Foundation paid contributions totaling \$89,568 (2020: \$57,242) to defined contribution pension schemes on behalf of employees whose emoluments exceeded \$82,500.

Number of employees

The average monthly number of employees during the year was:

	2021 NUMBER	2020 NUMBER
Grants management	9	5
General management	12	7
Total employees	21	12

11 NET EXPENDITURE FOR THE YEAR

This is stated after charging:

	2021 \$	2020 \$
Depreciation – owned assets	168,548	12,575
Auditor's remuneration	61,136	19,786
Realized and unrealized (gains)/losses on exchange	(98,630)	313,759

12 TAXATION

	GROUP 2021 \$	GROUP 2020 \$
UK corporation tax on profits for the year	(113,292)	113,292
Reconciliation of tax charge		
Profit before taxation on subsidiaries subject to taxation	2,535,225	1,480,985
Profit before tax multiplied by average rate of corporation tax of 19% (2020: 19%)	481,693	281,387
Effect of:		
Gift Aid donation paid	(481,693)	(131,534)
Losses brought forward	–	(36,561)
Prior year adjustment	(113,292)	–
Taxation	(113,292)	113,292



NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED DECEMBER 31, 2021

13 TANGIBLE FIXED ASSETS—GROUP AND FOUNDATION

	FURNITURE, SOFTWARE AND EQUIPMENT \$	FOUNDATION TOTAL \$	SUBSIDIARIES' FURNITURE, SOFTWARE AND EQUIPMENT \$	GROUP TOTAL \$
Cost				
At January 1, 2021	176,804	176,804	281,643	458,447
Additions	65,984	65,984	82,436	148,420
Disposals	(44,671)	(44,671)	(55,659)	(100,330)
Foreign exchange on conversion	(6,986)	(6,986)	–	(6,986)
At December 31, 2021	191,131	191,131	308,420	499,551
Depreciation				
At January 1, 2021	54,065	54,065	158,470	212,535
Charge for the year	87,991	87,991	80,557	168,548
Disposals	(44,671)	(44,671)	(55,659)	(100,330)
Foreign exchange on conversion	(3,646)	(3,646)	–	(3,646)
At December 31, 2021	93,739	93,739	183,368	277,107
Net book value				
At December 31, 2021	97,392	97,392	125,052	222,444
At December 31, 2020	122,739	122,739	123,173	245,912

14 INVESTMENTS

	GROUP 2021 \$	GROUP 2020 \$	FOUNDATION 2021 \$	FOUNDATION 2020 \$
Market value at January 1, 2021	8,358,795	–	6,610,854	–
Additions to Investments at cost	15,389,795	6,563,017	2,970,506	6,563,017
Donated investments	–	1,750,882	–	–
Disposal of investments at cost	(6,277,242)	–	(2,452,585)	–
Foreign exchange loss on revaluation	20,019	2,892	22,830	–
Net (loss)/gain in revaluation	(357,914)	42,004	(187,733)	47,837
Market value at December 31, 2021	17,133,453	8,358,795	6,963,872	6,610,854

Of the 2021 Group and Foundation total, \$17,133,453 relates to fixed asset investments (2020: \$8,358,795).



NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED DECEMBER 31, 2021

15 DEBTORS

	GROUP 2021 \$	GROUP 2020 \$	FOUNDATION 2021 \$	FOUNDATION 2020 \$
Trade debtors	4,295,685	3,247,545	745,921	2,577,282
Other debtors	61,903	10,326	29,234	–
Amounts owed by Group undertakings	–	–	2,688,664	430,827
Prepayments and accrued income	385,824	386,590	184,334	159,506
	4,743,412	3,644,461	3,648,153	3,167,615

Included in the trade debtors above is \$1,000,000 (2020: \$587,618) which relates to debtors over one year.

16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP 2021 \$	GROUP 2020 \$	FOUNDATION 2021 \$	FOUNDATION 2020 \$
Trade creditors	434,094	213,095	102,907	114,688
Grant commitments	10,552,286	14,651,490	7,476,486	10,338,058
Corporation tax	–	113,272	–	–
Taxation and social security	100,068	124,872	41,723	–
Accruals and deferred income	4,127,738	5,097,324	1,734,145	2,266,723
	15,214,186	20,200,053	9,355,261	12,719,469

17 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	GROUP 2021 \$	GROUP 2020 \$	FOUNDATION 2021 \$	FOUNDATION 2020 \$
Grant commitments	5,799,073	4,638,495	4,445,944	4,587,015
Accruals and deferred income	–	5,192	–	–
	5,799,073	4,643,687	4,445,944	4,587,015

18 PROVISIONS

	GROUP 2021 \$	GROUP 2020 \$	FOUNDATION 2021 \$	FOUNDATION 2020 \$
Value at January 1, 2021	–	–	–	–
Charge for the year	135,982	–	–	–
Value at December 31, 2021	135,982	–	–	–

The provision relates to a potential liability to repay an auction prize that has been unable to be claimed due to the COVID-19 pandemic. If required, the amount is expected to be paid out within one year.



NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED DECEMBER 31, 2021

19 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	UNRESTRICTED FUND \$	DESIGNATED FUND \$	RESTRICTED FUND \$	TOTAL \$
Fixed assets	17,355,897	–	–	17,355,897
Current assets	8,210,991	404,993	16,536,173	25,152,157
Creditors: amounts falling due within one year	(8,217,459)	–	(6,996,727)	(15,214,186)
Creditors: amounts falling due after more than one year	(1,208,664)	–	(4,590,409)	(5,799,073)
Provisions	(135,982)	–	–	(135,982)
	16,004,783	404,993	4,949,037	21,358,813

20 DESIGNATED FUNDS

The income funds of the Foundation include designated funds comprising the following balances, which are ring-fenced for future use.

	BALANCE AT JANUARY 1, 2021 \$	UTILIZED \$	FOREIGN EXCHANGE MOVEMENT \$	FUND TRANSFERS \$	BALANCE AT DECEMBER 31, 2021 \$
The Robert Key Memorial Fund	272,980	(28)	(2,985)	28	269,995
EECA KP Fund	518,663	–	1,387	(385,052)	134,998
	791,643	(28)	(1,598)	(385,024)	404,993

The Robert Key Memorial Fund

Robert Key MBE co-founded the Elton John AIDS Foundation with Sir Elton John in 1993. He was instrumental in its development and growth as both Executive Director and trustee until his death in October 2009. In his memory, the Trustees of the Foundation established a new fund to honour Robert's passion and dedication to advancing the rights and needs of those most marginalized by the AIDS epidemic. The fund is used to support programs that provide a direct and tangible benefit to those living with HIV/AIDS from marginalized communities and/or facing exceptionally difficult circumstances.

EECA KP Fund

The purpose of the EECA KP Fund is set out in Note 21.



NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED DECEMBER 31, 2021

21 RESTRICTED FUNDS

The income funds of the Foundation include restricted funds comprising the following balances of donations and grants held on trust for specific purposes:

	MOVEMENT IN FUNDS					BALANCE AT DECEMBER 31, 2021 \$
	BALANCE AT JANUARY 1, 2021 \$	INCOME RECEIVED \$	UTILIZED \$	FOREIGN EXCHANGE MOVEMENT \$	TRANSFERRED \$	
US South Development	150,000	158,708	(179,187)	–	–	129,521
Mylan	64,698	–	(62,801)	(1,897)	–	–
EECA KP Fund	–	–	(269,200)	–	269,200	–
Zachary & Elijah Fund	729	7,839	–	(152)	–	8,416
Young People strategy	454,060	23,179	(473,559)	(3,680)	–	–
Walmart Partnership	–	3,000,000	–	–	–	3,000,000
RADIAN	6,908,626	39,022	(5,218,304)	81,756	–	1,811,100
Chukua Selfie	221,378	(356,888)	(308,166)	191,017	252,659	–
COVID-19 Emergency Fund	65,000	–	(65,000)	–	–	–
LGBT	–	12,376	(12,376)	–	–	–
	7,864,491	2,884,236	(6,588,593)	267,044	521,859	4,949,037

US South Development

An estimated 1.2 million people in the US are living with HIV, with 14% unaware of their status. Of those who know they are HIV+, 42% are not consistently receiving HIV care. HIV new diagnoses and racial disparities are especially relevant in the US South, where 33% of black gay men and 44% of black transgender women live with HIV. In an effort to improve long-term health outcomes, we have funded local community-based organizations and conducted qualitative research. Across these programs, we draw from a deep understanding of local need and develop evidence-based and outcomes-based interventions that meet gaps in current service provision, while also developing persuasive evidence to advocate for future public service provision.

Mylan

EJAF teamed up with Mylan Inc, one of the world's leading pharmaceutical companies, to give a combined \$1 million to the Business Leadership Council (BLC) for a Generation Born HIV Free for the elimination of mother-to-child transmission of HIV in Nigeria.

EECA KP Fund

In response to the pressing need for action for key populations in Eastern Europe and Central Asia, EJAF formed the EECA KP Fund to which Gilead Life Sciences contributed \$5 million and the Dutch Government €1 million. The EECA KP Fund seeks to improve access to HIV and co-infection prevention, care and treatment services for key populations in Eastern Europe and Central Asia.

Zachary & Elijah Fund

The Zachary & Elijah Fund was established in 2014 to provide a dedicated source of funding for the Foundation in tackling HIV/AIDS issues connected with young people under the age of 18. The Zachary & Elijah Fund is designed primarily to help young people and babies who have tested HIV positive. However, it will also provide support to young people whose family and community have been impacted by HIV/AIDS. There is no geographic constraint on where the fund can be applied.



NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED DECEMBER 31, 2021

21 RESTRICTED FUNDS continued

Young People strategy

Funds raised specifically for Young People will be used to prioritize pioneering solutions which cultivate better ways of reaching young people wherever they are with a particular emphasis on harnessing existing digital platforms. These platforms can be utilized to provide young people with information on topics they care most about including sex, sexuality, mental health, gender rights, and HIV in an accurate, relatable, and applicable fashion. Through this new strategy, we will work to amplify the voices of young people to ensure they play central roles in influencing the conversation around their sexual and reproductive health at all levels of care. The Foundation will also look to pilot new ways of providing HIV prevention services to young people in the community in demedicalized and destigmatized ways that present young people with choices that fit into their lifestyles.

Walmart Partnership

EJAF has partnered with Walmart to change the course of HIV in the US South. Walmart has committed \$9.2 million toward this. Walmart locations are ubiquitous in the US South, and EJAF will leverage their presence to increase access to a full range of services for people living with HIV. EJAF will work with Walmart to organize training for their pharmacists, so they can serve as a key entry point for patients to access HIV testing and linkage to care. Funds will be allocated to reducing stigma around HIV and discrimination against people living with HIV, increasing access to and uptake of HIV prevention and treatment services and improving linkage and retention in HIV care. Funds will also be allocated to supporting EJAF's advocacy efforts to engage and educate stakeholders on HIV policy issues.

RADIAN

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

Chukua Selfie

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

COVID-19 Emergency Fund

In April 2020, the Foundation launched a COVID-19 Emergency Fund to support people living with or at-risk of HIV from marginalized communities. Grants were made to organizations to implement solutions that aimed to mitigate the threat of COVID-19 on maintaining current levels of access or increasing access to HIV-related prevention, testing, care and treatment adherence services. In total, over 100 grants have been distributed in 30 countries.

LGBT

EJAF Social Impact (1) CIC granted \$12,377 to the Foundation to continue the work of the GP HIV testing champions after it has ceased operations.

EJAF Social Impact (1) CIC was the world's first HIV SIB. The National Lottery Community Fund 'Commissioning Better Outcomes' program contributed 30% of the costs for the Foundation to run the social impact bond. This SE London SIB operated 2018–2021 and provided evidence of the benefits of HIV testing and reengagement of those lost to HIV care. This evidence informed the HIV Commission Report, which influenced the UK government, which responded by developing an HIV Action Plan to commit £20 million Emergency Department HIV testing in areas of greatest need.

22 GROSS TRANSFER BETWEEN FUNDS

The Trustees agreed to maintain a designated fund of \$275,000 per year to the Robert Key Memorial Fund, which was set up in 2009. The total of grants disbursed and costs from this fund of \$28 (2020: \$16,030) is therefore shown as a reserves transfer.



NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED DECEMBER 31, 2021

23 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2021 \$	2020 \$
Net movement in funds	(4,366,906)	6,832,827
Depreciation	168,548	12,576
Increase in debtors	(1,098,951)	(161,241)
(Decrease)/increase in creditors	(3,830,481)	6,533,151
Increase in provisions	135,982	–
Decrease in stock	13,468	351
Gain on acquisition of Elton John AIDS Foundation Inc	–	(11,479,620)
Unrealized loss/(gain) on investments	357,914	(42,004)
Foreign exchange gain	(16,679)	(1,204,342)
Finance expenses	–	1,769
Investment income	(327,630)	(143,811)
Net cash used in operating activities	(8,964,735)	349,656

24 RECONCILIATION OF GROUP NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2021 \$	2020 \$
(Decrease)/increase in cash	(17,898,078)	7,866,558
Net funds at January 1, 2021	38,306,823	30,440,265
Net funds at December 31, 2021	20,408,745	38,306,823

25 ANALYSIS OF NET FUNDS FOR THE GROUP

	2020 \$	CASH FLOW \$	2021 \$
Cash at bank and in hand	38,306,823	(17,898,078)	20,408,745

26 PENSION COSTS

The Foundation operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Foundation in an independently administered fund. The pension cost charge represents contributions payable by the Foundation.

	2021 \$	2020 \$
Contributions payable by the Foundation for the year	115,092	59,263

27 REVALUATION RESERVE

The unrestricted reserves include realized and unrealized gains on investments, which are recognized in a revaluation reserve.

28 FINANCIAL INSTRUMENTS

	2021 \$	2020 \$
Financial assets measured at fair value through profit and loss	17,133,453	8,358,795

29 RELATED PARTIES

Aggregate donations received during the year from Trustees and parties connected to the Trustees given without conditions placed on the Foundation were \$33,447 (2020: \$8,746).



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