



2022 Directors' Report

JOHNSON & JOHNSON FOUNDATION SCOTLAND

Johnson & Johnson

FOUNDATION

Directors' Report and Financial Statements

Johnson & Johnson Foundation Scotland
Directors' Report (including the Directors' Strategic Report)
For the year ended 31 December 2022



2022 List of Directors

Directors

An Claes (resigned 31 December 2022)
Angelika Elser
Asgar David Rangoonwala
Carlton Michael Lawson (resigned 31 December 2022)
Carol Ella Leland
Dominique Inghelbrecht (appointed 1 January 2023)
Frank Welvaert
Frederik Richard Van Batenburg (resigned 31 December 2022)
Gavin Wood (appointed 3 March 2022)
Hani Souheill Abouhalka (resigned 13 January 2022)
Kris Emiel Sterkens (Chair)
Martin Quinn Fitchet (resigned 7 April 2023)
Mireille Maes
Neil Wood
Paula Patino Conde
Zeger Vercouteren

Executive Director*

Ben Davies (resigned 20 December 2022)
Stacy Meyer (appointed 20 December 2022)

Company Secretary

Gillespie MacAndrew
Secretaries Ltd
5 Atholl Crescent
Edinburgh EH3 8EJ
United Kingdom

Registered Office

5 Atholl Crescent
Edinburgh EH3 8EJ
United Kingdom

Auditor

Azets Audit Services
Exchange Place 3
Semple Street
Edinburgh EH3 8BL
United Kingdom

Banker

Royal Bank of Scotland
36 St. Andrews Square
Edinburgh EH2 27B
United Kingdom

Solicitor

Gillespie MacAndrew LLP
5 Atholl Crescent
Edinburgh EH3 8EJ
United Kingdom

Company Number:

SC327028

Charity Number:

SC017977

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* Executive Director is a job title and not a director for Companies Act 2006 purposes.

Front cover photo credit: UNICEF/Bashizi



We support and champion the people on the front lines who are at the heart of delivering care.



Objectives and Activities

Mission

The mission of the Johnson & Johnson Foundation Scotland – “The Foundation” – is to make sustainable, long-term differences in human health. It does this by investing in strategic partnerships and innovative solutions that add value to society and positively impact people’s lives.

About Us

The Foundation is responsible for managing Johnson & Johnson’s Global Community Impact programs and initiatives across Europe, the Middle East and Africa (EMEA). The Foundation was founded in 2007 and is a registered charity and a company limited by guarantee. It is an independent organization that reflects the Johnson & Johnson’s Family of Companies’ commitment to improve the quality of life of the communities that its employees live and work in. The Foundation is funded by the Johnson & Johnson Family of Companies through Johnson & Johnson Global Community Impact and Johnson & Johnson Operating Companies in EMEA and its work is guided by the Johnson & Johnson Center for Health Worker Innovation.

Strategic Framework

Our Strategic Framework guides the future direction of the Foundation. It is based on three strategic focus areas which are all closely interconnected and build-on and amplify the impact and reach generated by each:

1. **Partnerships:** Empowering strategic and innovative partnerships that advance global health equity
2. **People:** Connecting people and creating networks to share knowledge and skills
3. **Impact Investment:** Generate both sustainable social impact and financial returns, with the longer-term aspiration to catalyze more impact investors and entrepreneurs

Alignment with the Johnson & Johnson Global Community Impact Strategy

The Foundation's Strategic Framework is fully aligned with the Johnson & Johnson Global Community Impact Strategy "to support and champion the people on the front lines who are at the heart of delivering care." These primarily include health workers working at the intersection between community health and the primary health system in reaching vulnerable populations and contributing to the Sustainable Development Goal of Health for All (Universal Health Coverage).

Grantmaking Policy

The Board of Directors has developed a Grantmaking Policy to ensure that grantmaking decisions are made effectively and transparently. Given the geographical spread of the Foundation, consideration and thought is given to the individual needs and challenges of each country. To this end, the Foundation supports both cross-border programs and initiatives and national programs and initiatives.

Every approved national and cross-border grant requires approval against strategic priorities and health care compliance. Each program supported by the Foundation has a dedicated Project Leader, Health Care Business Integrity Officer and Grant Coordinator,

all of whom have a role in the grant application process. The Board of Directors gives final approval.

Impact Investment Policy

Johnson & Johnson Impact Ventures (JJIV) is an impact investment fund within the Johnson & Johnson Foundation that invests in early-stage health impact companies, and also supports entrepreneurs to develop their ideas through various external partnerships and programs. All investments aim to improve health equity and access to affordable and quality care for underserved patients around the world.

The Foundation Board of Directors has delegated authority to its Investment Committee to make appropriate impact investment decisions on its behalf following a rigorous due diligence process. Post investment, JJIV's portfolio management strategy includes active engagement with the companies for monitoring and reporting of performance to ensure these investments achieve both the targeted social impact and yield financial returns. Reinvesting the financial returns from portfolio companies further expands the fund's impact. JJIV also leverages Johnson & Johnson's network of experience and expertise in healthcare to provide resources, support, and guidance to its portfolio companies.

Progress was made in 2022 with new investments, as well as follow-on investments to existing companies, and approximately half of the fund has now been committed to a global portfolio of companies across five continents. Since joining the portfolio, these companies have reached 2.8 million patients directly and supported over 62,000 healthcare professionals.

2022 was a milestone year for Johnson & Johnson Impact Ventures, with a first return on investment from Patients Know Best, a personal health record company that is helping to give patients control of their own medical information.

In addition to other JJIV investments made through the US Foundation, investments in 2022 included:

- **Cross-Border Impact Ventures**
Capital deployed to this impact venture capital firm's companies advancing medical devices, diagnostics, therapeutics and digital health innovations benefiting women, children and adolescents inclusively and globally.
- **SwipeRx**
Follow-on investment in SwipeRx, which has grown into the largest digital pharmacy network across Southeast Asia, with a mobile platform enabling pharmacies to improve access to quality and affordable medicines.

2022 Significant Areas of Activity

- **Africa Frontline First Catalytic Fund (AFF-CF)**
AFF-CF was launched in 2022 to support community health workers in 10 African countries with a \$15 million commitment by the Johnson & Johnson Foundation and a \$10 million commitment by the Skoll Foundation. These investments will be matched by The Global Fund to fight AIDS, TB and Malaria. The AFF-CF will help accelerate progress and improve healthcare delivered at the community level, as well as ensure the women, who make up the large proportion of community health workers, are properly paid for their work. The Fund aims to triple the number of salaried community health workers in Sub-Saharan Africa, expanding coverage to 100 million people by 2030.
- **Aga Khan University, Kenya**
The Foundation is partnering with Aga Khan University (AKU) to create a nursing platform in Kenya to strengthen and professionalize the nursing profession in the Kenyan context and help nurses achieve a public image that reflects their scholarly and professional capabilities as well as nurturing the well-being and resilience of frontline health workers by providing psychosocial support interventions and convening of a learning platform and community of practice for East Africa.
- **International Federation of Red Cross and Red Crescent Societies**
Emergency support for Ukraine and neighboring countries in response to ongoing active military action to provide humanitarian aid to meet the needs of people affected or displaced by the conflict with special focus on vulnerable individuals including unaccompanied minors, single women with children, elderly and people with disabilities. Support will allow for providing immediate humanitarian services and longer term sustainable solutions, and for increased readiness to respond to evolving and future shocks.
- **Elizabeth Glaser Pediatric AIDS Foundation**
Support for the New Horizons Advancing Pediatric HIV Care Collaborative that focuses on building the capacity of health care workers, influencing and improving national and regional systems to strengthen identification of children, adolescents, and young adults in need of second/third line antiretroviral treatment regimens, working with Ministries of Health and stakeholders on decentralizing pediatric treatment failure management, and increasing the uptake of the New Horizons Collaborative (NHC) donated products.
- **International Futures Forum**
The project supports the transition to a future of health for all by empowering practitioners at the forefront of change and building a shared framework for health system strengthening and innovation. The Basecamp for Health System Transformation pilot program was launched with the School of System Change to nurture system change practitioners to build community health system capacity across Europe and Sub-Saharan Africa.
- **Secondment Program**
Launched in 2014, the Secondment Program provides Johnson & Johnson employees with the unique opportunity to give back to society by sharing their business skills and knowledge with our NGO partner organizations in long-term assignments (up to six months).
- **Medical & Surgical Skills Institute (MSSI)**
Since its inception in 2005, the Foundation has supported MSSI's vision to provide the best available training and support to improve the surgical skills of doctors, nurses and other healthcare providers in Ghana and throughout sub-Saharan Africa, and build local capacity to provide life-saving care.

Strategic Report

Achievements and Performance

Our 2022 grantmaking activities were guided by the Johnson & Johnson Global Community Impact strategy, which is to support and champion people on the front lines of care. The Foundation focused on strengthening community-based primary healthcare to achieve universal health coverage by ensuring a sufficient, equitably distributed and thriving health workforce.

In 2022, the Foundation engaged with 76 partners across 52 countries delivering over £18.1 million to programs within and beyond the EMEA region.¹

1. These numbers include donor advised funding partnerships.



Photo credit: Unjani Clinic



Financial Review

Results for the Period

The Statement of Financial Activities is reported on page 13 of the accounts. The Foundation incurred net expenditure of £13.9m (2021: £4.8m of net income) as a result of increased grant awards towards the end of the year.

The financial position as of 31 December 2022 was £48.5m of net assets (2021: £62.4m) which primarily consisted of cash deposits of £6.1m (2021: £9.4m), money market funds of £48.9m (2021: £48.3m) and the impact investments of £6.3m (2021: £4.9m). Total liabilities increased to £12.8m (2021: £0.2m), primarily due to grant funding commitments.

Plans for the Future

In November 2021, Johnson & Johnson announced its intention to separate the Company's Consumer Health business, with the intention to create a standalone publicly traded company by 2023. This separation may impact future contributions into the Foundation.

In addition, the development of the Russian-Ukraine War in February of 2022, resulted in a shift in the global philanthropic response. The management team continues to monitor potential impact on partner organizations.

Looking ahead, the Foundation will continue to deliver against its strategic framework, guided by the Johnson & Johnson Centre for Health Worker

Principal Funding Sources

The Foundation's activities are funded through donations from the Johnson & Johnson Family of Companies. Within the portfolio of the Foundation, various types of funds have been created to effectively manage donations. These are designated funds and restricted funds.

Designated Funds

These are unrestricted funds that are earmarked by the directors to be used for particular purposes in the future. They are still accounted for as part of the charity's unrestricted funds, as the directors have the power to re-designate these funds to other purposes. Please refer to page 21 for a list of designated funds.

Restricted Funds

These are restricted funds that are earmarked by the donors to be used for particular projects. They are accounted for as part of the charity's restricted funds. Please refer to page 21 for a list of restricted funds.

Innovation, and closely focused on partnerships, people and scaled investment, aligned with the Johnson & Johnson Global Community Impact Strategy which focuses on building a sufficient, equitably distributed and thriving health workforce needed to strengthen primary healthcare to achieve universal health coverage.

Continued efforts will be made to strengthen primary care systems and the health workers operating there with a primary focus on frontline health workers and others who are at the very foundation of any healthcare system. Investments will be made to support formal and informal care structures

Investment Policy

The Directors have full power of investment. In 2020, the Investment Committee established two low risk money-market fund accounts following the guidance of the established investment policy.

Reserves Policy

The Foundation's reserves policy is set to a level of spending intended to deliver our charitable mission today and to meet our commitments to our partners in the future; unrestricted funds are maintained at the value of approximately four months of on-going activities.

Total funds held at 31 December 2022 were £48.5m (2021: £62.4m), of which £23k (2021: £23k) were restricted for specific purposes by the donor, £30.7m (2021: £48.3m) were designated, and a further £6.3m (2021: £4.9m) were held within programme related investments. The remaining free reserves at 31 December 2022 were £11.5m (2021: £9.2m).

to ensure there is a workforce ready and able to respond to the benefit of vulnerable populations who do not otherwise have access to quality basic health services. As we have seen many health systems struggle due to the impact of the Covid-19 pandemic, we will also conduct an inquiry with experts to assess how the Foundation can take on board learnings, assess the impact of its programs and inform its forward looking strategy in strengthening health systems.

Structure, Governance and Management

Governing Document

The Foundation is governed by its Memorandum and Articles of Association. The liability of the members of the charity is limited and every member undertakes to contribute such amount as may be required (not exceeding £1) in the event of the charity winding up.

Relationship to Johnson & Johnson Family of Companies

The Foundation is funded by the Johnson & Johnson Family of Companies as part of its commitment to Johnson & Johnson Global Community Impact in the EMEA region. The Johnson & Johnson Family of Companies' commitment to the Foundation extends to the provision of office space, facilities, and the release of its employees to sit on local, informal committees that provide advice to the Foundation.

In 2010, the Foundation signed a trademark licensing agreement with the Johnson & Johnson Family of Companies for the use of the Johnson & Johnson name and logo.

As of the 31st of December 2022, all Directors are employees of the Johnson & Johnson Family of Companies.

Recruitment and Appointment of Directors

The Foundation is managed by a Foundation Board of Directors consisting of senior Johnson & Johnson leaders across the Pharmaceutical, Consumer, Medical Devices and Global Supply Chain organization in the EMEA region. The Directors are responsible for managing the affairs of the Foundation and ensuring that it delivers on its mandate of public benefit.

The Foundation has the capacity to appoint 15 Directors to its Board. Nominations for new appointees are made to and approved by the Board.

The aspiration is to build a balanced and diverse board. Therefore, the following factors are taken into consideration when recruiting new Board members: an interest in the health and societal challenges of the EMEA region, relevant business track record, cultural background and gender.

Upon appointment, new Directors are provided with training and information on their role and responsibilities, the mission of the Foundation, and the Global Community Impact Strategy to which the Foundation adheres. They are also invited to meet and discuss their role, responsibilities, and areas of interest with the Executive Director of the Foundation.

Directors who formally and contractually leave the Johnson & Johnson Family of Companies must tender their resignation to the Board.

The Directors are the decision-making body of the Foundation and do not receive any remuneration for this.

Organization and Decision Making

The Board of Directors meets biannually and presides over the strategic direction of the charity, having responsibility and control of its affairs and activities.

The day-to-day running of the Foundation is delegated to the Executive Director, an employee of the Johnson & Johnson Family of Companies whom is not remunerated by the Foundation.

Program Operations Committee

Whilst overall management of the Foundation is decided by collective decision of the Board, much of the Foundation's functioning is undertaken by the Program Operations Committee. The Committee is made up of employees of the Johnson & Johnson Family of Companies. The activities of the Program Operations Committee during 2022 were aligned to the Foundation strategy and in reflection of the Johnson & Johnson Global Community Impact organisational structure.

Finance Advisory Committee

The Finance Advisory Committee was created in January 2014. The role of the Finance Advisory Committee is to provide expert counsel to the Board on strategic finance decisions, build and prioritize the Finance Strategy, and support the Foundation

on the implementation of its recommendations. The Committee is made up of senior finance executives of the Johnson & Johnson Family of Companies.

Investment Committee

The Investment Committee's purpose is to review impact investment, innovative finance and non-traditional grant opportunities aligned with the Strategic Mission of the Foundation. The Committee is made up of senior internal and external experts from the field of impact investment.

Risk Management and Assessment

A risk matrix is reviewed on an annual basis ensuring the Directors have considered the major risks faced by the Foundation and to ensure the necessary steps are taken to mitigate against the risks.

One of the risks which has been identified by the Directors relates to the appropriate use of funds. The Foundation regularly reviews its grantmaking policy and controls to monitor this risk and to ensure funds are spent according to the highest standards of diligence and transparency. An example of one of the controls in place is the contractual "right to audit" clause allowing the Foundation to ensure that funding was used for the intended purposes.

Another risk identified relates to the ability of the Foundation to fulfil its multi-year grantmaking commitments without a guaranteed annual corporate grantmaking income. The resources that have come into the Foundation and the reserves set aside however provide a sufficient buffer to meet current and future intended expenditure. The Directors are of the opinion that the Foundation can continue to meet its obligations as they fall due for the foreseeable future. As a consequence they have prepared the financial statements on the going concern basis.

Directors' Responsibilities

The directors (who are also the trustees of the Foundation for the purpose of charity law) are responsible for preparing the Directors' Report and financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under this law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 Foundation and of the income and expenditure of the Foundation for the period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of 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 Foundation will continue in business.

The directors are responsible for keeping accounting records that are sufficient to show and explain the Foundation's transactions and disclose, with reasonable accuracy and at any time, the financial position of the Foundation. The records must also enable the directors to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (as amended). In addition, the directors are responsible for safeguarding the assets of the Foundation, and hence for taking reasonable steps towards the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

As far as each of the directors, at the time the report is approved, are aware:

- there is no relevant information of which the Foundation's auditor is unaware, and
- the directors have taken all steps needed to make themselves aware of any relevant audit information, and to establish that the auditor is aware of that information..

The Directors' Report and Strategic Report is approved by the Directors on 2 June 2023, and signed on their behalf by:



Kris Emiel Sterkens
Chair, Johnson & Johnson Foundation
Scotland

Independent Auditor's Report to the Members and Directors

For the year ended 31 December 2022

Opinion

We have audited the financial statements of Johnson & Johnson Foundation Scotland (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities (incorporating the Income and

Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United

Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our 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 audit opinion.

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the directors 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 directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report incorporating the Strategic Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Directors' Report incorporating the Strategic 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors'

Report incorporating the Strategic Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the directors

As explained more fully in the directors' responsibilities statement set out on page 10, the directors (who are the directors for the purposes of company law and trustees for the purposes of charity 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 directors 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 directors 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 directors 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, 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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, data protection and anti-bribery legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators and the charitable company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and

the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Use of this 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 and to the charitable company's directors as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the charitable company's members, as a body, and the charitable company's directors, as a body, 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, the charitable company's members, as a body, and the charitable company's directors as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Allison Gibson, Senior Statutory Auditor
 Senior Statutory Auditor

For and on behalf of
 Azets Audit Services, Statutory Auditor
 Eligible to act as an auditor in terms of
 Section 1212 of the Companies Act 2006
 Exchange Place 3
 Semple Street
 Edinburgh
 EH3 8BL

Date: 2 June 2023

Statement of Financial Activities

Statement of Financial Activities (Incorporating the Income and Expenditure Account)
 For the year ended 31 December 2022

	NOTES	RESTRICTED 2022 £	UNRESTRICTED 2022 £	TOTAL 2022 £	TOTAL 2021 £
Income from:					
Donations and legacies	4	-	10,666,744	10,666,744	13,263,316
Investments		-	581,805	581,805	158,317
Other		-	5,108	5,108	39,096
Exchange gains		-	5,778,780	5,778,780	346,744
Total		-	17,032,437	17,032,437	13,807,473
Expenditure on:					
Charitable activities	5	-	30,935,331	30,935,331	8,976,820
Total		-	30,935,331	30,935,331	8,976,820
Net (expenditure)/income and net movement in funds		-	(13,902,894)	(13,902,894)	4,830,653
Reconciliation of funds:					
Total funds brought forward	16	22,729	62,347,378	62,370,107	57,539,454
Total funds carried forward	16	22,729	48,444,484	48,467,213	62,370,107

There are no recognised gains or losses other than those shown in the statement of financial activities above. All the activities relate to continuing activities.

The notes on pages 16 to 23 form part of these financial statements.

Balance Sheet

As at 31 December 2022

	NOTES	2022 £	2021 £
Fixed Assets			
Investments	10	6,253,038	4,929,724
Current assets			
Debtors	11	58,295	57,720
Cash and cash equivalents	12	54,960,927	57,624,901
		55,019,222	57,682,621
Creditors: amounts falling due within one year	13	(5,479,488)	(242,238)
Net current assets		49,539,734	57,440,383
Total assets less current liabilities		55,792,772	62,370,107
Creditors: amounts falling due after one year	15	(7,325,559)	-
Net assets	17	48,467,213	62,370,107
Funds			
Restricted funds	16	22,729	22,729
Unrestricted	16	17,717,932	14,053,817
Designated funds	16	30,726,552	48,293,561
Total funds		48,467,213	62,370,107

The notes on pages 16 to 23 form part of these financial statements

Authorised for issue and approved and authorised by the Board on 2 June 2023 and signed on its behalf by:



Kris Emiel Sterkens

Company Registration No: SC327028

Charity Number: SC017977

Statement of Cash Flows

For the year ended 31 December 2022

	NOTES	2022 £	2021 £
Cash flows from operating activities:			
Net cash (used in)/provided by operating activities	18	(9,024,559)	1,850,893
Cash flows from investing activities:			
Investment income		581,805	158,317
Net cash provided by investing activities		581,805	158,317
Change in cash and cash equivalents in the year		(8,442,754)	2,009,210
Cash and cash equivalents at the beginning of the year		57,624,901	55,268,947
Change in cash and cash equivalents due to exchange rate movements		5,778,780	346,744
Cash and cash equivalents at the end of the reporting period		54,960,927	57,624,901

	2021 £	CASH FLOWS £	FOREIGN EXCHANGE MOVEMENTS £	2022 £
Analysis of cash and cash equivalents and reconciliation of net debt				
Cash at bank	57,624,901	(8,442,754)	5,778,780	54,960,927

The charitable company has no debt financing.

The notes on pages 16 to 23 form part of these financial statements

Notes to the Financial Statements

For the year ended 31 December 2022

1. Charity information

The principal activity of Johnson and Johnson Foundation Scotland is to make sustainable, long-term differences in human health. It does this by investing in strategic partnerships and innovative solutions that add value to society and impact people's lives.

Johnson and Johnson Foundation Scotland is a charitable company limited by guarantee incorporated in the United Kingdom and registered in Scotland. It is recognised as a charity for tax purposes by HMRC and is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC017977. In the event of the winding up of the charitable company a member is liable to contribute a sum not exceeding £1. Details of the registered office and company registration number can be found on page 14 of these financial statements.

2. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard 102, as issued by the Financial Reporting Council, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" and the Companies Act 2006. They are prepared on the historical cost basis.

Johnson & Johnson Foundation Scotland meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy.

These financial statements are presented in pounds sterling (GBP) as the Foundation is incorporated in Scotland. The Foundation incurs transactions in sterling (GBP), US dollars and euros. The Foundation's functional currency is US dollars, being the currency in which the highest value of transactions takes place.

Going concern

The directors are of the opinion that the Foundation can continue to meet its obligations as they fall due for the foreseeable future. The Foundation has sufficient levels of unrestricted funds to support ongoing activities. As a consequence the directors have prepared the financial statements on the going concern basis.

Recognition and allocation of income

Income is recognised when the Foundation has legal entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Deferred income

Where the charity has received income in the current year that has time related restrictions for future years or will not be earned until future years, this income is deferred to be released in the year to which it relates.

Recognition and allocation of expenditure

Expenditure is recognised when the Foundation has entered into a legal or constructive obligation. Expenditure is allocated to the function to which it relates. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

Governance costs are those incurred in connection with setting and monitoring the strategic direction of the Foundation and compliance with constitutional and statutory requirements.

Grants awarded

Grants awarded are recognised in full when there is a constructive obligation in the Foundation to make the payment.

Foreign currency transactions

Transactions in currencies other than in the presentational currency (Sterling - GBP) are recorded at exchange rates ruling at the date of the transaction. Balances at the year-end date are retranslated at the exchange rates ruling at the year-end date. All gains and losses arising are included in the Statement

of Financial Activities in full in the year in which they arise.

Programme-related investments

Concessionary loans are measured at the amounts paid less any subsequent repayments, and adjusted if necessary for any impairment. As fair values could not be measured reliably, equity investments are measured at cost and adjusted if necessary for any impairment.

Fund accounting

Unrestricted funds are available for use at the discretion of the directors in furtherance of the general objectives of the Foundation.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

Designated funds are earmarked from the unrestricted funds by the directors for a specific purpose.

Financial assets and financial liabilities

Financial instruments are recognised in the Statement of Financial Activities when the Foundation becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price. Subsequent to initial recognition, they are accounted for as set out below.

Financial instruments are all classified as 'basic' in accordance with Chapter 11 of FRS102. At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks, including money-market funds, and are measured at amortised cost.

Debtors

Accrued donation income includes donations due in the year but not received until the next financial year. Accrued donations are recognised at the undiscounted amount of cash receivable, which is normally the amount per the donation letter.

Taxation

The Foundation is a charity and is recognised as such for taxation purposes, therefore no corporation tax is payable. The Foundation is not registered for VAT and therefore all costs are shown inclusive of VAT.

Creditors

Grants payable and accruals are obligations to pay for commitments made before the year end. They are recognised at the undiscounted amount owed to the grantee or supplier, which is normally the amount per the grant agreement or the invoice price.

3. Critical judgements and estimates

In the application of the Foundation's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The directors are satisfied that accounting policies are appropriate and applied consistently. Key sources of accounting estimation have been applied to the valuation of investments, including concessionary loans. The Foundation assesses impairment at each reporting date by evaluating conditions that may lead to an impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

4. Donations and legacies

	2022 TOTAL £	2021 TOTAL £
Donations – Cilag	9,534,174	4,444,445
Donations – Janssen Benelux Fund	85,786	1,134,358
Donations – Global Public Health Fund	545,706	6,985,322
Donations – Matched funding (restricted)	-	185,185
Donations – In-kind income	501,078	514,006
	10,666,744	13,263,316

5. Charitable activities – grantmaking

	2022 TOTAL £	2021 TOTAL £
Grants (note 7)	29,222,389	7,677,457
Staff costs (note 9)	775,723	680,271
Administrative costs	489,526	597,907
Governance costs (note 6)	26,353	21,185
Investment impairment	421,340	-
	30,935,331	8,976,820

6. Governance costs

	2022 TOTAL £	2021 TOTAL £
Legal & professional fees	1,803	5,945
Audit fees and related costs	24,550	15,240
	26,353	21,185

7. Analysis of grants

The Foundation does not make grants to individuals. An analysis has been provided below of each of the main grants paid by beneficiary noting all projects that are included within the payments

BENEFICIARY	PROJECT	2022	2021
The Global Fund to fight AIDS Tuberculosis and Malaria	- Africa Frontline First Catalytic Fund	£12,209,265	-
International Federation of Red Cross and Red Crescent Societies	- Support for IFRC emergency appeal for the Ukraine and Border countries	£3,835,778	-
Aga Khan University Kenya	- Kenya Nursing Platform - Protecting the Wellbeing and Strengthening the Resilience of Frontline Health Workers	£1,618,108	-
US Fund for UNICEF	- Maternal Newborn Child Adolescent Health Initiative (Lebanon) - Cycling for Children 2022- Ukraine - Protection for Children in South Africa	£490,135	£547,328
Aquity Innovations	- Achieving epidemiological control of TB through targeted interventions - Qinisela - Enhanced pediatric DR TB management (2021 only)	£653,348	£59,661
Elizabeth Glaser Pediatric AIDS Foundation	- New Horizons Advancing Pediatric HIV Care Collaborative - Optimizing Point of Care Early Infant Diagnosis: A New Model for Analyzing and Mitigating Gaps in EID Cascade in Nigeria - Comparing novel methods of consent administration to standard approach in enhancing trial understanding in resource limited countries: A Randomized Trial (2021 only)	£920,335	£664,742
AO Alliance	- West Africa Trauma Education Program (WATEP) - Fracture solutions Trauma Educational Development for West Africa (2021 only)	£212,767	£368,296
International Union Against Tuberculosis and Lung Disease	- DR-TB Training in Clinical & Programmatic Decision Making in Kenya (2021 only)	-	£26,190
CCBRT	- Continued investment in sustainable capacity building of frontline health workers to increase access to quality healthcare in Tanzania	£390,491	£297,168
Institut National de Recherche Biomédicale (INRB)	- Capacity building Vaccine pharmacy depot in Goma and Mbandaka (DRC)	£461,255	-
Enablers AB	- AI4NTD - Collecting Real World Evidence	£410,714	-
Save the children Federation	- Improving Maternal, Newborn & Child Health Outcomes (2021 only)	-	£271,621
BIO Ventures for Global Health (BVGH)	- Building a Foundation for Cancer Clinical Trials in Africa	£761,751	-
The Forum for the Future	- System Change Capacity for Health Transformation	£230,110	-
Kenya Medical Research Institute	- Dengue Surveillance and Control in Priority Areas in Kenya - Design, tests and Implementation of a pre-dictive model of HIV Drug Resistance in Low and Middle income Countries - Scientific Discovery Fellowship/Elizabeth V. M. Kigundu - Scientific Discovery Fellowship Pro-gram/Beatrice N. Irungu	£395,948	-
Stichting Lygature	- AID2STOP (2021 only)	-	£781,793
Sinapi Biomedical (Pty) Ltd	- Ellavi UBT Training Implementation	£218,562	£503,127
Ashoka	- Pioneering practices growing Community Health Workers' Resilience in Europe	£222,484	£405,542
University of Oxford	- MSc in International Health and Tropical Medicine	£110,470	£217,020
University of Nairobi	- Patient Health Portal	£100,500	£161,034
Tropical Health and Education Trust	- Global Strategic Partnership Lead - Saving Mothers at Delivery (2021 only)	£197,035	£199,820
Brado Cuneo Nollau LLC	- Youth as Catalyst Child TB Research	£368,935	-
Northeastern University	- Monitoring and Forecasting Dengue Activity in Multiple Locations Around the World	£268,446	-
The World Continuing Education Alliance	- Learning Paths for Nurses and Midwives	£184,482	£182,668
Institute of Tropical Medicine	- J&J Global Public Health Fellowship with Master's in Tropical Medicine in partnership with ITM - Master of Science in Tropical Medicine (MTM) - scholarships	£262,772	-
Center for Family Health Research	- Building Clinical Research Services Capacity in Africa	£238,301	-
Praekelt Foundation NPC	- TB Screening and diagnosis initiation ser-vice on WhatsApp	£236,421	-
IPH International	- Implementation Positive Health international - Resilient communities with Positive Health	£216,684	-
International Futures Forum	- Transitioning to a future of health for all	£214,449	-
Ghana Infectious Diseases Center	- Ghana Dengue Epidemiological Study	£199,649	-
Medical and Surgical Skills Institute Ghana	- MSSI Program Operations	£200,148	£126,756
Amref Health Africa	- Oncology Nursing Training	£193,066	£351,167
Partners in Health	- Community-Based Mental Healthcare: PIH MESH Scale-up	£347,556	-
Stichting zin	- Care days	£138,406	£24,828
Aga Khan Foundation (United Kingdom)	- Strengthening COVID-19 Preparedness and Response efforts in Afghanistan	£183,980	-

BENEFICIARY	PROJECT	2022	2021
International Health Partners (UK) Ltd	- Facilitating deworming in children in sub-Saharan Africa	£173,394	£146,135
CAPITAL vzw	- CAPITAL vzw (2021 only)	-	£126,926
The Washington University	- Preferences for COVID vaccine distribution in Zambia and South Africa - HIV, Infectious Disease and Global Health Implementation Research Institute	£174,270	-
Global Health Innovation Technology Fund	- Global Health Innovation Technology Fund	£212,679	£181,240
World Health Organization	- Coordination of WHO project for school age deworming - WHO/J&J COLLABORATION ON DEWORMING (2021 only)	£170,771	£144,530
Mental Health UK	- Mental Health UK, 2019, United Kingdom	£125,090	£22,000
EUFAMI	- Prospect Plus Phase II	£174,038	£80,413
SOS Children's Villages Austria	- YouthCan	£109,990	£110,685
Museum Dr Guislain	- Museum Dr. Guislain (2021 only)	-	£126,040
Banlieues Santé ONG	- New responses to social health inequalities	£137,306	-
Concept Foundation	- Uterotonic Medicine Quality: Contributions Toward Universal Health Coverage	£108,512	-
Boston Children's Hospital	- Development of a real-time early warning system for COVID-19 activity combining disparate novel Internet-based data sources (2021 only) - Dengue Hotspot detection and monitoring (2021 only)	-	£459,288
Other grants below £100,000 in the current year		£1,143,988	£1,091,439
Total		£29,222,389	£7,677,457

8. (Deficit)/surplus for the year

	2022	2021
	£	£
This is stated after charging:		
Exchange (gain)/ loss	(5,778,780)	(346,744)
Auditor's remuneration in respect of		
- audit	19,100	13,000
- other services	15,800	800

9. Salaries

	2022	2021
	£	£
Salaries and associated costs	775,723	666,724
Other staff costs	-	13,395
Temporary staff costs	-	152
	775,723	680,271

None of the staff carrying out work for the Foundation are employees of Johnson & Johnson Foundation Scotland (2021: none). The majority of salaries and associated costs relating to Johnson & Johnson Foundation Scotland are recognised as an in-kind donation.

The Directors and Executive Director are deemed to be the only key management personnel. None of the Directors received any remuneration during the current or prior period. No expenses were reimbursed to Directors during the current or prior period. The donation in kind for the total employee benefits of Key Management Personnel is estimated to be approximately £85,455 (2021: £126,000).

10. Investments

	EQUITY INVESTMENT £	CONCESSIONARY LOANS £	2022 TOTAL £
Balance at 1 January 2022 at cost	2,925,609	2,004,115	4,929,724
Additions during the year	1,424,584	1,783,472	3,208,056
Disposals during the year	-	(1,500,000)	(1,500,000)
Adjustments - revaluation	(9,775)	(16,467)	(26,242)
Impairment charge	(358,500)	-	(358,500)
Balance at 31 December 2022	3,981,918	2,271,120	6,253,038

The charity's investments include the following, all of which are made in the furtherance of the charitable objectives of the Foundation and there was no commitment to further investment at the year-end date unless otherwise stated:

- A concessionary loan of £1.5m was made in 2017. The loan was repaid and reinvested during 2022. Interest accrues at 3% per annum; a total interest income of £22,500 (2021: £45,000) was received. The loan is secured via share warrants issued by the borrower.
- An investment of £0.6m was made during 2018, and a further £0.2m made during 2020, to an unlisted Delaware Limited Partnership registered in Delaware, U.S.A. As a limited partner the Foundation does not have control over the Delaware Limited Partnership.
- £0.4m convertible loan to a Kenyan unlisted company was made in 2019, which was converted to equity during 2020 at a gain.
- £0.3m concessionary loan was made during 2019, repayable based on certain key performance indicators of the borrower with any remaining balance to be repaid during 2029. The loan is interest-free until 2026, whereupon interest accrues at 7%. The loan is unsecured. A second tranche of £0.3m was invested during 2022.
- £0.2m concessionary loan was made during 2019, repayable based on certain key performance indicators of the borrower with any remaining balance to be repaid during 2031. The loan has an effective interest rate of 1% and is unsecured.
- £1.1m convertible loan was provided and subsequently converted to equity during 2021, at a gain, to a Singaporean unlisted company in the furtherance of the charitable objectives of the Foundation. A further £0.6m was invested during 2022.
- £0.4m of equity invested as a minority stake in an unlisted Delaware corporation registered in Delaware, U.S.A., in the furtherance of the charitable objectives of the Foundation. The investment was fully impaired during 2022.
- During 2022, in addition to the movements noted above, an investment of £0.8m was made into an unlisted Special Limited Partnership registered in Luxembourg, with a further commitment of £3.3m. As a limited partner the Foundation does not have control over the Special Limited Partnership.

11. Debtors

	2022 £	2021 £
Other debtors	58,295	57,720
	58,295	57,720

12. Cash and cash equivalents

	2022 £	2021 £
Cash at bank	6,093,974	9,371,945
Cash equivalents	48,866,953	48,252,956
	54,960,927	57,624,901

13. Creditors: amounts falling due within one year

	2022 TOTAL £	2021 TOTAL £
Trade Creditors	-	35,425
Grants payable	3,766,060	-
Accruals	213,428	206,813
Deferred income (note 14)	-	-
Other creditors	1,500,000	-
	5,479,488	242,238

14. Deferred income

	2022 TOTAL £	2021 TOTAL £
Balance at 1 January 2022	-	223,788
Income recognized on grants paid	-	(223,788)

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

	2022 TOTAL £	2021 TOTAL £
Grants payable	7,325,559	-
	7,325,559	-

Total grants payable of £11.1m (2021: £nil), awarded in US dollars, are to be paid in approximately equal instalments over 3 years. There are no performance conditions which would limit recognition of the liability within these financial statements.

16. Analysis of reserves

	BALANCE AT 1 JANUARY 2022 £	INCOME £	EXPENDITURE £	TRANSFER £	BALANCE AT 31 DECEMBER 2022 £
Restricted funds					
Matched Partnership Fund	22,729	-	-	-	22,729
Designated funds					
Janssen EMEA Fund	24,934,187	(4,120)	(9,369,094)	-	15,560,973
Janssen Benelux Fund	1,650,612	85,543	(754,459)	-	981,696
Designated Corporate Budget	1,419,958	460,667	(1,372,326)	77,305	585,604
Global Public Health Innovation Fund	10,124,752	514,063	(6,872,274)	-	3,766,541
Impact Investments Fund	10,164,052	102,746	(439,312)	-	9,827,486
Africa Frontline First Fund	-	1,632,154	(1,627,902)	-	4,252
Total designated funds	48,293,561	2,791,053	(20,435,367)	77,305	30,726,552
Unrestricted funds	14,053,817	14,241,384	(10,499,964)	(77,305)	17,717,932
Total	62,370,107	17,032,437	(30,935,331)	-	48,467,213

16. Analysis of reserves (continued) – prior year

	BALANCE AT 1 JANUARY 2021 £	INCOME £	EXPENDITURE £	TRANSFER £	BALANCE AT 31 DECEMBER 2021 £
Restricted funds					
Matched Partnership Fund	22,729	185,185	(185,185)	-	22,729
Designated funds					
Janssen EMEA Fund	25,986,438	-	(1,052,251)	-	24,934,187
Janssen Benelux Fund	1,404,583	1,134,358	(888,329)	-	1,650,612
Designated Corporate Budget	1,886,672	618,519	(1,085,233)	-	1,419,958
Global Public Health Innovation Fund	6,737,716	6,985,322	(3,598,286)	-	10,124,752
Impact Investments Fund	10,203,537	154,717	(194,202)	-	10,164,052
Total designated funds	46,218,946	8,892,916	(6,818,301)	-	48,293,561
Unrestricted funds	11,297,779	4,729,372	(1,973,334)	-	14,053,817
Total	57,539,454	13,807,473	(8,976,820)	-	62,370,107

16. Analysis of reserves (continued)

Matched Partnership Fund	This fund was created to facilitate the administration of co-funding payment of EMEA CSR Partnerships by Johnson & Johnson entities to approved external community based partnerships in the EMEA region.
Janssen EMEA Fund	The Janssen designated fund, which is comprised of donations from Janssen EMEA entities, is used to explore and support innovative solutions that improve health and well-being in underserved communities..
Designated Corporate Budget	Funds donated by Johnson & Johnson Global Community Impact, New Jersey and United States of America, are allocated towards a number of budgeted initiatives and are designated for these purposes.
Global Public Health Innovation Fund	Through a partnership with the Johnson & Johnson Global Public Health organization, the Foundation plays an integral role in supporting the programs initiated by Global Public Health.
Benelux Fund	The fund, comprised from donations from Janssen Benelux entities, is used to explore and support innovative solutions that improve health and well-being of underserved communities. Next to that the choice of charities in J&J Benelux is linked to the Sustainable Development Goals.
Impact Investments Fund	Recognising the severe shortage of health workers around the world the fund invests in business models that enable access to delivery of care.
Africa Frontline First Fund	The Africa Frontline First Catalytic Fund which is comprised from a combination of funds from the Janssen EMEA Fund and the Designated Corporate Budget Funds is aimed at catalysing sustainable funding from the Global Fund, other philanthropies and African Country National budgets for the strengthening of Community Health Systems and scaling of professionalised and routinely paid Community Health Workers across Africa to help bridge the access to healthcare.

17. Analysis of net assets by funds

	RESTRICTED 2022 £	UNRESTRICTED 2022 £	TOTAL 2022 £	RESTRICTED 2021 £	UNRESTRICTED 2021 £	TOTAL 2021 £
Investments	-	6,253,038	6,253,038	-	4,929,724	4,929,724
Net current assets	22,729	49,517,005	49,539,734	22,729	57,417,654	57,440,383
Creditors due after more than one year	-	(7,325,559)	(7,325,559)	-	-	-
Total	22,729	48,444,484	48,467,213	22,729	62,347,378	62,370,107

18. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2022 £	2021 £
Net (expenditure)/income for the year	(13,902,894)	4,830,653
Adjustments for:		
Investment income	(581,805)	(158,317)
Foreign exchange (gain)/loss	(5,778,780)	(346,744)
Increase in programme-related invest-ments	(1,323,314)	(1,568,036)
(Increase)/decrease in debtors	(575)	220,905
Increase/(decrease) in creditors	12,562,809	(1,127,568)
Net cash (used in)/provided by operating activities	(9,024,559)	1,850,893

19. Related party transactions

The charity is ultimately controlled by Johnson & Johnson as the majority of directors and staff are employed by the Johnson & Johnson group of companies.

All of the donation income was received from Johnson & Johnson group companies during the current and previous year, as detailed in note 4, of which £nil (2021: £ nil) was included within debtors at 31 December 2022. Johnson & Johnson group companies recharged £614,887 (2021: £509,826) of staff and other costs during the year, of which £154,220 (2021: £148,692) was included in accruals at 31 December 2022.

20. Membership

The Foundation is a company limited by guarantee. The liability of the members is limited to £1 each.

21. Grant funding commitments

The Foundation has awarded grant funding amounting to £3.7m at 31 December 2022. This amount has not been recognised in these financial statements as the Foundation retains the discretion to avoid the expenditure. The expenditure will be met from designated and unrestricted reserves.

The Foundation has also committed to invest a further £3.3m in an unlisted Special Limited Partnership registered in Luxembourg, as described in note 10.

22. Comparative Statement of Financial Activities

	RESTRICTED 2021 £	UNRESTRICTED 2021 £	TOTAL 2021 £
Income from:			
Donations and legacies	185,185	13,078,131	13,263,316
Investments	-	158,317	158,317
Other	-	39,096	39,096
Exchange gains	-	346,744	346,744
Total	185,185	13,622,288	13,807,473
Expenditure on:			
Charitable activities	185,185	8,791,635	8,976,820
Exchange losses	-	-	-
Total	185,185	8,791,635	8,976,820
Net income and net movement in funds	-	4,830,653	4,830,653
Reconciliation of funds:			
Total funds brought forward	22,729	57,516,725	57,539,454
Total funds carried forward	22,729	62,347,378	62,370,107



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