Directors’ Report and
Financial Statements

Johnson & Johnson Foundation Scotland
Directors’ Report (including the Directors’ Strategic Report)
For the year ended 31 December 2021

2021 List of Directors

Directors
An Claes (appointed 16 February 2021)
Angelika Elser
Asgar David Rangoonwala (appointed 7 June 2021)
Carlton Michael Lawson (appointed 7 June 2021)
Carol Ella Leland
Demet Gurunlu Russ (resigned 16 February 2021)
Frank Welvaert
Frederik Richard Van Batenburg
Hani Soueill Abouhalka (resigned 13 January 2022)
Jessica Lindsay Moore (resigned 12 November 2021)
Kris Emiel Sterkens (Chair)
Luis Diaz-Rubio Amate (resigned 7 June 2021)
Martin Quinn Fitchet (appointed 7 June 2021)
Mireille Maws (appointed 4 January 2021)
Neil Wood
Paula Patino Conde
Zeger Vercouteren

Executive Director*
Ben Davies

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
Sempie Street
Edinburgh EH3 8BL
United Kingdom

Banker
Royal Bank of Scotland
36 St. Andrews Square
Edinburgh EH2 2TB
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
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 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 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 across EMEA
2. **People**: Connecting people and creating networks to share knowledge and skills
3. **Impact Investment**: Addressing social issues in a sustainable way through impact investment.

We support and champion the people on the front lines who are at the heart of delivering care.
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.” This primarily includes nurses, midwives and community 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).

Grant Making Policy

The Board of Directors has developed a Grant Making Policy to ensure that grant making 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. Each approved national and cross-border program 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

Our impact investing mission is to demonstrate that health & wellness investing in low-resource settings can generate sustainable social impact with financial returns. All impact investments are aligned with the Johnson & Johnson Global Community Impact Strategy and focus on health and wellness based social enterprises with a broad geographical spread.

In 2019, an impact investment effort was launched to focus on a limited number of investment opportunities over a 5 – 7 year time horizon, to demonstrate that health & wellness investing in low-resource settings could deliver sustainable impact and a financial return.

In 2019, the initiative formally launched as Johnson & Johnson Impact Ventures (JJIV), targeting innovations including digital health platforms and artificial intelligence technologies to support access and delivery of quality and affordable care. To date, JJIV has deployed $6.3 million to eight impact investments in Kenya, the UK and Southeast Asia with a further $5.8 million committed at 31st December 2021.

The Foundation Board of Directors has delegated authority to its Investment Committee to make appropriate innovative finance and impact investment decisions on its behalf following a rigorous due diligence process. Post investment we are developing a coherently portfolio management strategy to ensure these investments achieve both social impact and meet our financial requirements.

JJIV is building a global portfolio of innovative social enterprises and start-ups, focusing on addressing the needs of low-income populations.

Investments approved in 2021 were:

- mClinica, the first digital pharmacy platform in Southeast Asia, developing a network that connects over 180,000 pharmacy professionals
- Redbird, a Ghana based enterprise enabling on-site diagnostic testing in pharmacies
- Cross-Border Impact Ventures, an impact venture capital firm investing in world-class companies that create better health technologies benefitting women and children inclusively and globally
- RailSE, Singapore based social impact bond supporting reintegration into the workplace for those with mental health conditions.
- JNJ Impact Ventures – Audi, a German based enterprise providing low-cost hearing solutions to underserved communities.
- JNJ Impact Ventures – mClinica, the first digital pharmacy platform in Southeast Asia, developing a network that connects over 180,000 pharmacy professionals.

2021 Significant Areas of Activity

- Aga Khan Development Network (AKDN) – The Foundation has a long-term partnership with the AKDN working together on a number of innovative programs and initiatives in Asia and Africa aimed at supporting frontline health workers and improving access to quality healthcare. This includes creating a nursing and midwifery platform in Kenya to strengthen and professionalize these cadres in East Africa, COVId-19 response in Pakistan, and psychosocial well-being and resiliency of frontline health workers in the context of COVId-19 and beyond.
- Forum for the Future – This programme, a partnership between the School of System Change (part of the Forum family) engages health system leaders and change makers across Europe, Middle East and Africa to rethink health system transformation. It equips participants with the tools and methodology to practice and embed a systems approach in their respective work. Born out of the belief that systems need to be rethought for frontline healthworkers to thrive.
- Ashoka – The Foundation launched a partnership with Ashoka to help build a thriving community health workforce by supporting the emergence and the scaling of pioneering practices that support community health workers. The partnership aims to develop and nurture a more enabling environment for community health workers to thrive; ultimately leading to the emergence of systems transformation moving away from curing sick people to empowering people to healthy living, community care being an important force for change in this larger transformation.
- Save the Children – With support from the Foundation, Save the Children launched a multi-year initiative in communities in crisis in the Democratic Republic of the Congo, Indonesia, Lebanon and the United States. The program is providing high quality mental health and psychosocial support interventions to children and families, and the frontline workers who serve them—and is helping to ensure that mental health services is central to the delivery of humanitarian assistance.
- 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).
- One Young World (OYW) – Johnson & Johnson has partnered with OYW, an NGO which connects the world’s most impactful young leaders to create a better world, since 2013. OYW leaders (aged 18-30) from across the globe have participated in providing a unique opportunity to debate and formulate innovative solutions to some of the world’s most pressing health issues.

Strategic Report

Achievements and Performance

Our 2021 grant making 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 helping to build resilient, community-based health systems by prioritizing the needs of frontline health workers, while adapting and responding to the COVID-19 pandemic.

In 2021, the Foundation engaged with 58 partners in 36 countries delivering over £8.7 million to programs within and beyond the EMEA region.1

1. These numbers include donor advised funding partnerships.
Financial Review

Results for the Period
The Statement of Financial Activities is reported on page 13 of the accounts. The Foundation incurred net income of £4.8m (2020: £9.2m, net income) as a result of increased grant awards towards the end of the year.
The financial position at 31 December 2021 was £62.4m of net assets (2020: £57.6m) which primarily consisted of cash deposits of £9.4m (2020: £6.4m), money market funds of £48.3m (2020: £48.8m) and the impact investments of £4.9m (2020: £3.4m).

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 endowment funds, designated funds and restricted funds.

Endowment Funds
These are restricted investment funds donated to the Foundation with the intention to produce income. While withdrawals from the principal amount may only be for charitable purposes, these are endowment funds, designated funds and restricted funds.

Designated Funds
These are restricted investment funds donated to the Foundation with the intention to produce income. While withdrawals from the principal amount may only be for charitable purposes, these are endowment funds, designated funds and restricted 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.

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 2021 were £62.4m (2020: £57.6m), of which £23k (2020: £23k) were restricted for specific purposes by the donor, £48.3m (2020: £48.6m) were designated, and a further £4.9m (2020: £3.4m) were held within programme related investments. The remaining free reserves at 31 December 2021 were £9.2m (2020: £7.9m).

Plans for the Future
As the COVID-19 pandemic evolves, the management team will continue to explore how the Foundation can help meet the critical needs of organizations supporting front line healthcare workers and communities affected by Covid-19. This may result in decisions that could divert some of our uncommitted funds towards further supporting an emergency response as the situation evolves quickly.

We do not see any significant impacts for the Foundation as it relates to our operations in 2022. The donation from Johnson & Johnson to fund our budgeted programs for the coming year is committed and our operating costs, as usual, will be covered by the J&J Corporate Global Community Impact team.

Looking ahead, the Foundation will continue to deliver against its strategic framework, guided by the Johnson & Johnson Centre for Health-Worker Innovation, and closely focused on partnerships, people and scaled investment, aligned with the Johnson & Johnson Global Community Impact Strategy which focuses on supporting those on the frontlines of health care, particularly Nurses, Midwives and Community Health Workers.

Continued efforts will be made to strengthen primary care systems and the health workers operating there with a primary focus on; nurses, midwives, community health workers and others who are at the very foundation of any health care system. Investments will be made to support formal and informal care structures 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 in the event of its winding up as may be required (not exceeding £5) 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 2021, 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 16 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 on the Foundation commitments and do not receive any remuneration for this.

Organization and Decision Making
The Board of Directors meets biannually and oversees the strategy, direction and governance of the Foundation.

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
While 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 (Foundation staff). The Committee is made up of employees of the Johnson & Johnson Family of Companies. The activities of the Program Operations Committee during 2021 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.

Impact Advisory Committee
The Impact 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 grant making policy and considers the risk to ensure funds are spent according to 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 identified relates to the ability of the Foundation to fulfill its multi-year grant making commitments without a guaranteed annual corporate grant making 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.
The directors have taken all steps necessary to prepare the financial statements in accordance with applicable law. Under this law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom 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 annual 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 company 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 organisation’s auditor is unaware.
- 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 1 June 2022, and signed on their behalf by:

[Signature]

Kris Emiel Sterkens
Chair, Johnson & Johnson Foundation Scotland

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 2021 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 those 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 and 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;
- 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 and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us;
- 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 trustees 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 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
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: 7 June 2022

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 2021

Statement of Cash Flows
For the year ended 31 December 2021

NOTES 2021 £ 2020 £
Fixed Assets
Investments 10 4,929,724 3,361,688

Current assets
Debtors 11 57,720 278,625
Cash and cash equivalents 12 57,624,901 55,268,947
57,682,621 55,547,572

Creditors: amounts falling due within one year 13 (242,238) (1,369,806)
Net current assets 57,440,383 54,177,766

Net assets 62,370,107 57,539,454

Funds
Restricted funds 15 22,729 22,729
Unrestricted 15 14,053,817 11,297,779
Designated funds 15 48,293,561 46,218,946
Total funds 62,370,107 57,539,454

Cash flows from operating activities:
Net cash provided by operating activities 16 - 1,850,893 - 21,158,757

Cash flows from investing activities:
Interest Income 158,317 - 192,466 -
Net cash provided by investing activities - 158,317 - 192,466

Change in cash and cash equivalents in the year - 2,009,210 - 21,351,223

Cash and cash equivalents at the beginning of the year - 55,268,947 - 34,473,276

Change in cash and cash equivalents due to exchange rate movements - 346,744 - (555,552)

Cash and cash equivalents at the end of the reporting period - 57,624,901 - 55,268,947

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

Authorised for issue and approved and authorised by the Board on 1 June 2022
and signed on its behalf by:

Kris Emiel Sterkens

Company Registration No: SC327028
Charity Number: SC017977

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 2021

1. Charity information

The principal activity of Johnson and Johnson Foundation Scotland is to make sustainable, long-term differences in human health. To this end, 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” 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 or transfers 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 they 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. Income is deferred 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 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 presentation currency (Sterling - GBP) are recorded at exchange rates ruling at the date of the transaction. Balances at the year-end date are restated 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 subject to restrictions on their expenditure imposed by the donor.

Designated funds are earmarked from the unrestricted funds by the directors for a specific purpose. Endowment funds are restricted investment funds donated to the Foundation with the intention to produce income. Withdrawals from the principal amount may only be used for purposes of the Foundation upon the donors’ decision, any investment income generated from the endowment can be spent for the Foundation’s ongoing operations or other specific purposes.

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. 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 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.

4. Donations and legacies

<table>
<thead>
<tr>
<th>2021</th>
<th>TOTAL</th>
<th>2020</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations – Cilag</td>
<td>4,444,445</td>
<td>8,201,797</td>
<td></td>
</tr>
<tr>
<td>Donations – Janssen EMEA fund</td>
<td>-</td>
<td>13,375,231</td>
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<tr>
<td>Donations – Janssen Bemelux Fund</td>
<td>1,134,358</td>
<td>876,562</td>
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<tr>
<td>Donations – Global Public Health Fund</td>
<td>6,985,322</td>
<td>5,010,754</td>
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<tr>
<td>Donations – Matched funding</td>
<td>185,165</td>
<td>193,483</td>
<td></td>
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<tr>
<td>Donations – In-kind income</td>
<td>514,006</td>
<td>456,833</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>15,263,316</strong></td>
<td><strong>27,914,660</strong></td>
<td></td>
</tr>
</tbody>
</table>

5. Charitable activities – grant making

<table>
<thead>
<tr>
<th>2021</th>
<th>TOTAL</th>
<th>2020</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants (note 7)</td>
<td>7,677,457</td>
<td>16,381,115</td>
<td></td>
</tr>
<tr>
<td>Staff costs (note 9)</td>
<td>680,271</td>
<td>694,254</td>
<td></td>
</tr>
<tr>
<td>Administrative costs</td>
<td>2,591,907</td>
<td>1,309,665</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>8,957,620</strong></td>
<td><strong>18,406,011</strong></td>
<td></td>
</tr>
</tbody>
</table>

6. Governance costs

<table>
<thead>
<tr>
<th>2021</th>
<th>TOTAL</th>
<th>2020</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal &amp; professional fees</td>
<td>5,945</td>
<td>9,959</td>
<td></td>
</tr>
<tr>
<td>Audit fees</td>
<td>16,240</td>
<td>16,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>22,185</strong></td>
<td><strong>26,959</strong></td>
<td></td>
</tr>
</tbody>
</table>
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:

<table>
<thead>
<tr>
<th>BENEFICIARY</th>
<th>PROJECT</th>
<th>PROJECT NAMES</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Federation of Red Cross and Red Crescent Societies</td>
<td>COVID-19 Global Emergency Appeal</td>
<td>-</td>
<td>£3,277,680</td>
<td></td>
</tr>
<tr>
<td>IWBIAD - The Business School for the World</td>
<td>Middle East Health Leadership Program</td>
<td>-</td>
<td>£253,000</td>
<td></td>
</tr>
<tr>
<td>Aga Khan Foundation</td>
<td>Capacity Building for Senior Caregivers Nursing and Midwifery Platform</td>
<td>ASH SpAARM</td>
<td>-</td>
<td>£1,223,499</td>
</tr>
<tr>
<td>US Fund for UNICEF</td>
<td>Maternal Newborn Child-Adolescent Health Initiative (Lebanon)</td>
<td>-</td>
<td>£347,538 £699,583</td>
<td></td>
</tr>
<tr>
<td>Aquila Innovations</td>
<td>Pediatric drug resistance TB: scaling up care in children (2020 only)</td>
<td>-</td>
<td>£25,104 £463,960</td>
<td></td>
</tr>
<tr>
<td>Elizabeth Glaser Pediatric AIDS Foundation</td>
<td>New Horizons Advancing Pediatric HIV Care Collaborative</td>
<td>-</td>
<td>£667,782 £358,071</td>
<td></td>
</tr>
<tr>
<td>AO Alliance</td>
<td>Fracture solutions Trauma Educational Development for West Africa</td>
<td>-</td>
<td>£260,296 £286,270</td>
<td></td>
</tr>
<tr>
<td>International Union Against Tuberculosis and Lung Disease</td>
<td>OR-TB Training in Clinical Programmatic Decision Making in Kenya OR - TB Academy (2020 only)</td>
<td>-</td>
<td>£264,105 £240,648</td>
<td></td>
</tr>
<tr>
<td>CCCrit</td>
<td>Continued investment in sustainable capacity building of frontline health workers to increase access to quality healthcare in Tanzania</td>
<td>-</td>
<td>£221,568 £238,074</td>
<td></td>
</tr>
<tr>
<td>The African Academy of Sciences</td>
<td>UJ-AESA Research &amp; Development (O&amp;M) Fellowship Program</td>
<td>-</td>
<td>- £257,405</td>
<td></td>
</tr>
<tr>
<td>Friends of UNFPA</td>
<td>UNFPA South Africa DREAMS Thina Abnatu</td>
<td>-</td>
<td>- £217,621 £271,621</td>
<td></td>
</tr>
<tr>
<td>Save the Children Federation</td>
<td>Improving Maternal, Newborn &amp; Child Health Outcomes</td>
<td>-</td>
<td>£161,034 £199,820</td>
<td></td>
</tr>
<tr>
<td>BIO Ventures</td>
<td>African Access Initiative (AAI) / Rwanda GST Program</td>
<td>-</td>
<td>- £207,475 £207,475</td>
<td></td>
</tr>
<tr>
<td>The Forum for the Future</td>
<td>System Change Capacity for Health Transformation</td>
<td>-</td>
<td>- £282,705 £282,705</td>
<td></td>
</tr>
<tr>
<td>BasicNeeds Ghana</td>
<td>Support to mental health capacity strengthening in Ghana</td>
<td>-</td>
<td>- £199,453 £199,453</td>
<td></td>
</tr>
<tr>
<td>Stichting Ligatures</td>
<td>AIDSTOP</td>
<td>-</td>
<td>£78,793</td>
<td></td>
</tr>
<tr>
<td>Sinapi Biomedical (Pty) Ltd</td>
<td>EyeB UBT Training Implementation</td>
<td>-</td>
<td>£29,527</td>
<td></td>
</tr>
<tr>
<td>Ashoka</td>
<td>Pioneering practices growing Community Health Workers’ Resilience in Europe</td>
<td>-</td>
<td>£403,542</td>
<td></td>
</tr>
<tr>
<td>University of Oxford</td>
<td>MSc in International Health and Tropical Medicine</td>
<td>-</td>
<td>£277,019</td>
<td></td>
</tr>
<tr>
<td>University of Nairobi</td>
<td>Patient Health Portal</td>
<td>-</td>
<td>£405,004</td>
<td></td>
</tr>
<tr>
<td>Tropical Health and Education Trust</td>
<td>Saving Mothers at Delivery</td>
<td>-</td>
<td>£199,820 £198,306</td>
<td></td>
</tr>
<tr>
<td>Italian Red Cross</td>
<td>A time of kindness</td>
<td>-</td>
<td>- £180,099 £180,099</td>
<td></td>
</tr>
<tr>
<td>Spanish Foundation of Psychiatry and Mental Health</td>
<td>Grants for active projects whose aim is to help mitigate the impact of COVID-19 on the mental health of health professionals.</td>
<td>-</td>
<td>- £199,093 £199,093</td>
<td></td>
</tr>
<tr>
<td>The World Continuing Education Alliance</td>
<td>Learning Paths for Nurses and Midwives</td>
<td>-</td>
<td>£292,668 £258,702</td>
<td></td>
</tr>
<tr>
<td>Helen Keller International’</td>
<td>HI Bangladesh - ‘Dwelling Campaign’</td>
<td>-</td>
<td>£267,254</td>
<td></td>
</tr>
<tr>
<td>International Rescue Committee</td>
<td>COVID-19 Health Response for Vulnerable Populations in Jordan and Syria</td>
<td>-</td>
<td>£161,213 £207,668</td>
<td></td>
</tr>
<tr>
<td>Turkish Red Crescent Society</td>
<td>Providing PPE to Healthcare Providers</td>
<td>-</td>
<td>- £199,005 £199,005</td>
<td></td>
</tr>
<tr>
<td>Lebanese Red Cross</td>
<td>Response to Lebanon Crisis</td>
<td>-</td>
<td>£199,033</td>
<td></td>
</tr>
<tr>
<td>Kenya Kavli</td>
<td>Mental Health Awareness</td>
<td>-</td>
<td>£217,004 £217,004</td>
<td></td>
</tr>
<tr>
<td>Graemew Foundation USA</td>
<td>MOTE Enabled Response to COVID in Rwanda (MERCIR)</td>
<td>-</td>
<td>- £272,189 £272,189</td>
<td></td>
</tr>
<tr>
<td>Foundation for Professional Development (FPO)</td>
<td>COVID-19 Mental Health Resilience e-learning course for Healthcare Professionals</td>
<td>-</td>
<td>- £199,005 £199,005</td>
<td></td>
</tr>
<tr>
<td>Liverpool School of Tropical Medicine</td>
<td>Support for COVID-19 response in Nigeria</td>
<td>-</td>
<td>- £199,005 £199,005</td>
<td></td>
</tr>
<tr>
<td>Medudal and Surgical Skills Institute Ghana</td>
<td>Medical and Surgical Skills Institute program</td>
<td>-</td>
<td>- £199,005 £199,005</td>
<td></td>
</tr>
<tr>
<td>Arnoel Health Africa</td>
<td>Oncology Nursing Training</td>
<td>-</td>
<td>- £199,005 £199,005</td>
<td></td>
</tr>
<tr>
<td>Boston Children’s Hospital</td>
<td>Development of a real-time, real-world learning system for COVID-19 activity combining disparate novel Internet-based data sources: Dengue: Hotspot detection and monitoring</td>
<td>-</td>
<td>- £199,005 £199,005</td>
<td></td>
</tr>
<tr>
<td>Partners in Health</td>
<td>Community-Based Mental Healthcare: PHI MESH Scale-up</td>
<td>-</td>
<td>- £199,005 £199,005</td>
<td></td>
</tr>
<tr>
<td>Stichting zin</td>
<td>Care days</td>
<td>-</td>
<td>- £199,005 £199,005</td>
<td></td>
</tr>
</tbody>
</table>

8. Surplus for the year
This is stated after charging:

| Exchange loss/(gain) | (346,744) | 555,552 |
| Auditor’s remuneration in respect of | 13,000 | 12,000 |
| - audit | | |
| - taxation services | 800 | 850 |

9. Salaries

<table>
<thead>
<tr>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and associated costs</td>
<td>£66,724</td>
</tr>
<tr>
<td>Other staff costs</td>
<td>£13,315</td>
</tr>
<tr>
<td>Temporary staff costs</td>
<td>152</td>
</tr>
<tr>
<td>Total</td>
<td>£80,271</td>
</tr>
</tbody>
</table>

None of the staff carrying out work for the Foundation are employees of Johnson & Johnson Foundation Scotland (2020: 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 £166,000 (2020: £190,000).
10. Investments

<table>
<thead>
<tr>
<th>EQUITY INVESTMENT</th>
<th>CONCESSIONARY LOANS</th>
<th>2021 TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January 2021 at cost</td>
<td>£1,437,857</td>
<td>£1,923,831</td>
</tr>
<tr>
<td>Additions during the year</td>
<td>£358,500</td>
<td>£1,115,923</td>
</tr>
<tr>
<td>Returns during the year</td>
<td>£53,752</td>
<td>(13,669)</td>
</tr>
<tr>
<td>Conversion to equity</td>
<td>£1,075,500</td>
<td>(1,075,500)</td>
</tr>
<tr>
<td>Adjustments</td>
<td>£55,520</td>
<td>£55,520</td>
</tr>
<tr>
<td>Balance at 31 December 2021 at cost</td>
<td>£2,567,109</td>
<td>£2,562,616</td>
</tr>
</tbody>
</table>

An investment of £0.6m was paid during 2018, and a further £0.2m paid during 2020, to an unlisted Delaware Limited Partnership registered in Delaware, U.S.A., in the furtherance of the charitable objectives of the Foundation. As a limited partner the Foundation does not have control over the Delaware Limited Partnership.

A concessionary loan of £1.5m was made in 2017, in the furtherance of the charitable objectives of the Foundation. The loan falls due for repayment during 2022. Interest accrues at 3% per annum; a total interest income of £45,000 (2020: £45,000) was received. The loan is secured via share warrants issued by the borrower. There was no commitment to provide further loans at 31 December 2021.

Three further concessionary loans were made in 2019, in the furtherance of the charitable objectives of the Foundation:

- £0.4m convertible loan to a Kenyan unlisted company, which was converted to equity during 2020 at a gain.
- £0.3m 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.
- £0.2m 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.

During 2021 the following new investments were made:

- £1.1m convertible loan was provided and subsequently converted to equity during the year, at a gain, to a Singaporean unlisted company in the furtherance of the charitable objectives of the Foundation.
- £0.4m of equity 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.

11. Debtors

<table>
<thead>
<tr>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other debtors</td>
<td>£57,720</td>
</tr>
<tr>
<td>Prepayments</td>
<td>-</td>
</tr>
<tr>
<td>Trade Creditors</td>
<td>£57,720</td>
</tr>
</tbody>
</table>

12. Cash and cash equivalents

<table>
<thead>
<tr>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank</td>
<td>£9,371,945</td>
</tr>
<tr>
<td>Cash equivalents</td>
<td>£48,252,956</td>
</tr>
<tr>
<td>Total</td>
<td>£57,624,901</td>
</tr>
</tbody>
</table>

13. Creditors: amounts falling due within one year

<table>
<thead>
<tr>
<th>2021 TOTAL</th>
<th>2020 TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade Creditors</td>
<td>£35,425</td>
</tr>
<tr>
<td>Grants payable</td>
<td>-</td>
</tr>
<tr>
<td>Accruals</td>
<td>£206,813</td>
</tr>
<tr>
<td>Deferred income (note 14)</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>£242,238</td>
</tr>
</tbody>
</table>

14. Deferred income

<table>
<thead>
<tr>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income recognized on grants paid</td>
<td>£223,788</td>
</tr>
</tbody>
</table>

15. Analysis of reserves

<table>
<thead>
<tr>
<th>BALANCE AT 1 JANUARY</th>
<th>INCOME</th>
<th>EXPENDITURE</th>
<th>TRANSFER</th>
<th>BALANCE AT 31 DECEMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted funds</td>
<td>Matched Partnership Fund</td>
<td>£22,729</td>
<td>£185,185</td>
<td>(185,185)</td>
</tr>
<tr>
<td>Designated funds</td>
<td>Janssen EMEA Fund</td>
<td>£25,966,438</td>
<td>-</td>
<td>(1,052,251)</td>
</tr>
<tr>
<td></td>
<td>Janssen Benefit Fund</td>
<td>£1,404,563</td>
<td>£1,154,358</td>
<td>(888,329)</td>
</tr>
<tr>
<td></td>
<td>Designated Corporate Budget</td>
<td>£1,886,672</td>
<td>£618,519</td>
<td>(1,085,233)</td>
</tr>
<tr>
<td></td>
<td>Global Public Health Innovation Fund</td>
<td>£6,737,716</td>
<td>£6,985,322</td>
<td>(3,598,286)</td>
</tr>
<tr>
<td></td>
<td>Impact Investments Fund</td>
<td>£10,203,537</td>
<td>£154,717</td>
<td>(104,202)</td>
</tr>
<tr>
<td>Total designated funds</td>
<td>£46,218,946</td>
<td>£8,892,916</td>
<td>(6,818,301)</td>
<td>-</td>
</tr>
<tr>
<td>Unrestricted funds</td>
<td>£11,297,779</td>
<td>£4,729,372</td>
<td>(1,973,334)</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>£57,539,454</td>
<td>£13,807,473</td>
<td>(8,976,820)</td>
<td>-</td>
</tr>
</tbody>
</table>

15. Analysis of reserves (continued) – prior year

| Endowment funds | £102,629 | - | - | (102,629) | - | £0 |
| Restricted funds | Matched Partnership Fund | £22,729 | £193,483 | (193,483) | - | £22,729 |
| Designated funds | Janssen EMEA Fund | £20,859,856 | £13,175,231 | (6,866,528) | (1,182,521) | £25,966,438 |
| | Janssen Benefit Fund | £1,404,563 | £614,500 | (1,085,233) | - | £1,850,629 |
| | Designated Corporate Budget | £1,886,672 | £876,562 | (1,182,521) | - | £1,585,678 |
| | Global Public Health Innovation Fund | £5,696,979 | £5,010,754 | (3,970,017) | - | £6,737,716 |
| | Impact Investments Fund | £10,203,537 | £154,717 | (104,202) | - | £10,154,052 |
| Total designated funds | £29,214,897 | £13,175,231 | (6,866,528) | (1,182,521) | £30,269,968 |
| Unrestricted funds | £19,033,235 | £8,215,521 | (5,297,535) | (10,653,442) | £11,359,802 |
| Total | £48,248,132 | £21,390,752 | (12,164,063) | (11,835,963) | £59,625,770 |
15. Analysis of reserves (continued)

Endowment Fund
The endowment fund is for the benefit of the College of Surgeons West, East and Central Africa. These are restricted investment funds donated to the Foundation with the intention to produce income. In the previous year the endowment fund was released to the Designated Corporate Budget fund following OSCR approval.

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 newly established 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
The fund, comprised 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
Recognising the severe shortage of health workers around the world the fund invests in business models that enable access to delivery of care.

16. Reconciliation of net income to net cash flow from operating activities

<table>
<thead>
<tr>
<th></th>
<th>2021 £</th>
<th>2020 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income for the year</td>
<td>4,830,653</td>
<td>9,165,964</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>(158,317)</td>
<td>(192,466)</td>
</tr>
<tr>
<td>Foreign exchange loss</td>
<td>(346,744)</td>
<td>555,552</td>
</tr>
<tr>
<td>Increase in programme-related investment</td>
<td>(1,568,036)</td>
<td>(406,807)</td>
</tr>
<tr>
<td>Decrease/(increase) in debtors</td>
<td>220,905</td>
<td>11,298,355</td>
</tr>
<tr>
<td>Increase/(decrease) in creditors</td>
<td>(1,127,568)</td>
<td>738,159</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>1,850,893</td>
<td>21,158,757</td>
</tr>
</tbody>
</table>

17. 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. The majority of donation income was received from Johnson & Johnson group companies during the current and previous year, as detailed in note 4, of which £nil (2020: £nil) was included within debtors at 31 December 2021. Johnson & Johnson group companies recharged £509,826 (2020: £604,619) of staff and other costs during the year, of which £148,692 (2020: £80,803) was included in accruals at 31 December 2021.

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

19. Grant funding commitments
The Foundation has awarded grant funding amounting to £7,683,233 at 31 December 2021. 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.

20. Comparative Statement of Financial Activities

<table>
<thead>
<tr>
<th></th>
<th>ENDOWMENT 2020 £</th>
<th>RESTRICTED 2020 £</th>
<th>UNRESTRICTED 2020 £</th>
<th>TOTAL 2020 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations and legacies</td>
<td>-</td>
<td>193,483</td>
<td>27,721,177</td>
<td>27,914,660</td>
</tr>
<tr>
<td>Investments</td>
<td>-</td>
<td>-</td>
<td>192,466</td>
<td>192,466</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>21,001</td>
<td>21,001</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>193,483</td>
<td>27,934,644</td>
<td>28,128,127</td>
</tr>
<tr>
<td>Expenditure on:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charitable activities</td>
<td>-</td>
<td>193,483</td>
<td>18,213,128</td>
<td>18,406,611</td>
</tr>
<tr>
<td>Exchange losses</td>
<td>-</td>
<td>-</td>
<td>555,552</td>
<td>555,552</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>193,483</td>
<td>18,768,680</td>
<td>18,962,163</td>
</tr>
<tr>
<td>Net income</td>
<td>-</td>
<td>-</td>
<td>9,165,964</td>
<td>9,165,964</td>
</tr>
<tr>
<td>Movement in funds</td>
<td>(102,629)</td>
<td>-</td>
<td>9,268,593</td>
<td>9,371,222</td>
</tr>
</tbody>
</table>
| Reconciliation of funds:
  Total funds brought forward at 1 January 2020 | 102,629 | 22,729 | 48,248,132 | 51,223,502 |
  Total funds carried forward at 31 December 2020 | - | 22,729 | 57,516,726 | 57,539,454 |

21. Subsequent events
Due to the world events which have taken place since year end, Johnson & Johnson Foundation Scotland have made donations of $5 million to support the IFRC (International Federation of Red Cross and Red CRESCENT Societies) emergency appeal for Ukraine and border countries with regards to the ongoing conflict.