



AKO Foundation

Report and Financial Statements

31 December 2018

AKO Foundation



British Museum © Trustees of the British Museum

Trustees

The trustees, who were also directors under company law, who served during the year and up to the date of this report were as follows:

Nicolai Tangen
Katja Tangen (appointed 27 April 2018)
David Woodburn
Henrik Syse
Martin Byman

Auditor

Sayer Vincent LLP
Chartered accountants and statutory auditor

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AKO Foundation

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Registered Company No: 8385711
Registered Charity No: 1151815

About the AKO Foundation

Introduction

The AKO Foundation (the “Foundation”) was founded by Nicolai Tangen, the CEO and founder of the AKO Capital LLP investment partnership, and registered as a charity in April 2013. Its primary focus is the making of grants to projects which improve education or promote the arts. The Foundation does not seek applications for grants and will generally not make grants in response to unsolicited applications. Since its inception, including donations received to date in 2019, the Foundation has been funded with a total income of over £150 million.

Increasingly, the Foundation aims to help start up, and be the catalyst for, new charitable projects which otherwise could not have been realised and there are many examples of such projects in the following pages. The Foundation also takes pride in having a very lean structure so that it can make fast decisions.

The relationship between the Foundation and the entities supported is increasingly assisted by the analyst team at AKO Capital. From the perspective of the Foundation, the application of the analyst team’s business analysis skills is valuable and it also provides a more professional and value added interface between the Foundation and the entities supported. For the analyst team it leads to more pride in AKO Capital, a more holistic view on life and greater humility; a key success factor in the investment management industry.

The ambition is for the Foundation to become the best run foundation in Europe within three years. In this context, “best run” entails analytical rigour; leverage and effect from grants; simplicity and cost effectiveness; speed of action; and transparency. The trustees will have the same demands and ambition for the Foundation as Nicolai does for AKO Capital.

A summary of entities supported by the Foundation since its inception in 2013 to the date of this report is set out below. Mirroring the long term thinking and investment strategy of AKO Capital, the Foundation values long-term and continuing relationships and will often provide support to these entities over a number of years.

Education

The Foundation believes that education is the key to a successful future for both societies and individuals, and supports educational projects in both the developing and the developed world.

Educational projects in the developing world

Stromme Foundation

Stromme Foundation (“Stromme”) is a rights based development organisation with the vision of a world free from poverty. Stromme is widely recognised for its educational work in developing countries. Its approach is a holistic one; working with children, adolescents and their mothers within the same

communities. This strengthens sustainability and maximises impact. The Foundation has supported Stromme since 2014 and supports the following programmes.

Educational work in West Africa

The Foundation is working with Stromme in Burkina Faso and Niger, two of the world’s poorest and least developed nations. School attendance and literacy rates in these countries are low and female literacy rates are less than 20%. Without even a primary education, children lack the skills and knowledge required to improve their situation and are likely to remain impoverished for the rest of their lives.

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The programmes implemented by Stromme with funding from the Foundation provide out of school children, half of whom are girls, with accelerated learning courses designed to get them to the educational level necessary to enrol in formal school. It also includes the “A Saving for Change” programme which targets the mothers of these children and gives them the opportunity to save and obtain loans that may be used for educational expenses, to generate income, for health care and to enhance food security.

SAMVAD programme

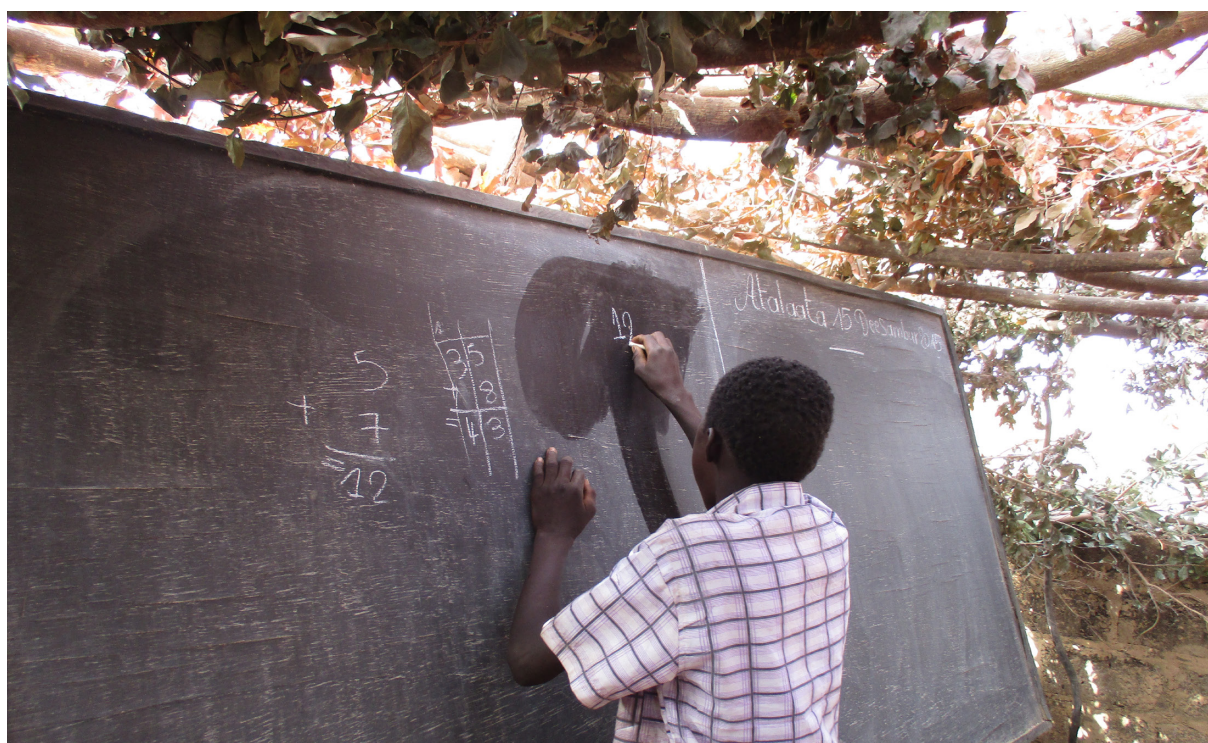
SAMVAD means a ‘dialogue’ and is a non-formal, community based, participatory education system designed especially for adolescent girls, with a particular focus on girls aged 13-19 who are at risk of dropping out of school and being trafficked. At SAMVAD centres, the girls follow a course that includes life skills, functional literacy, building self-confidence and vocational skills. The Foundation is supporting Stromme’s existing SAMVAD programme in

Nepal and Bangladesh. It is also supporting the development of this programme in West Africa, where there are countries with some of the highest rates of child marriage in the world.

Dream Myanmar

Stromme’s Dream Myanmar project works with 3,000 of the poorest families in the Ayeyarwaddy district in Myanmar including the tribal Karen community. Its aim is to:

- Provide children with increased access to pre-primary and primary education and to develop the skill sets of adolescents;
- Provide families with access to financial and non-financial services to improve their livelihood and entrepreneurship skills;
- Increase the families’ participation in the wider society by establishing appropriate self-help groups;
- Ensure that families have access to health education, nutrition, water and sanitation.



Stromme Foundation

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Corporate Social Responsibility Conference

The Foundation supports Stromme's annual Corporate Social Responsibility Conferences, which consider how companies and business owners can contribute to a juster society in a commercially justifiable way.

Recently, the Foundation has made its major donations to Stromme as part of an annual match funding campaign, which has resulted in some of the most successful fund raising in Stromme's history.

The Mosvold-Martinus Trust

The Mosvold-Martinus Trust ("MM Trust") is a charitable establishment created by the Mosvold Group with the objective of improving the lives of underprivileged young people in Sri Lanka. They promote self-reliance by providing initiatives and support to allow such young people to become the agents of their own development and progress. The Foundation has funded the

MM Trust's "AKO Scholarship Program in Sri Lanka", which provides scholarships to allow disadvantaged students to pursue higher education at university or through vocational or skills training. The most recent update on the MM Trust's AKO Scholarship Program in Sri Lanka can be found at <http://www.akofoundation.org/wp-content/uploads/2018/12/AKO-Scholarship-Program-MM-Trust-6-Month-progress-report-Nov-2018.pdf>

Partnership for Change

Partnership for Change ("PfC") is a Norwegian non-profit organisation that works for the economic independence of women in Myanmar and Ethiopia. Although, in theory, Ethiopia's educational policy gives boys and girls equal access to education, in practice – and particularly in rural communities – boys are given priority. To address this inequality and the unmet educational needs of such girls, the Foundation is funding a programme



Partnership for Change

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of financial support and academic and life skills training in rural Ethiopia to prevent girls from deprived backgrounds from dropping out of high school.

Lively Minds

Lively Minds, a UK charity, works in remote rural villages in Africa and trains “Volunteer Mothers” to run free and informal play schemes for all pre-school children in their villages. The Volunteer Mothers are also given monthly parenting workshops to help them provide better care at home. The programme is delivered through local government using a “training of trainers” approach and is very cost effective, with an approximate unit cost of just £6.70 per beneficiary per year. The Foundation is supporting the expansion of this “Early Childhood Care and Education” programme in Uganda.

Little Sun Foundation

The Little Sun Foundation (“Little Sun”), a German non-profit organisation, was founded by artist Olafur Eliasson to deliver solar light and energy to vulnerable communities worldwide. The Foundation has made a grant to Little Sun to provide 1,200 students in Northern Tanzania with solar lamps. These clean and renewable lamps allow after dark homework and revision, and thus increase students’ study hours and academic attainment. There are also significant health and economic benefits, as the lamps replace harmful kerosene lamps and expensive torches. The grant also provides 90 solar phone chargers for teachers to help them stay connected and better prepare the children’s school lessons.

Oslo Center for Peace and Democracy

The Oslo Center for Peace and Democracy (“the Oslo Center”) was established in 2006 and has been a successful contributor to peace and democracy projects in countries across Asia, Africa, and Europe.



Right to Sight

The Foundation has made a grant to the Oslo Center to support its work with Peace Clubs in primary and secondary schools in the coastal regions of Kenya. This area of Kenya is facing complex and serious challenges, including, for example, the risk of disengaged youth being recruited by the Al-Shabaab militant group. The Peace Clubs are a Kenyan government educational initiative designed to counter such risks by strengthening the commitment of young people to peace and social cohesion.

Right to Sight Norway

Right to Sight Norway was founded in 2011 as an independent Norwegian charity and is led by Norwegian ophthalmologists and other specialist doctors. The Foundation has made a grant to support their work at the Kwale Eye Centre in Kenya. The project teaches midwives and nurses in vaccination clinics to screen babies and small children to identify signs of cataract and refractive error for early referral for treatment and correction. It also supports the identified

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children pre- and post- surgery to give them the best visual outcome, while simultaneously training local ophthalmic medical personnel. Thus the project has both a direct and an indirect educational focus; directly by providing training for local health care professionals and indirectly as in less developed countries early correction of visual disability is vital for a child's educational prospects.

Aurora Live Aid

Aurora Live Aid is a Norwegian voluntary non-profit humanitarian organisation that provides medical and social assistance work in underprivileged areas of the world. The Foundation has made a grant to support Aurora Live Aid's project to create a women's shelter at the El-Beddawi refugee camp in Lebanon. This "Home of Tenderness" is intended to provide a venue for education and social interaction for the adult women living in the camp and for play and awareness sessions (female health, self-protection, domestic violence, "my rights") for young girls and teenagers. It will also provide a location to screen for diabetes, which is currently under-diagnosed within the Palestinian community; a project undertaken in collaboration with the University of Århus, Denmark. In addition, it provides facilities for young Norwegian volunteers visiting and working in the camp. The aim of this volunteering is both the personal development

of the volunteers and the provision of low threshold educational opportunities, such as English courses and cultural interaction, for the camp residents.

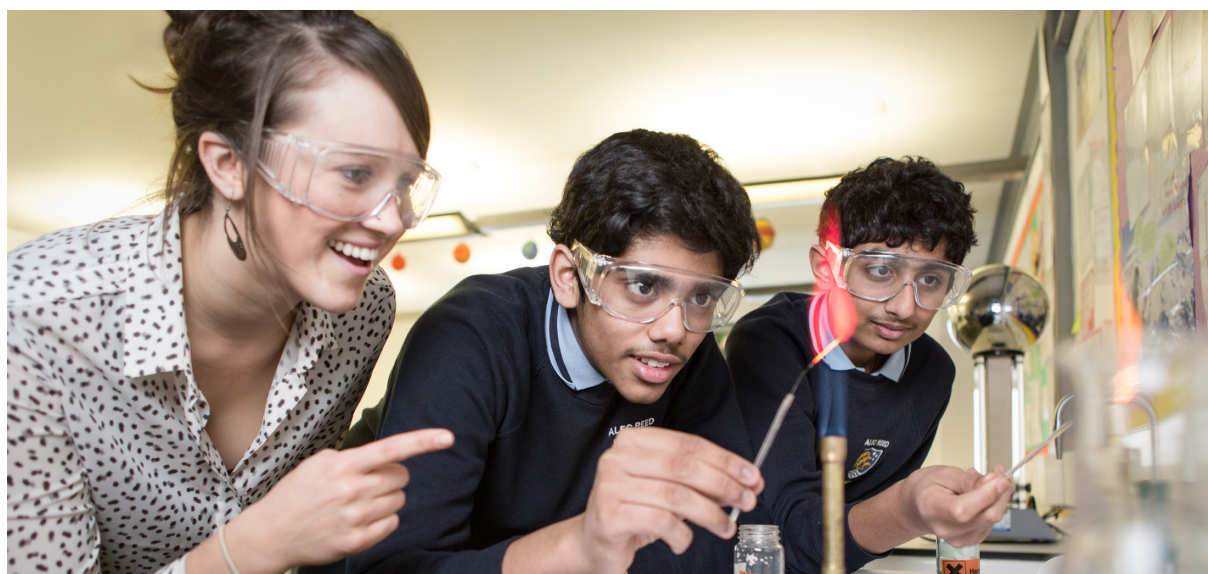
Akersborg Rotary Club Oslo

In conjunction with the Akersborg Rotary Club Oslo, the Foundation funded the redevelopment of the primary school in Shikht Mustafa, Syria. Located near Aleppo, the school was left with all windows blown out and many classrooms ruined after suffering the effects of bombing in 2012. The school was fully renovated, including 17 new classrooms with new windows, furniture, whiteboards, heating and electrical lights powered by solar panels installed on the roof. The school reopened in September 2017 providing places for 850 children.

Educational projects in the UK and other developed counties

Teach First

Teach First is a UK charity whose mission is to end educational inequality. Teach First believe that changing the life of a child often starts with the dedication and leadership of a great teacher who inspires a child to work towards the future they want. Accordingly, a fundamental part of their work is the recruitment, training and support of new



Teach First

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teachers to work in schools serving low-income communities across England and Wales. Their success in inspiring the country's best graduates to choose to work in these schools has been remarkable; Teach First is now one of the largest graduate recruiters in the United Kingdom.

The Foundation has worked with Teach First since 2014 and currently the Foundation supports the following programmes:

Careers Leaders

Teach First's Careers and Employability Programme is unique in the education sector. It is the only comprehensive programme of training for teachers that combines careers expertise and leadership development, and which participants can immediately apply within a school setting. The programme is focused on schools where a high proportion of pupils live in poverty and aims to advance the quality of careers education, enabling schools to design and implement a high-quality whole school programme that ultimately increases their pupils' employability.

Work experience

Teach First's work experience programme, an idea instigated by the Foundation, provides a programme of week long paid work experience placements for pupils at a range of organisations, including AKO Capital. More information on this programme can be found at: https://www.akofoundation.org/wp-content/uploads/2018/02/2_0_teach-first-work-experience-programme.pdf

Leading Together

It is generally acknowledged that the quality of school leadership has a very significant impact on the future performance of a school. Leading Together is a two year programme of support for schools in areas of greatest need to build and sustain strong and effective senior leadership teams. It is unique in its bespoke support for a school's entire senior leadership team over a sustained period.

The ultimate objective is to improve pupil attainment by improving teacher retention, often a significant problem, and the quality of teaching throughout the school.

Other programmes supported

- Between 2014 and 2018 the Foundation provided funding that allowed Teach First's Primary and Early Years programme to recruit over 250 additional primary and early years' teachers. Those teachers will continue to reach thousands of children during the course of their careers.
- From 2015 to 2018 the Foundation supported Teach First's Higher Education Access programme which helped young people from low-income backgrounds to access and complete university.

More information on the work we have done with Teach First can be found at <https://www.akofoundation.org/wp-content/uploads/2018/05/AKO-Foundation-TF-impact-report-1.pdf>

Now Teach

Now Teach shares Teach First's objective of reducing educational inequality. One of the biggest problems facing secondary schools is a shortage of maths, science and language teachers. Whereas Teach First seeks to address this need by recruiting the country's best graduates, Now Teach recruits and trains high calibre professionals, who have already had one successful career, as teachers in maths, science, languages and other



Now Teach

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shortage subjects. After training, those professionals then teach in challenging schools across the country where, as well as increasing teaching capacity, they bring vital links to employers, universities and other post school options. The Foundation has made a grant to help Now Teach expand its work and reach more disadvantaged areas across the United Kingdom.

Ark

Ark, a UK charity, also seeks to transform children's lives by providing a great education. While Teach First and Now Teach focus on the teacher, Ark's focus is on the school and they run 36 schools in the UK. Their schools are in areas of economic deprivation with a history of educational underachievement, which they seek to change by setting high academic and behavioural expectations, thus providing more time for learning and improving the quality of teaching.

The Foundation has worked with Ark since 2015 and is currently funding the Music and Drama studio to be located in the redeveloped Ark Swift Primary Academy in White City, London, which is due to open in September 2020. The studio will provide pupils and staff

at the school with a dedicated performing arts space. The rebuilding of Ark Swift is part of a wider development, EdCity. This is a capital project led by Ark, which will create a new education focused campus, incorporating an expanded nursery school; the redeveloped Ark Swift Primary, an OnSide Youth Zone (see below); an adult education learning centre; residential units of which the majority will be affordable; and an office building to house social enterprises and charities with shared missions.

The Foundation also provides funding for Ark's Pathways & Enrichment project which supports and encourages students at Ark schools to aim for and reach the university or career of their choice.

In addition, several AKO Capital partners now act as governors at Ark schools.

OnSide Youth Zones

OnSide Youth Zones ("OnSide") provide world class, custom built, modern youth centres for young people aged 8–19 (up to 25 for those with additional needs). These Youth Zones are located in disadvantaged neighbourhoods and offer a wide range of sport, art and enterprise activities



Ark

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giving young people somewhere to go, something to do and someone to talk to. An independent study found that anti-social behaviour drops by between 30% and 77% around a Youth Zone. Having started in North West England, OnSide are now bringing their Youth Zones to deprived areas of London and the Foundation has made a grant to help get these established.

The Jamie Oliver Food Foundation

The mission of the Jamie Oliver Food Foundation (“JOFF”) is to shape the health and wellbeing of current and future generations by providing better access to food education. We believe that Jamie’s professional standing and long-term commitment make him uniquely placed to influence children’s health and nutrition through his work with opinion leaders. For this reason, the Foundation has made grants to support several JOFF initiatives.

Most recently, the Foundation has been the founding supporter of the 2030 Childhood Obesity Alliance (working title) which is being set up with the objective of halving

the rate of childhood obesity in the United Kingdom by 2030.

This initiative follows on from a comprehensive review of the state of food education and food culture in schools in England that the Foundation commissioned JOFF and expert partners (including the British Nutrition Foundation, Food Teachers Centre and the University of Sheffield) to undertake. “A Report on the Food Education Learning Landscape”, which was published in October 2017, identified stark variations in the quality of food education across schools alongside strong teacher, pupil and parent demand for a healthier school environment. A copy of this report can be found at: https://www.akofoundation.org/wp-content/uploads/2017/11/2_0_fell-report-final.pdf

Other JOFF initiatives that have been supported by the Foundation include The Kitchen Garden Project, Food Revolution Day, the Jamie Oliver Food Foundation Global Ambassador Programme, Workplace and University Cooking Programmes, and The Food Education Learning Landscape.



Jamie Oliver Kitchen Garden Project © David Loftus

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Frontline

Frontline

Frontline recruit, train and support outstanding individuals to become social workers through their two year Frontline programme. This provides a unique opportunity for high potential graduates and career changers to make a difference to the lives of the most vulnerable children in England. The Foundation has made a grant to support Frontline's coaching programme for their newly qualified social workers in their second year on the Frontline programme. The coaching sessions provide vital support at a highly challenging time, as these new social workers take on their own caseloads and move into new teams within overall children's services.

London School of Economics

The Foundation has made a grant to fund an academic project at the Department of Social Psychology at the London School of Economics to research how the corporate culture of companies affects their long-term success.

The project, which is expected to extend over a number of years, looks to assess corporate culture using entirely "external" data sources without the need for intrusive activities such as extensive surveying of company employees. In 2019, the results of this research project, which could substantively advance the understanding of corporate culture, are to be submitted as papers for publication to the leading academic journals in the field.

More details on this project can be accessed at: <https://www.akofoundation.org/wp-content/uploads/2018/06/AKO-Capital-Corporate-Culture-project-Background-and-Methodology-June-....pdf>

The latest update from the London School of Economics team can also be found on their Psychology@LSE blog.

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The Wharton School of the University of Pennsylvania

The Foundation has an ongoing relationship with the internationally renowned Wharton School of the University of Pennsylvania. The Foundation, and Nicolai Tangen privately, have to date endowed undergraduate scholarships to support 22 international students who would otherwise be unable to meet the cost of their education. The scholarships benefit the individual recipients and, due to the recipients' global background and international perspective, enrich the student community. Their education will also benefit the communities and organisations they go on to lead after graduating.

The Foundation has made a major grant to spearhead construction of a transformative new campus building, Tangen Hall, which will provide the first ever space dedicated to cross campus student entrepreneurship at the University of Pennsylvania. Tangen Hall will provide a facility where

a diverse group of problem solvers are brought together to implement efficient, sustainable and actionable solutions to the challenges facing societies around the world. More information on Tangen Hall and the scholarship program can be found at: <http://www.ako.foundation.org/wp-content/uploads/2018/11/Tangen-Hall-and-Scholarship-Press-Release.pdf>

The Foundation has also:

- Supported a series of reports by the Wharton School examining business ethics, which advocate ethical best practice and tools to make ethical business practice possible. These reports are distributed by the Wharton School's online business journal, Knowledge@Wharton, and are freely available to all interested parties.



Statens Museum for Kunst

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- Provided financial support for the Wharton People Analytics Initiative, which is designed to advance the practice of evidence-based management and decision making.
- Made annual grants to the Wharton Fund to help the Wharton School provide opportunities to its faculty, students and alumni.

The Foundation's support of the Wharton School is effected via donations to the University of Pennsylvania (USA) Foundation Ltd, a UK charity.

The Florida International University Foundation: Václav Havel Program for Human Rights and Diplomacy

The significance and difficulties of countries making successful transitions to democracy from authoritarian or totalitarian governments is extremely relevant to the world today. The Václav Havel Program for Human Rights and Diplomacy ("VHP")

forms a part of the University of Florida. It is dedicated to using Václav Havel's legacy from the "Velvet Revolution" in then Czechoslovakia, and other cases of successful transitions from authoritarian or totalitarian governments, to ensure that the ideals of freedom, respect for human rights and justice for all prevail in such transitions.

VHP provides students with the opportunity to learn from distinguished scholars and practitioners with expertise and experience not only in academia, but also in the realms of diplomacy and policy implementation. In addition to formally teaching students at undergraduate and graduate levels, VHP offers dedicated scholarships focused on the process of non-violent transitions from authoritarian regimes to democratic ones and on the governability of young democracies.

In support of these aims, the Foundation is providing matched funding to endow a Chair of Transition Studies at VHP.

National Society for Prevention of Cruelty to Children

The Foundation supports the National Society for Prevention of Cruelty to Children ("NSPCC") Schools Service "Speak out Stay safe" programme, which uses specially trained staff and volunteers to talk to primary school children about abuse and neglect. They use an assembly followed by individual class workshops to help under 11s recognise these if they occur. The sessions are tailored to the age range of the children, with topics covered in an easily understandable way.

The objective is to visit every primary school in the United Kingdom at least every three years, so that each child hears the safeguarding messages at least twice during their time at primary school. In a follow up performed by the NSPCC to assess effectiveness, 99% of teachers said they would recommend the NSPCC's Schools service to another school.



Christ's Hospital school

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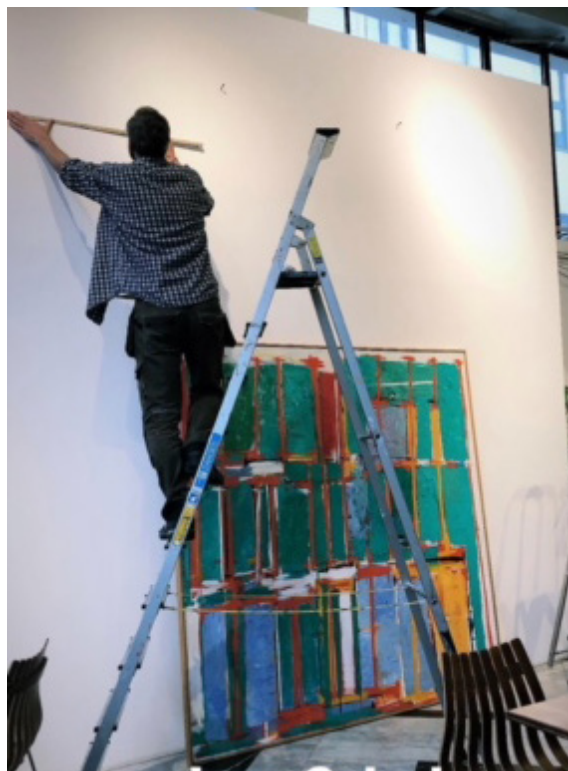
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University College School, Hampstead

University College School, Hampstead ("UCS") was founded to promote the Benthamite principles of liberal scholarship. The Foundation has made a grant for the redevelopment of UCS's library so as to provide a flexible and multifunctional library space able to support both individual study and collaborative work. This redevelopment provides a vital resource for the whole school community, including UCS's partner schools such as the London Academy of Excellence, UCL Academy and Westminster Academy.

Christ's Hospital school

Over the past five centuries, Christ's Hospital school has pioneered social mobility in the UK by providing outstanding educational opportunities for young people without the means to pay, enabling such children to thrive in the face of often highly challenging home circumstances. Today some 75% of the pupils at Christ's Hospital benefit from scholarships; more than at



AKO Kunststiftelse

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any other school in the UK. The results the school achieves are extraordinary, with pupils forging successful careers and giving back to society throughout their lives; thereby transforming not only their own lives but those of their families and local communities.

The Foundation sponsors scholarships for two A Level students at Christ's Hospital. As part of the sponsorship these students have the opportunity to complete a work experience week at AKO Capital.

Real Action

Real Action was established in 1997 by a community in Westminster, London, which had one of the UK's highest levels of child deprivation. Its aim was to address problems arising from the street gangs of boys who dominated their housing estates. These boys were found to be illiterate. In response, the community instigated a summer literacy programme for their children taught by The Butterfly Book author Irina Tyk, which had excellent results. The average reading age rise for the initial class of thirty pupils was fourteen months in just thirty hours of Butterfly teaching.

Since then Real Action has developed and delivered its Butterfly literacy programme to provide children with a solid base for education and thus disconnect personal disadvantage from educational disaster. The Foundation has made a grant to Real Action so it can sustain and replicate its Butterfly literacy programme.

The Girls' Day School Trust

The Foundation has made grants to The Girls' Day School Trust, the UK's leading network of independent girls' schools, to assist with the cost of building works at South Hampstead High School, one of the Girls' Day School Trust's schools, and to bring a variety of speakers to that school to inspire and motivate the students.



Girls' Day School Trust

Arts

SKMU Sørlandets Kunstmuseum

The SKMU Sørlandets Kunstmuseum ("SKMU") is a regional art institution, located in Kristiansand, Norway, which has collected high quality arts and crafts objects from its local area since its foundation in 1995. SKMU has developed a wide range of educational activities including establishing a museum for children, The Children's Art Museum, within its premises. Recently, under its new CEO Reidar Fuglestad, SKMU has been progressing very strongly. Visitor numbers are up a very impressive 50% in the last year and its revenues have nearly doubled.

The Foundation has made a number of grants to SKMU to be used for the purchase of Norwegian glass, ceramics and similar artworks dating from 1930 onwards for public display. It has also supported an initiative by SKMU to cover the cost of transport to bring school children to the museum.

AKO Kunststiftelse

The Foundation has begun a major initiative of support for AKO Kunststiftelse, a Norwegian non-profit foundation whose objective is to advance the public's access to Nordic visual arts from the post 1900 period. To achieve this objective, AKO Kunststiftelse is building a collection of such art for public exhibition and will give SKMU the right to use this collection free of charge and on a perpetual basis.

It is planned that the public exhibition of the collection will be in a new museum, the Kunstsilo Museum, in Kristiansand. The establishment of this new museum is being undertaken by SKMU in cooperation with the Kristiansand municipal authorities and other Norwegian institutions, and is currently in its development stages.

To date, the focus of AKO Kunststiftelse has been on building the collection, while SKMU has undertaken the identification of the building to house and exhibit the collection and the recruitment of the director of this new museum. The ultimate combined vision is to create a public art collection of international importance housed in an art museum of outstanding architectural quality.

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The Courtauld Institute of Art

The Courtauld Institute of Art (“the Courtauld”) is an international centre for the study of the history and conservation of art and is also home to one of the finest small art museums in the world.

Its Institute of Art, a college of the University of London, is the pre-eminent centre for the study of the history of art in Europe. The Foundation has endowed an academic post for the study of European art of the 20th century, in particular, German Expressionism. The gift was made by the Foundation in honour of Dr Shulamith Behr, Honorary Research Fellow at the Courtauld, who taught Nicolai Tangen during his MA studies there. Dr. Robin Schuldenfrei, a distinguished art history scholar specialising in the history and theory of European and American modern architecture and design, is the first appointee to this endowed post. She has made several important contributions to teaching and research at the Courtauld including launching a new MA degree, “Experiencing Modernism: Utopia, Politics, and Times of Turmoil”. The course is consistently popular and oversubscribed.

Courtauld Connects is a major capital project to redevelop the Courtauld. Its objectives are to increase access to the Courtauld and improve the user experience, to create the best teaching and research environment, and to preserve and reveal the Courtauld’s heritage building and collections. The Foundation has provided support for this project.

In December 2017, the Foundation presented its first annual AKO Curatorial Award to the winner and runners-up of a curatorial competition for graduates of the Courtauld’s MA programme *Curating the Arts Museum*. The assignment was to conceive an imaginative exhibition of modern Nordic visual arts and the entries received were of

a very high standard. The winning entry, “Between the Trees” by Courtauld student Harry Dougall, was put on public exhibition at SKMU in the summer of 2018. The AKO Curatorial Award is the only prize available to curating MA graduates in the UK and the Foundation and the Courtauld Institute of Art look forward to its continuing success.

The Foundation also supported the Courtauld’s 2014 exhibition “Egon Schiele: The Radical Nude”.

University of the Arts

The University of the Arts London (“UAL”) is Europe’s largest specialist arts and design university. It offers courses in arts, design, fashion and communication and is attended by over 19,000 students from more than 130 countries. The Foundation has made the following three grants to UAL:



The Courtauld Institute of Art

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- A grant to facilitate UAL's launch of its Creative Computing Institute. This is a UAL wide centre of expertise on digital and computing matters which will both have an input into art and design courses across UAL, all of which require ever increasing use of digital and computing elements, and also generate new areas of study and practical outputs with real world applications.

- A grant to kick-start the launch of a second new UAL institute, the Social Design Institute. This institute will apply design solutions to some of the world's biggest social and environmental challenges to produce solutions that are actionable and deliverable.

- A grant which continues the Foundation's history of providing support for students who otherwise would be unable to meet the cost of their education and which funds bursaries at the UAL Central Saint Martins arts and design college. These bursaries

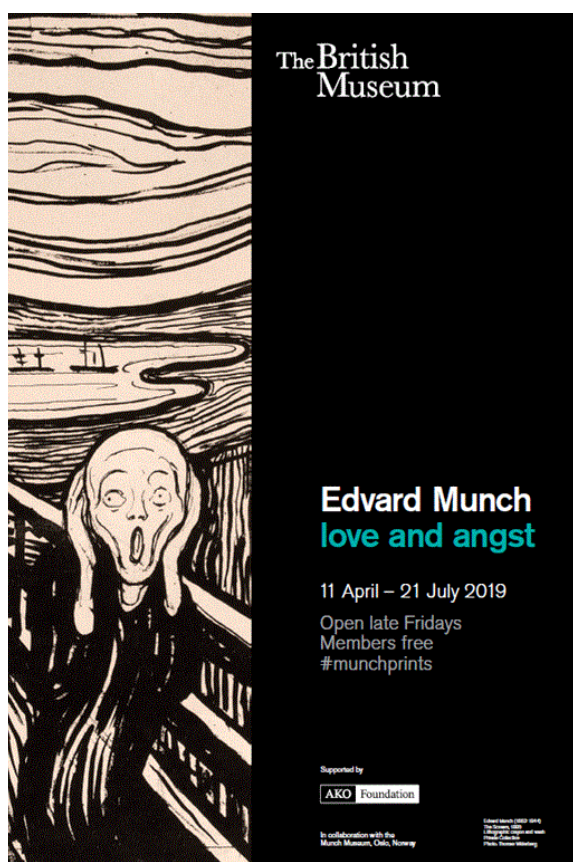
support third year students who UAL think are particularly promising, but who are at risk of dropping out of their course for financial reasons.

British Museum

The Foundation has made a donation to the British Museum to be the sole sponsor of its exhibition entitled "Edward Munch: love and angst" which is scheduled to go on display at the British Museum in April 2019. The British Museum is collaborating with the Munch Museum in Oslo, Norway to stage the first ever exhibition in London to focus on Munch's remarkable prints.

Zeitz Museum of Contemporary Art Africa

Zeitz Museum of Contemporary Art Africa ("Zeitz MOCAA") is a public, not for profit, cultural institution in Cape Town, South Africa. It focuses on collecting, researching and exhibiting cutting edge contemporary art from Africa and its diaspora, and on the enrichment and inspiration of the public through outreach programmes, academic support and supplementary tuition. The Curatorial Training Programme at Zeitz MOCAA offers practicing professionals and recent graduates practical curatorial experience at a functioning contemporary art museum. In accordance with Zeitz MOCAA's objective of providing access to all, candidates are financially supported through a monthly honorarium, which covers the programme costs, accommodation, local transport and food. The Foundation made a grant to support four participants per annum through this programme.



The British Museum

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Wigmore Hall Trust

Wigmore Hall is a leading venue, located in London, for chamber and instrumental music, early music and song. The Foundation contributed to the Wigmore Hall Endowment Fund, whose purpose is to ensure that Wigmore Hall has resources to invest in the development of inspirational projects, residencies and unique programmes with the world's finest performers and ensembles.

Statens Museum for Kunst

The Foundation made a donation to the Statens Museum for Kunst (the National Gallery of Denmark) to support its planned 2019 exhibition of the works of the sculptor Sonja Ferlov Mancoba.

Translation of Dante Alighieri's *Divine Comedy*

The Foundation has made a donation to support the translation, which is expected

to take four years, of Dante Alighieri's *Divine Comedy* into Norwegian.

Venice Biennale 2017

The Foundation made a donation to support the Nordic Pavilion at the 2017 Venice Biennale exhibition.

Local Projects

The Foundation is a London based charity and the founder and the majority of the trustees live in North London. Its founder, Nicolai Tangen, was born and brought up in Kristiansand, Norway. The Foundation values these connections and has supported the following projects in North London and Norway:



Wigmore Hall © Benjamin Ealovega.

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In London

Hampstead Theatre

Based in North London, Hampstead Theatre has as its mission the creation of original theatre without creative restriction. In cooperation with the Foundation, Hampstead Theatre launched the “The Next Decade” initiative to commission new plays from leading playwrights. This initiative achieved its target of raising £1 million to fund the writing of the coming decade’s best plays, with the Foundation matching the funding raised by Hampstead Theatre.

The first work commissioned under the initiative, *Prism* by Terry Johnson, opened at Hampstead Theatre in September 2017 to some great reviews and is currently being lined up for a Broadway production. The second commission, *Western Eyes* by Howard Brenton, will open in early 2019 and the Foundation looks forward to many more exciting productions.

Maytree

Maytree is a registered charity supporting people in suicidal crisis in a non-medical setting. The Maytree Suicide Respite Centre, located in North London, is the only place of its kind in the United Kingdom and fills a gap in services between the medical support of the National Health Service and the helplines and drop-in centres of the voluntary sector. Specifically, it provides such individuals with a free five day stay and the opportunity to be befriended and speak in complete confidence. The Foundation has made grants to Maytree which will cover approximately ten per cent of their running costs.

Doorstep Homeless Families Project

The Foundation has made two grants to support Doorstep in its mission to provide homeless families living in temporary accommodation in North London with access to services, so they can enjoy a good quality of life.

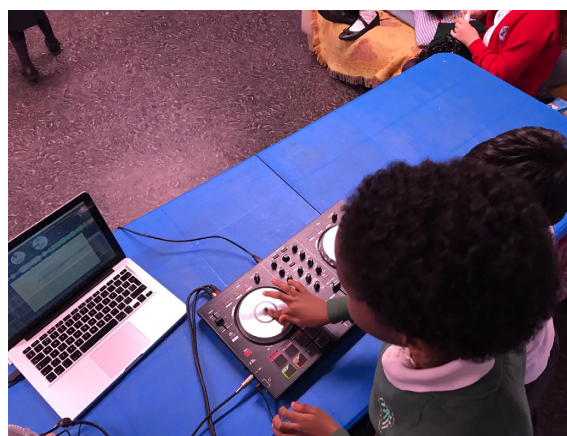
Freud Museum

The first ever grant made by the Foundation was in 2013 to this North London museum for the conservation of the couch used by Sigmund Freud during his psychoanalysis sessions with his patients.

In Norway

Business for Peace Foundation

The Business for Peace Foundation, a Norwegian foundation, believes that business can create positive change in society by acting ethically and responsibly and with the objective of creating value for society as well as economic value. In support of this, the Business for Peace Foundation names Honourees who have demonstrated that it is possible to combine solid business performance with these higher purposes. The Foundation has supported the Business for Peace annual summits since 2016.



Doorstep Homeless Families Project

AKO Foundation

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Norwegian Missionary Society - Havglimt summer camp

The Havglimt summer camp is a camp located outside Kristiansand and run by the Norwegian Missionary Society ("NMS"), which provides summer camps for children, young people and their families. As well as providing a great summer experience for the participants, the camp raises money for NMS projects helping children and adults in Africa, Asia and South America. The Foundation made a grant towards the refurbishment of the camp, which was successfully completed in May 2017.

Høvåg Church

The Foundation made a grant to renovate a room on the first floor of the church in Høvåg, Norway. Up to now this room has only been used for storage but after the renovation it will be available for a variety of activities including Sunday school and other church events for local children as well as use by local societies.

No Finish Line Oslo

No Finish Line is a sponsored walk/run, done in laps of approximately one kilometre, that originated in Monaco and has now spread to other cities including Oslo. The Foundation sponsored the Oslo No Finish Line event in support of the Stine Sofies Foundation, a foundation that helps children who are, or have been, exposed to physical violence.



Høvåg Church

Den Norske Turistforening

Den Norske Turistforening ("DNT") is Norway's largest outdoor life organisation, with more than 310,000 members. DNT aims to promote active and environmentally friendly outdoor activities, such as trekking and ski trekking, and to preserve the natural and cultural landscape. In particular, DNT's local associations maintain walking routes and ski tracks and operate 550 cabins across Norway. The Foundation proposes to make a grant to allow DNT to build a new cabin in the Setesdal Vesthei mountain area in Norway, which will serve as a starting point for treks and will also provide information about the natural and cultural heritage of Setesdal Vesthei including the area's herds of wild reindeer.

Den Norske Turistforening



Den Norske Turistforening

AKO Foundation

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The AKO Give Back Initiative

The Foundation is funded by donations from Nicolai Tangen, the CEO of AKO Capital LLP, and the AKO Give Back Initiative provides all AKO Capital staff with the opportunity to nominate a charity for a grant from the Foundation. As well as nominating the charities, the staff decide the grant recipients. A committee of staff members selects a short list of charitable projects and all staff then vote on the allocation of a pool of approximately £100,000 across these shortlisted charities.

The Foundation believes that a philanthropic mindset does not come naturally to all people, but that this can be taught. The objective of the AKO Give Back Initiative is to encourage philanthropic involvement by all staff at AKO Capital as well as developing leadership skills within the organisation. “How you give back to society” is also an important question in the AKO Capital partners’ year end review process.

Since its inception grants of approximately £600,000 have been made by the Foundation under the AKO Give Back Initiative. In 2018 the largest grants were to the following recipients:

- **Maggie’s Centres:** Maggie’s provide unique support centres built in the grounds of major NHS oncology hospitals. From these centres they deliver a programme of bespoke support to enable people to find their way through the overwhelming challenges that can come with a cancer diagnosis.
- **Neuroblastoma UK:** This charity seeks to find a cure for neuroblastoma cancer by funding research projects. Neuroblastoma is a rare cancer that affects only children. Approximately two children are diagnosed with this cancer every week in the United Kingdom and it has one of the lowest survival rates of all childhood cancers, with only 67% of patients surviving for five years.

- **Centrepoint:** Centrepoint works throughout the United Kingdom and supports more than 9,200 homeless young people each year. They aim to give homeless young people a future and their ultimate objective is to end youth homelessness.

- **Greenhouse Sports:** A London based charity committed to using sport to help young people in the inner city realise their full potential through high quality intensive sports coaching. Such coaching has the proven effect of instilling life skills which are then transferable into other areas of life.

- **Kiva:** A charity that facilitates micro-finance provision to individuals in the developing world who lack the access to finance. By structuring the operations around loans that are repaid by the borrowers, it also means that capital lent on the Kiva platform can be recycled multiple times, creating a sustainable model of development micro-finance.

Increasingly, charities initially given grants under the AKO Give Back Initiative have developed multi year relationships with the Foundation with significantly increased funding. Lively Minds and OnSide Youth Zones, both covered in the Education section above, are examples of such relationships. The trustees think it is fantastic that projects which have originated through this initiative have subsequently become important recipients of Foundation’s grants.

AKO Foundation

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Connecting the dots

The Foundation seeks to add value to our partners beyond the purely monetary and where opportunities for mutual assistance are seen the Foundations will connect our partners with each other. Examples of the connections facilitated include:

- Appearances by Adam Grant (Wharton), Jamie Oliver and Brett Wigdortz (Teach First) at the Business for Peace annual summits in Oslo.
- Exhibiting the winning proposal from the AKO Curatorial Award at the Courtauld at the SKMU Sørlandets Kunstmuseum.
- The launch of the 2030 Childhood Obesity Alliance, funded by the Foundation, by the Jamie Oliver Group with the help of the founder of Teach First.
- Suggesting an independent field trial of Little Sun solar lamps at Stromme Foundation schools in West Africa. The aim would be to demonstrate a statistically significant link between solar lighting and educational achievement and child health, through a rigorous assessment by an independent research group.
- A proposed cooperation between the Courtauld in London and the University of Agder, Norway, where the Foundation is considering funding a PhD in Nordic modernist art.
- Facilitating support from EssilorLuxottica, the global leader in lens technologies and a long term investment holding in the AKO Capital funds, for Right to Sight Norway's work at the Kwale Eye Centre in Kenya.

AKO Capital also offers internship opportunities to the Foundation's scholarship students at the Wharton School of the University of Pennsylvania and Christ's Hospital school. And although it is not at our instigation, the Foundation is

delighted that two of our other partners will be working together, with an Onside Youth Zone being included within the Ark EdCity project.

Expected level of future donations

As stated in the report of the trustees, the Foundation's reserves policy is to ensure it maintains adequate funds to meet its commitments and to hold reserves while it identifies appropriate projects to fund. The general approach to determining the level of donations was confirmed at a trustee meeting, when it was agreed that the Foundation should not seek to exist in perpetuity and that its intention would be to make donations such that the Foundation had spent all its resources within a limited number of years of the death of its founder Nicolai Tangen. The Foundation seeks to fund the best educational initiatives, and this intention reflects a belief that the return for society generated by such projects is higher than that which can be earned on financial investments.



Lively Minds

AKO Foundation

Report and Financial Statements
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Report of the Trustees

The trustees present their report and the audited financial statements for the year ended 31 December 2018.

Reference and administrative information set out on page 2 forms part of this report. The financial statements comply with the current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities (Charities SORP FRS 102).

Structure, governance, management & remuneration

The organisation is a charitable company limited by guarantee, incorporated on 1 February 2013 and registered as a charity on 29 April 2013.

The company was established under a memorandum of association which established the objects and powers of the charitable organisation and is governed under its articles of association.

The Foundation is managed by the trustees with decisions taken at the regular trustee meetings. Trustees are given training and advice on their responsibilities when they take on the position. They give their time voluntarily and receive no remuneration or benefits from the charity. Any expenses reclaimed from the charity are set out in note 3 to the financial statements.

Any future trustee appointments are made by election of the Members of the Foundation.

Objectives and activities

The objective of the Foundation is to act as a charity for general charitable purposes with a focus on education and the arts, in particular the provision of grants for charitable purposes (as prescribed by the Charities Act 2011).

The Foundation's charitable objectives are:

- The advancement of education;
- The advancement of the arts, culture, heritage and science; and
- All other charitable purposes for the benefit of the public.

The trustees review the aims, objectives and activities of the Foundation each year. This report looks at what the Foundation has achieved and the outcomes of its work in 2018. Details of the grants made in the year are included in the financial statements.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning its future activities. In planning the Foundation's activities the trustees consider how these will contribute to the aims and objectives that have been set.

Strategic Report

Achievements and performance in the delivery of public benefit

The Foundation's main activity is to make grants to UK charities and for general charitable purposes elsewhere in the world. The primary foci of its grant making activities are initiatives and projects which improve education or promote the arts.

During the year to 31 December 2018 the Foundation made grants to a variety of entities involved in education and the arts. The major grants, considered as being those for an amount of £50,000 or more, are described below:

- Stromme Foundation – grants to support their education programmes in West Africa, Nepal and Bangladesh and their annual Corporate Social Responsibility Conferences.
- National Society for Prevention of Cruelty to Children – a grant to support the NSPCC's "Speak out Stay safe" programme, which talks to primary school children about abuse and neglect.
- Business for Peace – a donation to support their annual Business for Peace Summits.
- Maytree – a grant to help Maytree support individuals who are in a situation of suicidal crisis.
- Mosvold-Martinus Trust – a grant to fund a program which provides scholarships to allow disadvantaged students in Sri Lanka to pursue higher education.
- AKO Kunststiftelse – grants towards their acquisition of Nordic visual works of art, their support for and cooperation with the SKMU Sørlandets Kunstmuseum, their support of public exhibitions of Nordic art, and to support general administration. The ultimate purpose of this support is the establishment of a permanent public exhibition of Nordic visual works of art in Kristiansand, Norway.
- Ark – grants towards the music and drama studio in the redeveloped Ark Swift Primary Academy in London and to provide support to students at Ark schools to help them achieve the university or career of their choice.
- London School of Economics – grants to fund an academic project at the Department of Social Psychology at the London School of Economics to research how the corporate culture in companies affects their success.



Ark

AKO Foundation

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- University of Pennsylvania (USA) Foundation Ltd – a grant towards a new building which will provide the first ever dedicated student entrepreneurship space at the University of Pennsylvania and to endow a scholarship fund.

- Doorstep Homeless Families Project – a grant to support their work with homeless families living in temporary accommodation in North London.

- Christ’s Hospital school – a grant for scholarships for two A level students from North London. As part of the relationship the sponsored students are given the opportunity to complete a work experience placement at AKO Capital.

- British Museum – a grant to support its exhibition entitled “Edvard Munch: love and angst”, which is scheduled to go on display at the British Museum in April 2019.

- SKMU Sørlandets Kunstmuseum – a grant towards the costs of providing transport for school visits to the museum.

- Oslo Center – a grant to support the Oslo Center’s work with Peace Clubs in primary and secondary schools in the coastal regions of Kenya.

- The Jamie Oliver Food Foundation – founding support for the 2030 Childhood Obesity Alliance (working title), which is being set up with the objective of halving the rate of childhood obesity in the United Kingdom by 2030.

- Real Action – a grant towards their Butterfly literacy programme for disadvantaged children.

- Right to Sight – a grant to support their work in Kenya for the early detection of cataract and refractive error in young children.

- Lively Minds – a grant to support their work setting up informal play schemes for pre-school children in rural villages in Uganda.

- Now Teach – a grant to support Now Teach in recruiting and re-training high calibre mature professionals as school teachers in maths, science, languages and other shortage subjects.

- Teach First – grants to support initiatives to provide careers and employment support to pupils, to build and sustain strong and effective senior leadership teams at schools in areas of greatest need, and to develop a programme of week-long paid work experience placements.

- OnSide Youth Zones – a grant to help provide modern, custom-built, youth centres for young people in disadvantaged neighbourhoods.

- Frontline – a grant to support Frontline’s coaching programme for newly qualified social workers in their second year on the Frontline programme.

- University of the Arts (“UAL”) – a grant to support the launch of UAL’s new Social Design Institute.

The Foundation’s general grant making policy is for individual trustees to identify possible grant recipients, which are then considered by the trustees acting as a body. The Foundation does not seek applications for grants and will generally not make grants in response to unsolicited applications received.

During the period the Foundation had income of £40,205,363 (2017; £8,897,072); made new grants of £25,560,406 (2017; £9,971,080) and carried forward funds of £74,102,667 (2017; £53,553,717). It also distributed cash of £13,199,318 to grant recipients. The trustees are satisfied with the performance of the Foundation over the year.

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AKO Foundation

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Little Sun Foundation

Financial Review

In 2018 the Foundation received its income through donations from Nicolai Tangen, a trustee, and Gift Aid donations from AKO Capital Management Limited (2017: donations from Nicolai Tangen and Gift Aid donations from AKO Capital Management Limited). Total donations of £40,201,888 (2017: total donations of £8,895,110) were received in the year to 31 December 2018 which includes £Nil receivable at 31 December 2018 (2017: £Nil receivable at 31 December 2017).

Reserves Policy

At 31 December 2018 the Foundation had total funds of £74,102,667 (2017: £53,553,717). The Foundation's reserves policy is to ensure it maintains adequate funds to meet its commitments and to hold reserves while it identifies appropriate projects to fund, such that the impact of its grants is to achieve its charitable aims.

It does not currently hold any restricted funds and thus characterises all funds as unrestricted reserves.

Investment Policy

The Investment Policy of the Foundation is for the majority of the excess of assets over future grant commitments to be held in equity based investments with the remainder of assets being held as cash. The equity based component is held in Management Shares in the AKO Fund Limited and the AKO Global Fund Limited. These shares are non-fee paying and the investment is split between NOK, Euro and US\$ denominated share classes. The AKO Fund Limited and AKO Global Fund Limited invest, respectively, in a diversified range of European and Global equities. The investment objective of the Foundation is to maintain the real value of its investment portfolio and to provide capital growth

AKO Foundation

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for the furtherance of the Foundation’s objectives. In 2018 the investment return of the Foundation, measured in GBP terms, was approximately 11%. The trustees remain confident on the long term prospects of the Foundation’s investments.

The trustees are mindful of their duty to review and monitor the Foundation’s investments and receive monthly investment reports in respect of the funds in which they are invested.

Costs

The Foundation seeks to minimise its cost base so as to maximise the funds available for its charitable purposes. As stated elsewhere in this report, the trustees give their time voluntarily and receive no remuneration or benefits; and the Foundation’s surplus funds are invested in the Management Shares of the AKO Fund Limited and AKO Global Fund Limited, which are fee free. In 2018 the total costs of the Foundation, including audit & accountancy and bank charges and other costs, were £25,544, which represents 0.03% of the Foundation’s net assets and 0.10% of the grants payable in the year. We consider this to be very cost effective.

Risk Statement and Going Concern

The trustees have reviewed the major risks to which the Foundation is exposed and consider that systems are in place to mitigate exposure to these risks. As a grant making charity, the main risk facing the Foundation is that it has inadequate income or existing resources to fund its grant making activity. In 2019 the Foundation’s main source of income is expected to continue to be direct donations from Nicolai Tangen, who has advised the trustees that it is his current intention to continue to support the Foundation. Accordingly, the

trustees believe that there is a reasonable expectation that the Foundation will have adequate resources to continue in operational existence for the foreseeable future and thus have continued to adopt the going concern basis of accounting in preparing the annual financial statements. In addition, the Foundation’s reserves policy is to ensure it maintains adequate funds to meet its commitments and to allow it to continue as a grant making charity.

Fundraising

As stated above, the Foundation’s main source of income is direct donations from Nicolai Tangen. The Foundation does not engage in public fundraising and does not use professional fundraisers or commercial participators. The Foundation nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and the Foundation received no complaints relating to its fundraising practice.

Plans for the Future

The Foundation plans to continue as a grant making charity with a focus on education and the arts.

Statement of responsibilities of the trustees

The trustees (who are also directors of AKO Foundation for the purposes of company law) are responsible for preparing the report of the trustees, including the strategic report and the financial statements, in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is

inappropriate to presume that the charity will continue in operation.

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.



AKO Kunststiftelse (rendering of the Kunstsilo)

AKO Foundation

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2018 was 2. One of the trustees is a Member of the charity but this entitles him only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the Foundation's auditor and has expressed its willingness to continue in that capacity.

The report of the trustees including the strategic report was approved by the trustees on 5 February 2019 and signed on their behalf by

David Woodburn,

Trustee

5 February 2019



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AKO Foundation

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29 - Report of the Trustees

Independent auditor’s report

to the members of AKO Foundation

Opinion

We have audited the financial statements of AKO Foundation (the ‘charitable company’) for the year ended 31 December 2018 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice)..

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company’s affairs as at 31 December 2018, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the trustees’ annual report, including the strategic report, other than the financial statements and our auditor’s report thereon. The trustees are responsible for the other information. 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

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AKO Foundation
Report and Financial Statements
31 December 2018

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the trustees including the strategic report.

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

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

Responsibilities of trustees

As explained more fully in the statement of responsibilities of the trustees set out in the report of the trustees, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our report

This report is made solely to the 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.

Helen Elliott (Senior statutory auditor)

Date: 6 February 2019

for and on behalf of Sayer Vincent LLP,
Statutory Auditor

Sayer Vincent LLP,
Invicta House,
108-114 Golden Lane,
London,
EC1Y 0TL

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AKO Foundation

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Statement of Financial Activities

Incorporating an income and expenditure account
For the year ended 31 December 2018

		Year ended 31 December 2018 £	Year ended 31 December 2017 £
	Notes		
Income			
<i>Incoming resources from generated funds</i>			
Donations		40,201,888	8,895,110
<i>Investment income</i>		3,475	1,962
Total incoming resources		40,205,363	8,897,072
Expenditure			
<i>Charitable activities</i>			
Education		22,141,069	2,153,609
Arts and Culture		2,807,607	7,696,643
Local projects		505,103	-
AKO Give Back Initiative		132,171	131,135
Total resources expended	2	25,585,950	9,981,387
Net incoming/(outgoing) resources for the year	3	14,619,413	(1,084,315)
Net gains on investments	6	7,871,328	10,139,213
Foreign exchange gain/(loss)		(1,941,791)	21,713
Net income for the year and net movement in funds		20,548,950	9,076,611
Total funds brought forward		53,553,717	44,477,106
Total funds carried forward	9	74,102,667	53,553,717

All of the above results are derived from continuing activities, and are unrestricted. There were no other recognised gains and losses other than those stated above. Movements in funds are disclosed in note 10 to the financial statements.

AKO Foundation

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Balance Sheet

Registered Company N° 8385711

as at 31 December 2018

	Notes	2018 £	2017 £
Fixed assets			
Investments	6	70,112,975	53,581,557
		-----	-----
		70,112,975	53,581,557
Current assets			
Cash		21,514,181	3,444,094
		-----	-----
		21,514,181	3,444,094
Current liabilities			
Creditors: amounts falling due within one year	7	9,273,296	2,318,743
		-----	-----
Net current assets		12,240,885	1,125,351
		-----	-----
Creditors: amounts falling due in more than one year	8	8,251,193	1,153,191
		-----	-----
Net assets		74,102,667	53,553,717
		-----	-----
		-----	-----
Funds			
Unrestricted funds – general income funds	10	60,396,839	39,190,899
Unrestricted funds – fair value reserve	10	13,705,828	14,362,818
		-----	-----
<i>Total unrestricted funds and total funds</i>		74,102,667	53,553,717
		-----	-----
		-----	-----

Approved by the trustees on 5 February 2019 and signed on their behalf by:

David Woodburn
Trustee

Cash Flow Statement

For the year ended 31 December 2018

	2018 £	2017 £
Reconciliation of net incoming resources to operating cash flow		
Net incoming/(outgoing) resources for the period	14,619,413	(1,084,315)
Foreign exchange gain/(loss)	(1,941,791)	21,713
Interest receivable	(3,475)	(1,962)
Donation of investments	(40,201,071)	(8,889,107)
Decrease in creditors	14,052,555	(387,483)
	<hr/>	<hr/>
Net cash outflow from operating activities	(13,474,369)	(10,341,154)
	<hr/>	<hr/>
Return on investments		
Interest received	3,475	1,962
	<hr/>	<hr/>
Capital expenditure/receipts		
Proceeds from sale of investments	31,540,981	8,156,771
	<hr/>	<hr/>
Increase/(decrease) in cash	18,070,087	(2,182,421)
Cash at bank and in hand brought forward	3,444,094	5,626,515
	<hr/>	<hr/>
Cash at bank and in hand carried forward	21,514,181	3,444,094
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AKO Foundation

Report and Financial Statements
31 December 2018

Notes to the Financial Statements

For the year ended 31 December 2018

1. Accounting policies

a) AKO Foundation is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office is 61 Conduit Street, London, W1S 2GB.

b) The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments and in accordance with applicable accounting standards and the Companies Act 2006. They follow the recommendations in the “Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)” (Charities SORP FRS 102).

The trustees consider that there are no material uncertainties in respect of the Foundation’s ability to continue as a going concern and therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

c) Income is included in full in the statement of financial activities when receivable.

d) Resources expended are allocated to the particular activity where the cost relates directly to that activity. Support costs and Governance costs, which are costs associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity’s activities, are re-allocated to each of the activities on the following basis which is an estimate, based on grants payable, of the amount attributable to each activity:

	2018	2017
Education	86%	22%
Arts & culture	11%	77%
Local projects	2%	-
AKO Give Back initiative	1%	1%

e) Grants payable are charged to the Statement of Financial Activities in the year in which the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled.

f) Investments held as fixed assets are revalued at market value at the balance sheet date. The gain or loss for the year is taken to the Statement of Financial Activities.

g) Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange utilised at the date of transaction. Exchange differences are taken into account in arriving at the net movement in funds for the year.

h) AKO Foundation meets the definition of a public benefit entity under FRS 102.

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2.Total resources expended

2018	Education	Arts & Culture	Local Projects	AKO Give Back Initiative	Governance Cost	Support Costs	Total 2018
	£	£	£	£	£	£	£
Grants Payable (Note 5)	22,120,727	2,802,837	504,761	132,081	-	-	25,560,406
Audit & Accountancy	-	-	-	-	8,740	-	8,740
Legal fees	5,353	2,869	-	-	2,458	-	10,680
Bank charges and other	-	-	-	-	-	6,124	6,124
	22,126,080	2,805,706	504,761	132,081	11,198	6,124	25,585,950
Support Costs	5,299	672	121	32	-	(6,124)	-
Governance Costs	9,690	1,229	221	58	(11,198)	-	-
Total resources expended	22,141,069	2,807,607	505,103	132,171	-	-	25,585,950

2017	Education	Arts & Culture	Local Projects	AKO Give Back Initiative	Governance Cost	Support Costs	Total 2017
	£	£	£	£	£	£	£
Grants Payable (Note 5)	2,151,385	7,688,695	-	131,000	-	-	9,971,080
Audit & Accountancy	-	-	-	-	9,140	-	9,140
Legal fees	-	-	-	-	-	-	-
Bank charges and other	-	-	-	-	-	1,167	1,167
	21,151,385	7,688,695	-	131,000	9,140	1,167	9,981,387
Support Costs	252	900	-	15	-	(1,167)	-
Governance Costs	1,972	7,048	-	120	(9,140)	-	-
Total resources expended	2,153,609	7,696,643	-	131,135	-	-	9,981,387

AKO Foundation

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3. Net incoming/(outgoing) resources for the year

This is stated after charging

	2018 £	2017 £
Trustees' remuneration	-	-
Trustees' expenses	-	730
Auditor's remuneration		
Audit	6,400	6,300

4. Taxation

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

5. Grants Payable

A list of grants made during the years ended 31 December 2018 and 31 December 2017 are shown below.

2018

Recipient

Grants for the advancement of education

	£
University of Pennsylvania (USA) Foundation Ltd	
- Tangen Hall and Scholarship	17,773,405
Teach First	1,058,500
Stromme Foundation	971,769
The Jamie Oliver Food Foundation	500,000
Ark (Absolute Return for Kids)	375,000
London School of Economics	237,300
Partnership for Change	198,793
OnSide Youth Zones	150,000
Right to Sight Norway	102,000
Now Teach	100,000
Christ's Hospital School	100,000
Frontline	100,000
Lively Minds	100,000
The Oslo Center	93,076
Real Action	75,000
The Mosvold-Martinus Trust	71,635
National Society for Prevention of Cruelty to Children	50,000
Little Sun Foundation	28,909
Aurora Live Aid	28,231
University of Pennsylvania (USA) Foundation Ltd	
- Wharton Fund	7,109
	22,120,727

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Grants for the advancement of art

	£
AKO Kunststiftelse	2,272,642
University of the Arts	300,000
British Museum	100,000
SKMU Sørlandets Kunstmuseum	90,680
Asbjorn Bjornes	27,403
Statens Museum for Kunst	12,112

	2,802,837

Local projects

	£
Business for Peace Foundation	274,032
Maytree	100,000
Doorstep Homeless Families Project	75,000
Hovag Church	46,409
No Finish Line Oslo	9,320

	504,761

AKO Give Back Initiative

	£
Maggie's Centres	30,000
Neuroblastoma UK	30,000
Centrepont	20,000
Kiva Microfunds	10,081
Greenhouse Sports	10,000
Other AKO Give Back Initiative donations of £1,000 each	32,000

	132,081

	25,560,406
	=====

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2017

Recipient

Grants for the advancement of education

	£
University of Pennsylvania (USA) Foundation Ltd - Wharton People Analytics Initiative	795,672
University College School	750,000
Teach First	269,500
Christ's Hospital school	100,000
Business for Peace Foundation	70,370
The Jamie Oliver Food Foundation	48,000
Stromme Foundation	46,170
Girls' Day School Trust	25,000
Akersborg Rotary Club, Oslo	19,994
University of Pennsylvania (USA) Foundation Ltd - Wharton Fund	19,299
Doorstep Homeless Families Project	7,380
	<hr/>
	2,151,385
	<hr/>

Grants for the advancement of art

	£
AKO Kunststiftelse	7,180,852
University of the Arts	375,000
SKMU Sørlandets Kunstmuseum	98,973
The Courtauld Institute of Art	25,000
Moderna Museet	8,870
	<hr/>
	7,688,695
	<hr/>

AKO Give Back Initiative

	£
OnSide Youth Zones	25,000
Lively Minds	25,000
University of Birmingham - Mussai Lab	25,000
Book Clubs in Schools	15,000
National Youth Arts Trust	10,000
Other AKO Give Back Initiative donations of £1,000 each	31,000
	<hr/>
	131,000
	<hr/>
	9,971,080
	<hr/>

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6. Investments

	2018 £	2017 £
Market Value at the start of the year	53,581,557	42,710,008
Additions at historic cost	47,406,065	19,380,552
Disposals	(38,745,975)	(18,648,216)
Gain on investments	7,871,328	10,139,213
Market value at the end of the year	70,112,975	53,581,557
Historic cost at the end of the year	56,407,147	39,218,739
Investments comprise	£	£
Investment in AKO Fund Ltd – EUR	20,997,847	16,936,556
Investment in AKO Fund Ltd – USD	16,195,524	14,542,369
Investment in AKO Fund Ltd – NOK	13,211,649	11,193,561
Investment in AKO Global Fund Ltd – USD	19,707,955	10,909,071
Market value at the end of the year	70,112,975	53,581,557

7. Creditors: amounts falling due within one year

	2018 £	2017 £
Accruals	7,740	8,000
Grants payable	9,265,556	2,310,743
	9,273,296	2,318,743

8. Creditors: amounts falling due in more than one year

	2018 £	2017 £
Grants payable	8,251,193	1,153,191

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9. Analysis of net assets between funds

2018

	<i>Fair Value Reserve</i> £	<i>Income funds</i> £	<i>Total funds</i> £
Investments	13,705,828	56,407,147	70,112,975
Net current assets less longer term creditors	-	3,989,692	3,989,692
	-----	-----	-----
Net assets at the end of the year	13,705,828	60,396,839	74,102,667
	=====	=====	=====

2017

	<i>Fair Value Reserve</i> £	<i>Income funds</i> £	<i>Total funds</i> £
Investments	14,362,818	39,218,739	53,581,557
Net current assets less longer term creditors	-	(27,840)	(27,840)
	-----	-----	-----
Net assets at the end of the year	14,362,818	39,190,899	53,553,717
	=====	=====	=====

10. Movements in funds

	2018 £	2017 £
General funds		
<i>Income funds at start of the year</i>	39,190,899	34,509,864
Incoming resources	40,205,363	8,897,072
Outgoing resources	(25,585,950)	(9,981,387)
Foreign exchange gains/(losses)	(1,941,791)	21,713
Realised gain on investments	8,528,318	5,743,637
	-----	-----
Income funds at the end of the year	60,396,839	39,190,899
	=====	=====
<i>Revaluation reserve at start of year</i>	14,362,818	9,967,242
Net unrealised gains/(losses) on investments	(656,990)	4,395,576
	-----	-----
Revaluation reserve at the end of year	13,705,828	14,362,818
	=====	=====

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11. Related party transactions and post balance sheet events

Mr. Nicolai Tangen, a trustee, is the Chief Executive Officer of, and a partner in, AKO Capital LLP which is the investment manager of AKO Fund Limited and AKO Global Fund Limited, the funds in which assets from the Foundation are invested. Mr. Nicolai Tangen is also a Director of AKO Fund Limited and AKO Global Fund Limited. The investment by the Foundation is in the Management Shares of AKO Fund Limited and AKO Global Fund Limited and these shares are fee free. Therefore AKO Capital LLP receives no benefit from these investments by the Foundation.

On 2 January 2018, Mr. Nicolai Tangen donated NOK, USD and EUR Management Shares in AKO Fund Limited with a total combined value of £40,201,071 to the Foundation.

During 2018 AKO Capital Management Limited, a company which is part of the AKO Capital group and of which Nicolai Tangen is a related party, made donations of £817 to the Foundation.

After the year end, on 2 January 2019, Mr. Nicolai Tangen donated USD and EUR Management Shares in AKO Fund Limited with a total combined value of £50,104,007 to the Foundation.

Mr. David Woodburn, a trustee, is a partner in AKO Capital LLP.

Mr. Henrik Syse, a trustee, is a Director of AKO Fund Limited and AKO Global Fund Limited.

In the normal course of its charitable granting there are instances where the Foundation makes donations to charities with common trustees with the Foundation. Although in these instances the relevant Foundation trustee is part of a collective of non-related trustees and is not considered to be in a significant position of influence over those other charities, disclosure of such situations is included below:

- Nicolai Tangen is a trustee, or trustee equivalent, of the following entities that have received grants from the Foundation: University of the Arts London, 2030 Youth Obesity Alliance and SKMU Sørlandets Kunstmuseum.
- Katja Tangen is a trustee of the Hampstead Theatre.