

2024 ANNUAL REPORT

Development on a Mission

Pharo Foundation is a mission-driven, impact-oriented organisation that designs, funds, and operates economic development programmes towards a vibrant, productive and self-reliant Africa.



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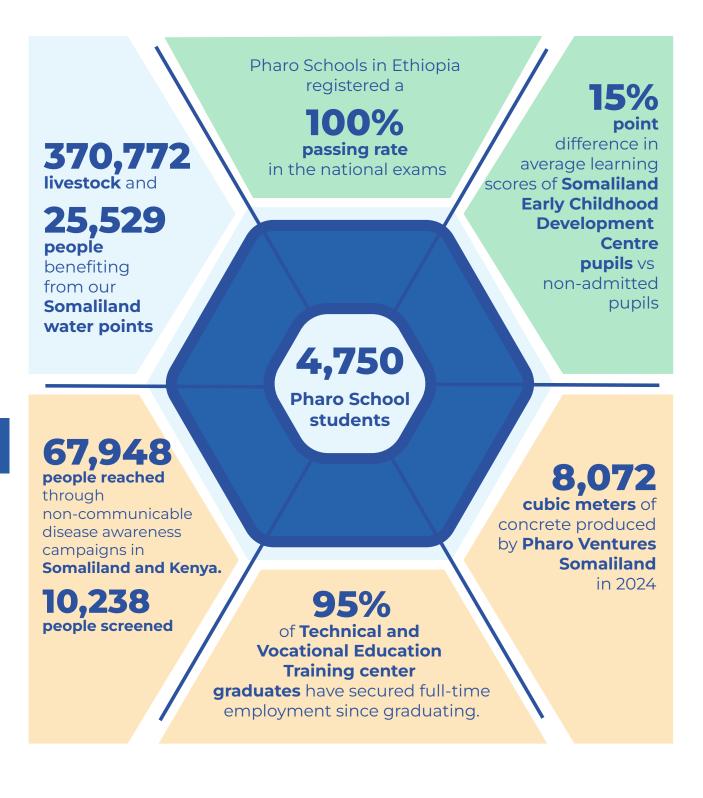
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Reference and Administrative Information

Trustees	Mr Guillaume Fonkenell (Chairman)		
	Mr Matthieu Baumgartner		
	Mrs Farah Jirdeh Fonkenell		
	Mr Nicolas Sagna		
	Mr. Folorunso Allu (Appointed 6th December 2024)		
	Mr Mustafa Jama (Resigned 31st December 2024)		
Chief Executive Officer	Mr Thomas Mason (Appointed in January 2025)		
	Mr Guillaume Fonkenell (Interim – up to December 2024)		
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Company registration number	07678862 (England and Wales)		
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PHARO FOUNDATION AT A GLANCE

Key Results In Numbers



Key

Mission 1 (M1) - Education

Mission 2 (M2) - Water

Mission 3 (M3) - Productivity

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Trustees' Report (Strategic Report)

Development on a Mission

Pharo Foundation is a mission-driven, impactoriented organisation that designs, funds, and operates economic development programmes around three central missions. We have over 700 employees across Kenya, Rwanda, Ethiopia, Somaliland and London. We operate through two main divisions:

Pharo Development - Focuses on fostering longterm socio-economic development by educating the next generation, addressing water scarcity, and unlocking economic productivity in the countries we operate.

Pharo Ventures - A permanent capital fund that provides patient capital and takes a longterm investment approach. Our goal is to derisk opportunities, attract additional capital, and accelerate economic transformation in the markets where we operate.

2023 was a major turning point for the Foundation from a strategic standpoint. We joined the world of 'moonshot philanthropy', as we streamlined our activities into three key missions: empowering the next generation through education, solving Africa's water shortage, and removing obstacles to productivity and employment. With a much clearer brief in hand, we have taken our first steps towards mission achievement in 2024 and consolidated our strategy, refraining from further geographical expansion this year. Regardless, a look at our achievements in 2024 makes it clear that we are a 'do-tank', not a 'think-tank', i.e. we are an organisation that thinks deeply about how best to do development and turns these thoughts into measurable action.

In terms of individual mission achievements, the highlights have been many, but the key ones have been the following. On education, if we look at the performance of our Pharo branded schools,



our Pharo Schools in Ethiopia have outperformed, by attaining a 100% passing rate in the national exams at both Grade 8 and Grade 12. Another highlight was the donation by Pharo Management and Pharo Foundation of a piano to the Homosha school, where we hosted a concert by Ethiopia's greatest concert pianist. The event brought us global media coverage. But our impact does not end with our own schools. Our intervention in the public schools of the countries we operate in are equally important. Here, the highlight this year is our Teacher Capacity Building Programme in Rwanda, which is revolutionising learning.

On water, we confirmed our decision to make our Somaliland hafir dams the central means of delivering our water mission. These dams are the traditional large rectangular catchment basins to which we add a high-quality plastic geomembrane. By the end of the year, we had 4 such dams with an average size of 40,000 cubic meters, and a fifth one was under construction.

On productivity and employment, on the one hand, we strengthened our commitment to the fight against non-communicable diseases (NCDs) by creating an NCD centre at Hargeisa hospital, reaching more than 67,000 people through mass awareness campaigns in Somaliland and 750 in Kenya. On the other, we continued to develop our Technical Vocational Education and Training centre in Hargeisa, with the offer of a new course on Gypsum Board Decoration and we saw 73 students graduate, with 95% of them finding employment in the space of three months.

On Ventures, in the Amhara region of Ethiopia, our first project, which is a processing facility of speciality oils for the export market, almost completed construction by December 2024. In the same month it was inaugurated ahead of plans to begin commissioning the plant production and sale of speciality oils in 2025. The facility is designed to process 50 tons of oilseeds daily, primarily sesame and niger seeds, with plans to expand capacity. It is located in the state of Amhara. Meanwhile, we also streamlined our activities at Somaliland Ventures by closing down Pharo Construction and focusing on our more profitable Ready-Mixed Concrete business.

At a strategic level, we continue to deliver impact. Our Research, Evaluation and Design (RED) team was starting to set the foundations of rigorous processes for monitoring impact in 2023. These processes have been developed at scale in 2024. We have moved to a position where we can share our unique approach to capturing impact with the world. Three of the RED team's contributions in 2024 have been the generation of a Global Monitoring Framework, an innovative camera monitoring system, and the analysis of its randomised controlled trial results on the learning effects of Somaliland Early Childhood Education (ECE) centres..

Finally, we launched the first-ever Pharo Schools website, which provides a framework to understand the breadth and unified vision of our education offering, whilst also individualising each school's interface with the world through school-specific pages.



Teacher Capacity Building session



Our History

Our current achievements are the culmination of a long and evolving history. The Foundation has gone through various phases, starting with an era of grant-giving in its early conception. Building on the experiences which the Foundation accumulated in its grant-giving phase, the Foundation reached a turning point in 2017, when our Board decided that it wanted the Foundation to be on the ground, operating the projects it invested in. Thus, we adopted an approach centred around 5 pillars. This era allowed us to see which projects had the potential to make the biggest impact, allowing us to strategise for our next steps. Now our current mission-based approach allows us to reach for the moon with ambitious targets and goals.



Play-based learning being implemented at a partner school in Rwanda

Grantmaking Era (2011 - 2016)

Focus: Learning through giving. Activity: Issued grants to organizations like African Education Trust and Windle Trust International Goal: Understand how to make meaningful impact.

Pillars Era (2017 - 2023)

Focus: Structured strategy Strategy: Introduced a 5-pillar approach focusing on: Education - Water - Agriculture - Health

- Ventures (job creation)

Mission Driven Era (2023-Beyond)

Focus: Deep, impact-oriented execution Strategy: A shift to mission-driven operations, signifying maturity, sustainability, and measurable results





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Mission 1: Education

Our mission is to ensure that all students have an opportunity to access a high-quality and affordable education and become productive citizens in a rapidly changing world.

E ducation systems in Africa face many challenges. First amongst them is low enrolment rates. For many families, education-related expenses are too costly, or the need for labour is prioritised over school. Second, even for enrolled children, gaps in school, teacher, and pedagogical quality mean that many children struggle to master the future-oriented skills that they will need to pursue productive lives. Third, even where access to quality education is available, it is often unaffordable. Fourth, despite massive gains in educational outcomes over the past couple of decades, pandemic-related disruptions to schooling have set a generation of African learners back. The World Bank looked at the participation rate of the share of households with children engaged in learning across Burkina Faso, Ethiopia, Malawi, Mali, Nigeria and Uganda, before and after COV-ID. They compared it with the enrolment rate to measure the reduction in learning that could be attributed to pandemic-driven school closures. They found a substantial negative impact from the pandemic, with the differences ranging from 30 to 80 percentage points. With the world's fastest-growing young population, empowering the next generation of Africans with a high-quality and affordable

education is perhaps the most critical and urgent task on the continent today.

We are working towards our mission in two ways. First, at Pharo Schools, we are building and operating an international network of locally relevant and globally competitive schools, covering early childhood education (ECE), primary, and secondary school. The majority of Pharo Schools are private, but we also have partnerships to run programs in public schools. Our goal is to develop students and young adults who will be lifelong learners and locally rooted global citizens. In their pursuit of academic excellence, we encourage them to be curious, respectful, creative and responsible and prepare them to solve 21st century problems. Second, outside Pharo Schools, we are committed to increasing the quality and relevance of education in public schools. For instance, we co-created the Somaliland national curriculum for ECEs with the government of Somaliland. Similarly, our education acceleration programme for public schools in Benishangul-Gumuz Regional State (BGRS) is introducing structured pedagogy and computer-assisted learning to these schools.

Mission 2: Water

Our mission is to ensure that people and communities across Africa have access to a safe and affordable source of water.

A cross the Horn of Africa, multiple years of poor rainfall and high temperatures have killed crops, pasture, and livestock. In some regions, the extended drought, which is now the longest in around 70 years of reliable rainfall records, has brought communities to the brink of famine. As temperatures rise, Somaliland, Somalia, Ethiopia, and Kenya are expected to experience even more frequent and severe drought periods, the effects of which will be magnified by (or will magnify) underlying political and economic vulnerabilities. This trend will place a further strain on the region's limited water resources, exacerbating food insecurity, destroying household assets, displacing populations, and increasing the risk of disease and conflict.

Our water mission is to ensure that people and communities across Africa have access to a safe and affordable source of water. We have already created a network of water infrastructure points and reservoirs, which has reduced the average distance that people have to travel to access water, especially in rural Somaliland. In Ethiopia, we have upgraded the water supply coverage in Assosa town by 8%, while also providing 24-hour water supply to Assosa General Hospital. Beyond providing new water infrastructure, we are now looking to scale up our impact across Africa and provide a systemic solution to water scarcity. Because a systemic solution to water scarcity must also improve the quality and affordability of water, the resolution of the water problem will require the cooperation of partners which have more expertise in solving these specific aspects of the problem.



Mission 3: Productivity

Our mission is to eliminate health, financial and structural barriers to employment and productivity for working people.

A ll programs of Pharo Foundation follow the premise that economic development, measured by GDP growth have a positive impact on the development indicators of the respective community and improve the well-being and dignity of the population. Eventually, Pharo Foundation wants to become the biggest employer in Africa. Pharo Foundation is striving to achieve tangible outcomes, which will be achieved through creation of jobs, strengthening the private sector and investing in entrepreneurs.

Our mission is focused on the creation of jobs and the direct or indirect contribution of these jobs to the overall economy. We recognise that barriers to employment and productivity can manifest in various forms, including education, peace, security, customs, politics, and others. However, by focusing on health, financial, and structural obstacles, we aim to create a conducive environment where individuals can secure gainful employment, contribute meaningfully to the workforce, and achieve their full potential.

African economies face the dual challenges of high unemployment and low productivity. In urban areas, the lack of salaried jobs means that many young, working-age people must decide whether to relocate, work informally, or remain unemployed, resulting in them becoming disenchanted and sometimes violent in the absence of prospects, while depriving cities of what could be a natural engine of growth. Even if salaried jobs exist, job search frictions, skills and knowledge gaps, financial constraints, or health problems, might lead to job mismatches, lowering expected productivity and stalling economic growth.

In rural areas, remoteness means that poor access to healthcare aggravates low productivity from employees' sick days and absences. Obstacles to the smooth functioning of the labour market extend to societal norms, which may for instance limit female workforce participation, or lead to gender-based job segregation, thereby reducing economic efficiency. Failing to address these constraints will hamper long-term economic growth. By 2050, Africa will be home to nearly half of the world's young workers entering the labour force for the first time. Thus, before creating jobs for them, we must remove obstacles to the functioning of the labour market, so that they can enter a market which functions smoothly.

We are working towards our mission goals by focusing on three types of con*straints:* (1) *structural;* (2) *financial; and* (3) health.

In terms of structural constraints, we have witnessed mismatches between private employer needs and the skills provided by the education system, which exacerbate unemployment. We have also seen persistent pockets of unemployment, particularly in the young unskilled labour force, hence we created a Technical and Vocational Training Centre in Hargeisa, Somaliland, to address these problems. We focus the training on subjects that could lead to direct employment after training, such as solar electrical training, painting and decorating, or plumbing. Graduates are given placements in private companies to facilitate access to formal employment.

Meanwhile, the lack of urbanisation in rural Ethiopia has limited farmers' access to financial services, storage facilities and transportation of inputs and technologies. Hence, we created a four-year diminishing subsidy initiative, over which an investment of approximately USD 500 per farmer is channelled towards the distribution of improved seeds, fertilisers, and customised training sessions. In health, we have created joint diagnostic and clinical services in Benishangul-Gumuz, which facilitate illness treatment as the first step towards a more productive labour force.



Pharo TVET - Electrical training practical lesson





Pharo TVET - Plumbing practical session Phar



Pharo TVET - Plainting

Below, for each mission, we will track the quantitative and qualitative progress made over the year and the milestones achieved on the way to mission completion. MISSION ACHIEVEMENTS IN 2024

Mission Achievements in 2024

Mission 1: Education

By the end of 2024, we had 4,750 students across 4 countries and 8 schools. It is undoubtedly a challenge to create a uniform education approach across such different contexts, but we have made a lot of headway in this direction, whilst preserving local colour. Whether we look at the diversity of ages, language, socio-political contexts, or remoteness, our schools are addressing complex challenges on a daily basis. First and foremost, we have affirmed our commitment to excellence in Science, Technology, Engineering and Mathematics (STEM). This is particularly evident in the partnership we have kicked off at Pharo School Nairobi with Code.org, which is a non-profit dedicated to expanding free accessto computer science and Artificial Intelligence education throughout the world. We have signed an agreement with them to develop connections, train our educators, and raise awareness via an Hour of Code Event and video. This collaboration in the context of Pharo School Nairobi is a pilot, which we will be looking to extend in our other countries of operation if it proves successful with Code.org and other organisations. We are determined to equip our pupils with the tools to become the technology shapers of tomorrow, not the technology takers, as in those who merely utilise artificial intelligence and will eventually be replaced by it.

Second, we remain determined to providing a global education that is locally rooted. This starts with the creation of opportunities for our students to engage with global counterparts in the rest of the world. For example, we have continued our initiative of weekly English conversation sessions between Sheikh School pupils in Somaliland and Latymer Upper pupils in London. Similarly, we have continued to run English conversation sessions between Homosha school pupils and staff members from Pharo Management in London. But the ultimate global exposure comes from our continued volunteer programme, whereby



Students and concert pianist with new piano – Pharo School Homosha

Pharo Management staff volunteers visit Sheikh or Homosha for a period of two weeks, and the exchange between their contrasting world views and realities is an education in itself. Meanwhile, we are ensuring that what makes our pupils distinctive, i.e. their unique culture and traditions, flourishes at our schools. This happens partly as a result of their Pharo School's engagement with the local community. For instance at Somaliland's Sheikh school, senior students taught English lessons at a nearby boarding school and teachers from local schools were invited to join professional development sessions and community elders met with the school administration to discuss ways to strengthen school-community collaborations, which permeates our pupils' educational experience. We also understand that critical thinking is only possible when the individual blends cultural norms with the ideas they retain from the other/the foreign, to form the mix that makes them unique. Our Pharo Schools are providing an ever stronger framework that enables pupils to become such critical thinkers.

Our Pharo Schools in Ethiopia have outperformed, by attaining a 100% passing rate in the national exams at both Grade 8 and Grade 12. For reference the Grade 12 national average passing rate is between 4 and 6%. Still in Ethiopia, another highlight was the donation of an upright piano to Homosha School by staff from Pharo Management UK and Pharo Foundation UK. As the Foundation does not engage in fundraising, this was a unique, staff-led initiative, with funds raised through a concert organised by musically gifted members of our joint staff and their families. We even managed to create a joint choir for this purpose! We succeeded in raising £4.3k which went towards the purchase and shipping of the piano to Ethiopia, where pianos are rarer than gold, as we discovered. We then hosted a concert at Pharo School Homosha in September by Ethiopia's greatest concert pianist, Girma Yifrashewa, who usually performs at Carnegie Hall and the Wigmore Hall. The event and uniquely uplifting story brought us global media coverage from the Guardian, Voice of America and Kenya's Business Daily.

In Somaliland, Pharo Primary School approached Qur'an schools which operate in the morning, offering students the opportunity to join Pharo's afternoon school while continuing their Qur'anic studies. This initiative has been well-received by the community. The KG school continues to operate at full capacity, with a waiting list for potential openings. The school also offers scholarships to children from SOS Children's Villages and the Hargeisa orphanage center (HOC), though these students often face challenges in meeting the academic requirements. The Hargeisa orphanage center has made significant progress this year, working hard to integrate its students into the school.

The start of the new academic year saw significant changes in leadership. The Somaliland Kindergarten and primary school has transitioned from having two headteachers who shared responsibilities for the primary school, to appointing a dedicated



principal who oversees both the KG and primary school. A new headteacher has also been appointed to manage the afternoon session, a role created to accommodate the growth of the afternoon school.

As a result, Pharo KG and Pharo Primary School now have four headteachers reporting to one principal. At our Sheikh secondary school, in 2024 there were 258 students in the school, divided into 184 males (71%), 74 females (29%). This academic year, we were pleased to see that over 40% of the students who passed the entrance exam were female. To further promote gender parity, we implemented a policy ensuring that if a female student declined her place, it would be immediately offered to the next female student on the waitlist. This approach has proven effective, resulting in the proportion of female students in the current intake being twice as high as in previous classes. Meanwhile, the introduction of more rigorous assessments and the enforcement of a zero-tolerance policy for exam dishonesty have played a key role in driving academic improvements. In addition, the new principal introduced an initiative to map out the school curriculum more effectively. As part of this effort, the school will pilot a program where students will complete the IGCSE curriculum by the end of Form 2. This adjustment will allow students in Forms 3 and 4 to focus exclusively on the AS curriculum. We believe this approach will enhance AS results, as one of the key challenges in the past has been the limited time students had to prepare for the AS exams. This challenge not withstanding, nine students from the 2023 graduating class were awarded fully funded undergraduate scholarships. Eight have enrolled and are in their first or second semester. Sadly, some of them who gained acceptance from U.S. universities were denied a visa for political reasons and had to take up a place at other less prestigious universities. Finally, it is worth noting that Sheikh was approved as an SAT test center in 2024 and a Pearson exam center. On the Pearson front, over 500 students registered. Our hosting of the Pearson centre is a life-changing window that is an opening into the world for Somaliland secondary pupils.

Outside our branded Pharo Schools, our path breaking contribution to Early Childhood Education in Somaliland at large continues, quite rightly so given the pivotal role it plays in nurturing young learners. We educated 1,110 ECE pupils in 2024. Their 2024 International Development and Early Learning Assessment (IDELA) results were quite telling, in terms of the baseline performance of our pupils when they come to our ECEs. While pupils demonstrated strong foundational skills in gross motor development, areas such as fine motor skills, literacy, numeracy, executive function, and socialemotional skills require targeted interventions. Specifically, the assessment revealed that pupils have limited prior schooling experience. Many students struggled with letter identification, print awareness, and written calculations. Challenges were observed in executive function skills like problem-solving and self-regulation. To address these gaps, we implement a comprehensive approach that includes targeted instruction, individualised support and engaging learning activities. From the teacher's standpoint, we also collaborated with the University of Hargeisa, resulting in the training of 29 ECE teachers, setting them on a path to delivering innovative and impactful teaching practices.

At Pharo School Kigali in Rwanda, 2024 was a year of consolidation after H2 2023's setup efforts. We had 161 learners by the end of 2024, with the brunt of our learners in Grade 1, which set a great pace for future growth. Grade 1 now has two streams to accommodate the increasing numbers. We have doubled up on our efforts to bring the two streams to full enrolment capacity. In line with our overall Pharo Schools strategy, we are determined



Play-based learning at Pharo School Kigali

to improve low entry levels of English proficiency through early literacy interventions, bolster STEM performance by addressing learning gaps in maths competency which have been identified in Grade 3, and strengthen teacher training which is one of our many Pharo Schools obsessions.

At Pharo School Nairobi, we remain committed to providing a holistic and high-quality education experience. We have introduced a range of innovative programmes designed to position our learners for future success. Initiatives like the Read Aloud Campaign are helping our students build confidence in their reading, while the Correct Books programme fosters a love for endless writing. Educational trips, literacy programmes, and skills competitions like the BIC Writing Competition, Kenya Music Festival and Speeling Bee, expanded learning beyond the classroom. Ensuring that children from underprivileged backgrounds can still access a high-quality education is a priority for us. Last year, we came up with a framework to award a small number of scholarships at the school. We decided that these scholarships would combine a screening for academic ability with financial need. In collaboration with local authorities, we gathered information on student aptitudes and visited students in their homes to assess financial need. The outcome of the selection was the announcement of winners in early 2025. We have also continued our Stationery Fund, which has been running for the last five years from Playground to Grade 4, relieving parents from the strain of rushing to bookshops each term. For similar reasons, we have decided to provide snacks for all learners to promote equality and ensure that all students receive the same nutritious snacks.

Extending this logic further, it is clear to us that our educational impact cannot end at the gates of our own schools. Our intervention in the public schools of the countries we operate in is equally important, as it ensures that our schools are not islands of excellence with no influence on the development of national educational capabilities. Hence in 2024, we introduced a Teacher Capacity Building Programme in Rwanda, which is revolutionising learning in ECE centres and primary schools. We started with a pilot which was executed across five sectors and 16 schools within Gasabo District, the nation's most densely populated region. Its aim was to train the school teachers in the play-based learning pedagogy which we have developed at Pharo School Kigali. The need to empower teachers with skills and strategies for active learning



Pharo School Nairobi student reading

through play was clear to Pharo Foundation Rwanda, because the traditional teacher-centred practices in the classroom do not allow for the active engagement and participation of all learners. Upon recommendation by the sector leaders, 6 public schools and 6 community based Early Childhood Development Centres were selected to participate in the pilot, alongside 4 private schools. We also identified a need for nationwide advocacy on effective implementation of playbased learning, which is why the programme was implemented in collaboration with Teach Rwanda. 4 mentors were hired and trained towards this effort. We see the training of school leaders as a strategic investment to create lasting positive change and improve educational outcomes in the partner schools. Hence we engaged in customised continuous teacher training on play-based learning, through school-based individualised coaching and mentorship, structured follow-up through lesson observations and leadership training. The strategic implementation aimed to maximise impact by targeting areas of high population density, thereby enhancing the programme's potential for widespread educational advocacy and transformation. Crucially, we have engaged in data collection from both the treatment group - 16 schools - and control groups - 10 schools - with a view to publish a full analysis report in 2025.

Mission 2: Water

On water, the Pharo Foundation continued expanding its network of hafir dams in Somaliland. By year's end, four dams—each averaging 40,000 cubic meters—were operational, with a fifth under construction at Biyo Fadhiisinka to serve 21,000 livestock and 220 households. We also committed to further investment in water storage capacity going forward. Hafir dams, traditional rectangular catchment basins, offer a sustainable, environmentally friendly solution to drought. To improve performance, Pharo has enhanced these structures with high-quality geomembranes to reduce water seepage and extend storage duration.

In 2024, we shifted to a strategy that uses geospatial analysis to guide dam placement—ranking potential sites based on population density, rainwater capture potential, and grazing conditions, while also incorporating local political input and security considerations. This marked a turning point in how we work, enabling us to combine deep community engagement with a more scientific, data-driven approach to project selection.

That said, we are now collaborating with researchers from the University of Massachusetts Amherst to deepen our analysis through satellite imagery. This work aims to identify and evaluate existing water infrastructure, assess its effectiveness in capturing and storing water, and apply demand projections to determine where new dams should be builtor which existing ones should be refurbished-to address water scarcity more cost-effectively. For the first time, we are analyzing satellite data that spans the entire country, enabling a more objective, datadriven approach to site and investment selection, replacing earlier, more opportunistic methods. This scientific foundation also strengthens the longterm investment case for scaling our water strategy, as we build a comprehensive national dataset on Somaliland's water infrastructure.

Pharo Foundation already has strong evidence that its dams are making a significant impact. We've pioneered an innovation known as the "*Camel Cam*," a computer vision system that uses high-resolution video linked to object detection algorithms to track both the number of users and the volume of water extracted from each dam. This allows us to monitor usage by humans and livestock in near real time. At our Illinta dam, located in an area that has experienced a 56.5% loss in livestock over the past four years, the *Camel Cam* recorded 21,399 human visits and 223,431 livestock visits between November 2022 and March 2024. That translates to an average of 1,337 human and 13,965 livestock visits per month. Given that Somaliland has an exceptionally high livestock-to-human ratio, the potential impact on livelihoods is clear. Importantly, the data also reveals a strong seasonal pattern: dam usage spikes during dry periods as other water sources disappear. This underscores the critical role our dams play in safeguarding water access and livelihoods during times of scarcity.

Thanks to the *Camel Cam*, the Pharo Foundation has clear evidence that its hafir dams are delivering real results. But while effective, building two dams per year is not enough to solve Somaliland's water scarcity crisis. Each dam costs approximately USD 500,000, and with a current budget of USD 1 million annually, we can only fund two new sites per year. Solving this challenge at scale will require broader collaboration. That's why we are actively seeking partners to help us scale a proven, high-impact solution, not just across Somaliland, but in droughtaffected regions beyond, where the need is just as urgent.

also Beyond Somaliland, Pharo Foundation delivered high-impact water initiatives in Kenya and Ethiopia. In Kenya, we responded to the May 2024 floods with a relief drive in partnership with the Mathare Social Justice Centre, matching public donations to support over 100 families affected by the flooding in Nairobi. In Ethiopia, we launched solar-powered water projects in April across five kebeles (Homosha, Shaga, Tumet Aziz, Undulu, and Alahamer) in the Benishangul-Gumuz region. These systems include deep wells, elevated reservoirs, extensive pipelines, and multiple community water points, and now provide safe, sustainable water to over 25,000 people. Solar panels and pumps ensure reliable access, even in off-grid areas. This work was delivered in partnership with Grundfos. Across all our project sites, we also prioritize water access for clinics and schools, recognizing that clean, reliable water is essential for improved health services and a safe, supportive learning environment.

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Shanshacade dam construction progress



Our solar-powered water systems in Benishangul-Gumuz

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Mission 3: Productivity

Our mission to remove obstacles to productivity and employment has continued to be delivered through two means: the reduction of ill-health and the facilitation of the transition from education to employment. On the one hand, we strengthened our commitment to the fight against noncommunicable diseases (NCDs), as we have identified them as a silent and under-diagnosed killer in our countries. We opened a new NCD centre at Hargeisa Hospital as public service to the Hargeisa city. 12,000 people have been screened since inception 16 months ago, 271 health workers trained, and 67,948 people reached through mass awareness campaigns. Similarly, in Kenya we embarked on a mission to raise awareness about diabetes and the importance of early detection through a comprehensive screening camp initiative in November. The campaign was part of our commitment to enhance community health and fostering impactful engagements within Komarock, Kayole, Umoja, Donholm, and Saika. Through our collaboration with Komarock Modern Hospital, we provided free screenings for blood sugar levels, blood pressure, Body Mass Index (BMI), and general wellness. Alongside the health screenings, we facilitated lifestyle improvement discussions to

empower attendees with actionable knowledge on improving their quality of life, thereby reaching 750 patients.

On the other hand, with a view to continue facilitating the transition from education to the world of employment, we further developed our Technical Vocational Education and Training centre in Hargeisa, with the offer of an additional course of Gypsum Board Decoration and we saw 73 students graduate for 633 applicants, with 95% of them finding full-time employment in the space of three months. One particularly uplifting story on this front is that the Hargeisa Water Agency advertised for 5 plumbers at the end of 2024, received 34 applications, of which 13 were our graduates. Our graduates secured four of these positions, which is a great milestone and a testament to the guality of our training programmes. Looking ahead, we want to think of ways to tie our certification to specific employment opportunities, given our emphasis on helping individuals put their education to good use from the cradle to the ultimate career reinvention. In Somaliland, we have explored how a collaboration with the Hargeisa Technical Institute could be shaped to produce such an outcome.



NCD testing in Assosa

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PHARO VENTURES

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Ventures

Ventures are the ultimate embodiment of our third mission of employment and productivity, because their purpose is African job creation and the capturing of economic value in Africa. This year, we have made a lot of strategic headway on conceptualising Ventures, which is a prerequisite to launching production and going into action mode in 2025.

As a social impact-driven organisation looking for both social and financial return, Pharo Ventures has always been committed to investing in sectors that will bring transformational changes to value chains and underserved communities. But one of the conclusions from 2024 was the idea that we need to prioritise sectors that will help us achieve our employment and productivity mission by tapping into our countries' competitive advantages.

Ethiopia

In particular, Ethiopia benefits from a large supply of arable land, water, suitable weather conditions and labour. Hence Ventures Ethiopia is developing an agri-business portfolio called Pharo Agro, which harnesses the circular economy and minimises food waste, by investing in backward and forward integration across the agricultural value chain. Its first project, which is a processing facility of speciality oils for the export market, had almost completed construction by December 2024. In the same month it was inaugurated ahead of plans to begin commissioning the plant for production and sale of speciality oils in 2025. The facility is designed to process 50 tons of oilseeds daily, primarily sesame and niger seeds, with plans to expand capacity. It is located in the state of Amhara. The Pharo Agro portfolio is unique in many ways:

1. It is built on direct and continuous engagement with producers

Because equality begins at the input and farm level, our oil processing plant uses the best raw materials, which are sourced ethically from suppliers. In 2024, we signed a Memorandum of Understanding (MoU) with over 7,000 smallholder farmers involving 3 unions and 3 commercial farms, to source quality raw materials. 15% of them are women. We are building a robust supply chain that will prioritize quality and traceability throughout our sourcing work, and are developing a seed multiplication centre, supporting local farmers and ensuring sustainability across the supply chain.

Our partnership with smallholder farmers facilitates access to inputs and linkage with financial institutes, which can in turn facilitate affordable credit for our partner small holder farmers. It also facilitates agronomy support, as Ethiopia Ventures has also signed an MoU with Gondar University in 2024 to boost crop productivity and enhance suppliers' sustainable agricultural practices.

2. Its product satisfies the demands of a growing consumer base

Our seeds are not refined, ultra-processed seeds. They preserve nutrients in an organic and biodiverse environment. This means that our product offering is well-adapted to the growing niche of healthconscious and environment-conscious consumers. In that sense, our profits are intricately tied to our environmental and social impact because our customer demands it.

3. It includes a regenerative farm

In 2024, we were given 1000ha of farmland towards the development of a commercial regenerative farm, which will be the perfect complement to our oil seed product.



Pharo RMC Somaliland concrete mixer and boom truck



Somaliland Ventures construction vehicle

Somaliland

The other strategic decision which we made on Pharo Ventures, this time in Somaliland was to streamline our activities by closing down Pharo Construction business under Pharo Construction Somaliland Limited (PCL) and focusing on our now profitable Ready-Mixed Concrete business.

In 2024, the PCL completed 7 projects: the Ali Yusuf Building (Commercial), Hersi Building (Residential-Bungalow), Dr Saeed Villa (Residential 2-storey), Sanset Building for DPW (Educational-Uni), Shulac Horn Petro Station (Commercial), Basma Villa (Residential-Bungalow), Hussein Berbera Appartements (Residential – 2 storey apartments). In particular, the SANSET Laboratory, Sheikh University was funded by DP World Berbera. The SANSET Laboratory project has been a pivotal milestone. Despite logistical complexities due to its distance from Hargeisa, the project was successfully managed and executed to high standards, reflecting our expertise in handling large-scale developments in remote locations.

Another key project was Shulac Petro Station. Funded by Horn Petroleum, the Shulac Petro Station project was strategically located, offering immense potential for increasing Pharo Construction's visibility. The importance of this location made it a priority, and its successful completion underscores our ability to deliver impactful projects in key areas. Finally, Dr. Saeed's villa was another important milestone. This luxurious villa, funded by Premier Bank, exemplified our capacity for high-end residential construction. Combining sophistication and functionality, the villa stands as a testament to our proficiency in meeting client expectations for premium developments.

While these PCL projects had their positives, the strategic decision was made to focus on the Ready-Mixed Concrete (RMC) business and divert the use of the existing vehicles and equipment from PCL to a new machine rental business. This allowed for more focus to be put onto the thriving RMC business.

Indeed, in 2024, our Ready-Mix Concrete (RMC) operations continued to deliver strong performance with a total volume of 8,072 cubic meters and sales reaching \$1m. This marks a slight increase in volume over the previous year (2023: 7,415 m³) and represents our highest annual revenue to date. We also set a new record in terms of volume of concrete sold at 8,072 cubic meters. We have seen strong growth momentum since inception, as revenue has risen by more than 550% in the last two years. Our customer base is diversifying, though a few large clients drive the majority of orders. Our biggest customer was Somaliland Hono Group, which made 66 orders of cement for the reconstruction of the Waheen Market, resulting in 4,810 cubic meters of concrete being delivered. Other major customers were Pharo Construction in the context of in-house orders, AA Studio Architects for whom we sourced concrete for a variety of commercial buildings, Hargeisa Theatre and Maan Construction which used our concrete for residential properties. The average customer satisfaction score was an impressive 4.64/5. We also had a 100% order success rate, which showcased our operational consistency and delivery reliability. We also had 22 returning clients and a retention rate of 31.4%.

Research and Evaluation (RE)

Research and Evaluation (RE)

In 2024, the RE team launched Pharo Foundation's first <u>Global Monitoring Framework</u>, (GMF), a comprehensive system that defines how we design, monitor, and evaluate programmes across all sectors. The GMF tracks outcomes at every stage, from early-stage investment decisions to final impact assessments, and produces clear, actionable KPIs for programme teams and leadership. By embedding a consistent, evidence-based approach across our portfolio, the GMF reinforces accountability, supports data-driven decisions, and ensures that we scale what works and adapt what doesn't.

On education, the RE team is leading Somaliland's first randomized controlled trial (RCT) of an Early Childhood Education (ECE) programme, conducted in collaboration with a researcher from UC Berkeley. In a context where ECE enrollment is just 7%, this lottery-based evaluation isolates the impact of attending Pharo Foundation ECE centres from other factors. The results are remarkable: children enrolled

Global Monitoring Framework

An Impact-Driven Approach to Design, Monitoring, and Evaluation

December 2024

in our centres saw an overall developmental gain of +1.07 standard deviations, with exceptionally large improvements in literacy (+1.44 SD) and numeracy (+1.32 SD), and meaningful gains in motor skills and socio-emotional development. These are among the highest ECE impacts recorded in Africa. The study also finds strong spillovers at home, including a significant increase in parental engagement and academic activity. A draft paper is underway for submission to an academic journal, contributing rigorous evidence on cost-effectiveness and the case for scaling quality ECE in low-access settings.

On water, the RE team has pioneered the Camel Cam, a scalable computer vision system that allows us to precisely monitor the impact of our dams and track progress toward our water mission. Installed at three Somaliland dam sites, Camel Cam combines high-resolution video footage with object detection algorithms to provide real-time data on human and livestock usage, including repeat visits. This technology offers a systematic, continuous alternative to traditional manual monitoring methods, such as surveys and enumerator logs, significantly improving the accuracy and efficiency of impact measurement. It also reveals seasonal patterns of reliance and captures the dual role of our dams in serving both local residents and mobile pastoralist communities. Ultimately, Camel Cam strengthens our ability to manage water resources, supports climate adaptation planning, and may even lay the groundwork for innovative financing tools like water credits.



RED team installing an AI camera

STRUCTURE,, GOVERNANCE AND MANAGEMENT

28

Structure, Governance and Management

Governing document

Pharo Foundation is constituted as a company limited by guarantee (Company No. 07678862) and operates under the terms of its Articles of Association. It is registered with the Charity Commission (No. 1143152). Trustees are appointed through an ordinary resolution and serve for a term of three years, with the option to seek reappointment. Current Trustees have been selected for their skills, experience, and alignment with the Foundation's mission. All Trustees receive an induction pack outlining their legal responsibilities and including key governance and policy documents.



Inauguration of our new Assosa office

Organisational structure

Pharo Foundation is a growing organisation, with its Trustees providing regular oversight of its work. The group ownership and control of various entities are outlined in Note 11 of the financial statements.

The Foundation consists of two arms: the non-profit Pharo Development, commonly and externally known as Pharo Foundation in the countries of operation and the for-profit Pharo Ventures. Both are committed to achieving the Foundation's mission, albeit through different approaches. Pharo Development focuses on delivering public goods and implementing not-for-profit projects, while Pharo Ventures invests in private sector initiatives

The Trustees who held office during the period ending 31 December 2024 and up to the date of approval of these financial statements were:

- Mr Guillaume Fonkenell Chairman
- Mr Matthieu Baumgartner
- Mrs Farah Jirdeh Fonkenell
- Mr Nicolas Sagna
- Mr Folorunso Allu (Appointed 6th December 2024)
- Mr Mustafa Jama (Resigned 31st December 2024)

No Trustee received any remuneration for their services, nor held any beneficial interest in contracts

with the Foundation during the year. Trustee expenses are disclosed in Note 8 of the financial statements.

Day-to-day management of the Foundation's operations and implementation of its policies is delegated to the Chief Executive Officer (CEO). In 2024, Guillaume Fonkenell served as Interim CEO while a global search was undertaken for a permanent appointment. This concluded with the hiring of Thomas Mason, who assumed the CEO role in January 2025.

The key management personnel responsible for directing, controlling, running, and operating the charity on a day-to-day basis include the CEO, who is guided by the Trustees. The Executive Team is comprised of the CEO and three senior officers who oversee core operational and strategic functions. These are:

- Chief Executive Officer: Thomas Mason (appointed in January 2025)
- Interim CEO: Mr Guillaume Fonkenell (up to December 2024)
- Chief Financial Officer: Kudzai Munyavi
- Chief Operating Officer: Tim Kasperidus
- Chief Research and Evaluation Office: Ken Lee

Governance Sub-Committees

To strengthen governance and ensure effective oversight, the Trustees have established three core sub-committees. These committees meet ahead of each quarterly Trustees' meeting and are responsible for reviewing matters in greater depth to support well-informed decision-making. Each committee comprises two Trustee voting members, with relevant Executive Team members attending in a non-voting or observer capacity.

Investment Committees

Pharo Foundation has four dedicated Investment Committees (ICs), aligned to the Foundation's core areas: Education, Water, Productivity, and Ventures. These committees assess new programme, investment and project proposals. Only proposals endorsed by the relevant IC are submitted to the full board of Trustees for final approval. The ICs' scope and constitution are summarised as follows:

- **Mandate:** Evaluate strategic fit, budget justification, and potential impact of proposals.
- **Meeting Frequency:** Convened as needed prior to each quarterly Trustees' meeting.
- Membership Composition: Two Trustees

as voting members; non-voting members include project sponsors and members of the Executive.

IC Focus Area	Trustee Voting Members	Non-Voting Members	
Education (M1)	Farah Jirdeh Fonkenell, Nicolas Sagna	Project sponsors, Executive Team	
Water (M2)	Folorunso Allu, Nicolas Sagna	Project sponsors, Executive Team	
Productivity (M3)	Guillaume Fonkenell, Nicolas Sagna	Project sponsors, Executive Team	
Ventures	Guillaume Fonkenell, Folorunso Allu	Project sponsors, Executive Team	

Finance and Audit Committee

This committee provides oversight of the Foundation's financial integrity. It is responsible for reviewing audit outcomes, financial statements, risk management systems, and the effectiveness of internal controls. The committee's scope and constitution are summarised as follows:

- Mandate: Ensures the integrity of the financial reporting, budgeting and audit process and oversees the maintenance of sound internal control and risk management systems
- **Meeting Frequency:** Twice annually typically in Q2 and Q4.
- Membership Composition:
 - Voting Members: Guillaume Fonkenell, Matthieu Baumgartner
 - Non-Voting Members: Chief Executive Officer (CEO), Chief Financial Officer (CFO)
 - Observer: Senior staff members may attend in an observer capacity, where relevant to the agenda.

Talent and Compensation Committee

This committee provides strategic oversight of staff compensation, recruitment, and talent development to ensure that the Foundation attracts and retains high-quality personnel. The committee's scope and constitution are summarised as follows:

- Mandate: Develop compensation strategy, oversee cost of living related pay adjustments, review bonus structures, and advise on retention and recruitment policies.
 - **Meeting Frequency:** Twice annually— typically in Q1 and Q3.
 - Membership Composition:
 - Voting Members: Farah Jirdeh Fonkenell, Matthieu Baumgartner
 - Non-Voting Members: Chief Executive Officer (CEO), Chief Operating Officer (COO), Global HR Director

Statement of Trustees responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable that the United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and the Trustee has taken all the steps that he/ she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

Risk management

The Trustees continuously assess the major risks to which the charity is exposed. As part of this process, the risk management matrix was reviewed and updated in November 2024 to ensure it reflects the evolving internal and external environment in which the Foundation operates.

The risk register identifies 24 potential risks under nine major categories: governance and management, legal and regulatory compliance, investment, operational, financial, external, reputational, impact, and data security. For each risk, the register outlines potential causes and consequences, the controls in place to manage the risk, and a residual risk rating based on likelihood and impact (low, medium or high). The risk register is reviewed by the Finance and Audit Committee and the Board of Trustees at least once annually.

A key change in 2024 was the decision to embed risk management more deeply into operational oversight by the Executive Team to ensure effective and continuous risk management. A new enterprise risk management (ERM) framework is being developed in line with best practices, and this will be in place in 2025. The following remain among the major risks identified, with appropriate controls in place:

Risk Category	Risk Description	Potential Consequences	Mitigation Measures
Legal and Regulatory Compliance	Non-compliance with laws and regulations across jurisdictions	Fines, legal proceedings, reputational damage, or suspension of activities	Annual legal reviews; country-specific legal advice; independent compliance audits where appropriate
Security and Stability	Political or social instability in operating countries	Programme disruption, staff safety risks, asset loss	Regular country-level risk assessments and security plans; comprehensive staff insurance; local emergency protocols
Financial Mismanagement or Fraud	Fraud, financial errors, or weak internal controls	Financial loss, regulatory scrutiny, reputational damage	Strong internal controls; monthly financial reporting and variance analysis; annual external audits; internal audit function starting in 2025
Reputational	Misalignment with stakeholder expectations or poor brand management	Loss of stakeholder trust, negative publicity, reduced influence	Oversight by the Finance and Audit Committee; country- level communications support and brand guidance; consistent stakeholder engagement
Data Security and IT Systems	Data breaches, cyber threats, or failure of digital systems	Loss of sensitive data, service disruption, legal exposure	Multi-factor authentication; data encryption; regular IT security reviews; staff training; oversight by the Global IT team

Fundraising

The Foundation does not actively seek donations from the public therefore it has not registered with the Fundraising Regulator. It does not use the services of any third-party organisation to help in its fundraising activities and no complaints were received about its fundraising activities during the financial year.

Public benefit

All the Trustees are conversant with the Charity Commission's guidelines concerning charities and public benefit and have given consideration to them when assessing the charity's activities. The Trustees believe that they have complied fully with the duty in Section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Commission.

Compliance with Trustees Duties under Section 172(2) Companies Act 2006

Trustees must act in the way they consider, in good faith, would be most likely to promote success to achieve its charitable purposes. The Trustees, in doing so, delegate day to day management and decision-making to the Chief Executive, who, with other key management, is required to act to further its strategy and to ensure that the activities are carried out in compliance with agreed plans and policies. The Trustees receive updates on performance and plans at each Board of Trustee meeting. In carrying out their duties, the Trustees have regards (among other matters) to:

Foster the charity's business relationships with suppliers, customers and others:

Our network of collaborations includes working with various stakeholders such as vendors, individuals' communities and various government sectors in a move to positively contribute towards improving the livelihood of people through increase access to education, agriculture, health and water.

These partnerships are key to our work in Africa. Mutual respect together with transparency, trust and accountability form the basis of our work with others. Overall, our values govern our procurement process and all our suppliers must comply with our code of conduct and principles of our procurement policy.

Carbon Reporting Exemption

Pharo Foundation qualifies for a carbon reporting exemption under the Carbon Reporting (Amendment) Regulations 2018, as our energy consumption within the UK remained below 40,000 kWh during this period. We remain committed to environmental responsibility and will continue to implement sustainable practices to reduce our carbon footprint in line with our mission.

Inclusivity Policy for Disabled Individuals

The Foundation ensures fair consideration for job applications from disabled individuals. We are committed to workplace adjustments, tailored training, and career development opportunities, in line with the Equality Act 2010, to support an inclusive work environment.

Financial Review

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Gel.

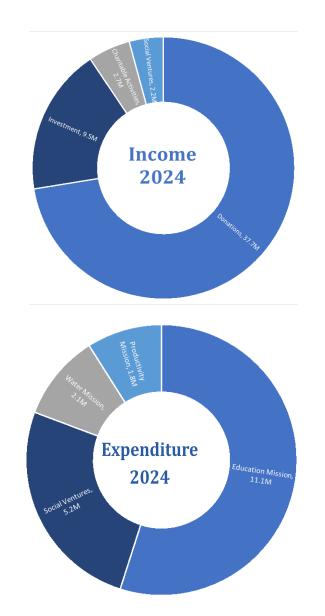
Financial Review

Financial Overview and Resource Allocation

Pharo Foundation (the Group) recorded total income of US\$ 52.1 million in 2024, almost double the amount received in the previous year. This increase was mainly due to a rise in donations and Gift Aid refund, alongside contributions from charitable activities, social ventures, and investments.

Donations amounted to US\$ 37.7 million, significantly higher than in 2023. The increase was driven by a new contribution from individual donors. As in previous years, a large portion of this funding was channelled through Pharo Development Investment Limited (PDIL), which serves as the primary vehicle for distributing profits generated by Pharo Management (UK) LLP. Income from charitable activities rose by 134% to US\$ 2.71 million. This was mainlydue to the first full year of operations at Pharo School Kenya and increased pupil enrolment in both Somaliland and Rwanda. Social ventures trading income reached US\$ 2.19 million, reflecting growth mainly in Pharo Construction Somaliland's Ready-Mix Concrete business unit which had improved operations and revenue growth. Investment income for the year totalled US\$ 9.46 million, compared to US\$ 23.01 million in 2023. The decrease was due to a lower profit share from Pharo Management (UK) LLP which totalled US\$ 7.80 million for the year. A total of US\$ 1.65 million was earned as interest from money market investments of funds at hand.

Spending on the Education Mission increased to US\$ 11.1 million, mainly due to the expansion of the school network, including higher running costs associated with new and growing schools. Water Mission expenditure decreased to US\$ 2.1 million, following the completion of several large infrastructure projects in Ethiopia that were ongoing in the previous year and projects whose



implementation was pushed back to 2025 financial year. The Productivity Mission recorded expenditure of US\$ 1.8 million, slightly lower than in 2023. This was mainly due to the completion of agricultural activities during the year. Ventures-related expenditure rose by 53% to US\$ 5.22 million including cost of sales and operating expenses. This was due to increased activity in Somaliland through Pharo Construction, and the ongoing set-up of a new edible oil production plant in Ethiopia.

During the year, Ethiopia experienced a devaluation of the birr (ETB). The Foundation was not materially affected, as it does not maintain substantial cash holdings in local currency. Funds are mainly held in USD and transferred to Ethiopia as required. This approach helped reduce exposure to currency losses. Local budgets were reviewed to reflect exchange rate movements and operations continued without major disruption. Overall, the Foundation is now receiving a market value per each USD funding, hence the cost of doing business has gone significantly down.

As of 31 December 2024, the Group's unrestricted funds totalled US\$ 65.2 million. Of this amount, the net book value of tangible and intangible assets was US\$ 11.4 million. Additionally, US\$ 1.8 million was held

as impact investments. The Trustees also designated US\$ 48.4 million for future programme activities, leaving a general unrestricted funds balance of US\$ 16.8 million.

Overall, the Group's operations continued to strengthen in 2024, with steady progress across our mission areas. We delivered a full year of operations at Pharo School Nairobi and saw increased enrolment in our schools in Somaliland and Rwanda. The Foundation remains focused on programme quality, operational effectiveness and efficiency, and sound financial management to support its mission in the years ahead.

Investment policy

Pharo Foundation or the Group had an investment portfolio valued at US\$ 1.8 million as of 31 December 2024 (2023: US\$ 1.8 million). In the charity's standalone financial statements, total investments were recorded at US\$ 16.2 million (2023: US\$ 12.1 million), the majority of which represents shares issued to its subsidiaries. The Foundation's investment objective is to build social ventures and invest in companies that create jobs and economic value. These investments provide insights into African operating environments and opportunities, aiding the advancement of the Foundation's charitable objectives.

The Trustees possess significant investment experience and expertise. They conduct thorough due diligence and carefully evaluate each investment proposition in both financial and mission-related terms before making an investment decision. The performance of investments is monitored periodically by the Trustees.

Over the past 12 months, the value of the unlisted impact investment portfolio has remained unchanged. The increase in investments in subsidiaries to US\$ 14.4 million in 2024 (2023: US\$ 10.3 million) reflects additional capital contributions made by the Foundation to support the development and expansion of its social ventures.

Reserves policy

Pharo Foundation has committed to several charitable programmes, projects, social ventures and grants with ongoing financial commitments. Accordingly, the Trustees monitor the level of reserves throughout the year to ensure the Foundation can meet its ongoing financial commitments and wider operational obligations.

At Group level, designated reserves stood at US\$ 48.1 million as at 31 December 2024 (2023: US\$ 13 million), while the Foundation's standalone designated reserves totalled US\$ 58.2 million (2023: US\$ 36.5 million). These balances include funds allocated for future programme delivery, mission-aligned investments, and an operational reserve US\$ 15 million to cover 12 months of operating cash needs. Further detail is provided in Note 17 to the financial statements.

General funds are those not yet committed and are therefore available for future programme spending or to support new opportunities.

Approved by the Trustees and signed on their behalf by:

9. Fonkenell

Mr Guillaume Fonkenell, **Trustee – Chairman** Approved by the Trustees on: 24 June 2025

For the year ended 31 December 2024

For the year ended 31 December 2024

Independent auditor's report to the member of Pharo Foundation

Opinion

We have audited the financial statements of Pharo Foundation (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which the comprise the group statement of financial activities, the group and charitable parent company balance sheets and statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 December 2024 and of the group's income and expenditure for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial 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 group and charitable parent 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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

For the year ended 31 December 2024

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

For the year ended 31 December 2024

Auditor's responsibilities for the audit of the financial statements

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

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

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:

- The engagement partner ensured that the engagement team, and the component auditors of the group, collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- We identified the laws and regulations applicable to the group and charity through discussions the component auditors within the group, with management and representatives of those charged with governance and from our knowledge and experience of the sector in which the group operates. We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Companies Act 2006, the Charities Act 2011, the Charities SORP, anti-bribery, employment, safeguarding principles. We considered the impact of the international nature of the charity's operations on its compliance with laws and regulations.

We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and those responsible for legal and compliance procedures and a review of minutes of Trustees' meetings.

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

- Making enquiries of management and representatives of those charged with governance as to where they considered there was susceptibility to fraud,
- Making enquiries of management and representatives of those charged with governance as to their knowledge of actual, suspected and alleged fraud;
- Making enquiries of auditors of overseas components as to as to their knowledge of actual, suspected and alleged fraud and where they considered there was susceptibility to 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.
- Identifying and testing journal entries, particularly any journal entries posted with unusual characteristics.

For the year ended 31 December 2024

- Tested the authorisation of expenditure.
- Assessed whether judgements and assumptions made in determining the accounting estimates 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 Trustees;
- Enquiring of management and representatives of those charged with governance as to actual and potential litigation and claims; and
- Enquiring of auditors of overseas components as to actual and potential non-compliance with significant laws and regulations.

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 noncompliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees 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.

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.

Use of our report

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

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Peter Mackereth (Senior Statutory Auditor) For and on behalf of Buzzacott Audit LLP, Statutory Auditor 130 Wood Street London EC2V 6DL Date: 25 June 2025

Consolidated Statement of Financial Activities

(For the year ended 31 December 2024)

		Group 1 Jan 2024 to 31 Dec 2024	Group 1 Jan 2023 to 31 Dec 2023
	Notes	US\$	US\$
Income from:			
Donations and legacies	1	37,742,689	59,627
Charitable activities	2	2,710,749	1,157,084
Social ventures trading	3	2,192,583	1,584,403
Investment	4	9,459,471	23,008,123
Total income		52,105,492	25,809,237
Expenditure on:			
Social ventures trading	5	5,220,543	3,417,452
Charitable activities	6	15,002,118	14,899,302
Total expenditure		20,222,661	18,316,754
Minority interests		243	169
Net income before investment gains	_	31,883,074	7,492,653
Net income		31,883,074	7,492,653
Other recognised gains/losses (Losses) on foreign exchange		(4,389,687)	(438,858)
Net movement in funds	7	27,493,387	7,053,795
Total funds brought forward		37,727,288	30,673,493
Total funds carried forward		65,220,675	37,727,288

All income and expenditures for the current and prior year are unrestricted. Pharo Foundation has no recognised gains or losses other than those shown above.

Statement of Financial Position

(As of 31 December 2024)

					Restated
		Group	Group	Foundation	Foundation
		2024	2023	2024	2023
	Notes	US\$	US\$	US\$	US\$
Fixed assets					
Tangible assets	9	10,323,748	11,186,710	6,712,191	7,044,477
Intangible assets	10	1,135,033	791,321	1,135,033	791,321
Investments	11	1,804,766	1,804,766	16,187,518	12,128,605
Debtors due after one year	12	205,504	81,074	205,504	81,074
	-	13,469,051	13,863,871	24,240,246	20,045,477
Current assets					
Inventory	13	76,878	105,101	44,632	89,388
Debtors due within one year	14	4,677,021	1,787,152	3,626,412	939,903
Cash at bank and in hand		49,343,874	24,398,460	48,777,378	22,496,885
	-	54,097,773	26,290,713	52,448,422	23,526,176
Creditors: amounts falling due					
within one year	15	(2,173,566)	(2,426,806)	(1,580,205)	(1,836,573)
Net current assets		51,924,207	23,863,907	50,868,217	21,689,603
Non current liabilities					
Creditors: amounts falling due after one					
year	16 _	(172,252)	-	-	-
Total net assets		65,221,006	37,727,778	75,108,463	41,735,080
Minority interests	_	(330)	(490)	-	-
Net assets attributable to Group	-	65,220,676	37,727,288	75,108,463	41,735,080
Funds of the charity:					
Unrestricted Funds					
- General funds		17,035,708	24,735,814	16,826,732	22,561,985
- Designated funds	17	48,184,968	12,991,474	58,281,731	19,173,095
	-	65,220,676	37,727,288	75,108,463	41,735,080

Approved by the Trustees of Pharo Foundation, Company Registration No. 07678862 (United Kingdom) and Charity Registration No.1143152 (England and Wales) and signed on their behalf by:

9. Fonkerell

Mr Guillaume Fonkenell, **Trustee - Chairman** Approved on: 24 June 2025

Statement of Cash Flows

(As of 31 December 2024)

	Group 1 Jan 2024 to 31 Dec 2024 US\$	Group 1 Jan 2023 to 31 Dec 2023 US\$
Cash flows from operating activities:		
Net cash (used in) operating activities	20,340,464	(14,332,089)
Cash flows from investing activities:		
Income from investments	9,459,471	23,008,123
Purchase of tangible fixed assets	(4,322,368)	(6,906,292)
Purchase of intangible fixed assets	(286,653)	(804,733)
Net cash provided by investing activities	4,850,450	15,297,098
Cash flows from financing activities:		
Cash inflows from new borrowing	279,799	-
Net cash provided by / (used in) financing activities	279,799	-
Change in cash and cash equivalents in the reporting period	25,470,713	965,009
Cash and cash equivalents at 01 January 2024	24,398,460	23,296,985
Change in cash and cash equivalents due to exchange rate movements	(525,299)	136,467
Cash and cash equivalents at 31 December 2024	49,343,874	24,398,460

Analysis of changes in net debt	Group 1 Jan 2024 US\$	Cash flows US\$	Foreign exchange movements US\$	Group 31 Dec 2024 US\$
Cash at bank and in hand	24,398,460	25,470,713	(525,299)	49,343,874
Loans falling due within one year	-	(107,942)	396	(107,547)
Loans falling due after more than one year	-	(172,886)	634	(172,252)
Total	24,398,460	25,189,885	(524,270)	49,064,075

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

	Group	Group
	1 Jan 2024 to	1 Jan 2023 to
	31 Dec 2024	31 Dec 2023
	US\$	US\$
Net income for the reporting period		
(as per the statement of financial activities)	31,883,074	7,492,653
Adjustments for:		
Finance cost / Interest expense	2,930	-
Depreciation charges	1,154,008	961,124
Amortisation of Goodwill	106,786	13,412
Disposal of fixed assets	-	3,467
Income from investments	(9,459,471)	(23,008,123)
Decrease (Increase) in Inventory	28,223	57,982
(Increase) in debtors	(3,014,299)	(607,651)
Increase in creditors	(360,787)	755,047
Net cash used in operating activities	20,340,464	(14,332,089)

(As of 31 December 2024)

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

These financial statements have been prepared for the year to 31 December 2024. The financial statements are presented in US Dollar and are rounded to the nearest Dollar.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Companies Act 2006 and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

Basis of consolidation

The Consolidated Financial Statements incorporate the results of the charity and its subsidiaries, as listed at **note 11,** for the year ended 31 December 2024. The acquisition method of accounting has been adopted. Under section 408 of the Companies Act 2006 and the SORP, Pharo Foundation is exempt from the requirement to present its own Statement of Financial Activities.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances. The Foundation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The items in the financial statements where significant judgements and estimates have been made include:

Estimating the useful economic lives of fixed assets

The assets of the Foundation are primarily held overseas. The useful economic life of certain assets, applied for the purposes of calculating depreciation, have therefore been assessed as being shorter than that which would ordinarily be applied to the same asset class located in the UK. This is due to the difference in the accounting standards applicable across different jurisdictions.

Determining the value of assets granted from overseas Governments

The Foundation has been granted the use of certain assets by overseas governments to support the delivery of its charitable programmes. While legal ownership of these assets remains with the respective governments, the Foundation assumes the risks and rewards of usage for the duration of the agreements. These assets are provided under long-term, non-commercial arrangements that do not confer rights of disposal or financial gain. As such, and due to the absence of a reliable method for measuring their fair value under the specific terms granted, no value has been recognised in the financial statements.

The Foundation continues to derive operational benefit from these sites in the course of delivering programme activities. Their use is periodically reviewed as part of broader risk and asset management processes. Expenditure on improvements to these sites is capitalised in accordance with the Foundation's

(As of 31 December 2024)

accounting policy for tangible fixed assets, where the criteria relating to control, future economic benefit, and reliable measurement are met.

Goodwill Amortisation

The Foundation made an acquisition of assets and paid an amount exceeding the fair value of the net identifiable assets, resulting in goodwill. This goodwill is amortised over a period of 10 years, reflecting the estimated useful life over which the economic benefits are expected to be derived.

The valuation of unlisted investments

The group holds unlisted investments in three companies. These are included in the financial statements at fair value, using a quoted market price or evidence of recent transactions. If fair value cannot be measured reliably investments are measured at cost less impairment. The trustees have made the following assessment in relation to each holding.

- **Pharo Management (UK) LLP**: In the absence of readily determined and reliable fair values at the year end, this investment has been held at cost less impairment. The trustees have determined the value of these investments to not be impaired.
- **Lynk:** In the absence of readily determined and reliable fair values at the year end, this investment has been held at cost less impairment. The trustees' assessment of the impairment on this investment was as a result of financial performance information provided to shareholders.
- New Forest Company: In the absence of a readily determinable fair value at the reporting date, this investment continues to be held at cost less impairment. The valuation is informed by management's assessment of the most recent observable events, including historic rights issues and debt restructuring exercises. Although these events occurred in prior periods, they continue to represent the latest available indicators of value. No further changes in fair value have been identified during the current reporting period.

Impairment of Investments in Subsidiaries

Determining whether investments in subsidiaries are impaired is a matter of significant judgment and subject to estimation. In assessing whether there is any indication of impairment of investments in subsidiaries, the Trustees calculate the recoverable amounts from such investments based on the conditions and business plans for the subsidiaries at the date of these separate financial statements. This involves evaluating the financial health, future prospects, and operational performance of the subsidiaries.

Determination of overseas operations as a branch or subsidiary

The Group operates in and has a locally registered presence in overseas countries, as detailed in the trustees' report. The legal structures available for these operations vary between countries. For the purposes of these financial statements the trustees have made an assessment of whether the locally registered presence should be classified as a branch or a subsidiary by aligning the local registration type with the most comparable format of registration under UK laws.

Other judgements applied by management include:

- Determination of the appropriate exchange rates to use in the translation of foreign currencies; and
- Estimates in respect of accrued expenditure

Going concern

The Trustees have assessed the appropriateness of the going concern assumption in preparing these financial statements. This assessment has been made for a period of at least twelve months from the date of approval of the financial statements.

(As of 31 December 2024)

The Trustees are satisfied that there are no material uncertainties that cast significant doubt on the ability of the Foundation to continue as a going concern. The Foundation remains in a strong financial position, supported by substantial unrestricted reserves that are sufficient to meet its planned programme and operational commitments.

While the Foundation operates in a region where political and economic challenges—such as inflationary pressures and security risks—are an ongoing consideration, the Trustees are confident that these factors do not materially affect the Foundation's ability to continue its activities. The organisation's diversified programme portfolio, prudent financial management, and level of reserves provide a stable platform for ongoing operations.

Income

Income is recognised in the period in which the charity has an entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Donations, including amounts received under Gift Aid, are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable.

Income from charitable activities is recognised in the period in which the service is provided. Where income is received in advance of meeting any performance-related conditions, and there is no unconditional entitlement to the income, it is recognised as deferred and included in creditors as deferred income until the performance conditions are met.

Income from investment is received from PDIL. It is measured at the fair value of the consideration received or receivable, excluding any discounts or rebates.

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

Construction income from social ventures applies percentage of completion ("PoC") of the contract to estimate the revenue to be recognized during the year. The stage of completion of a contract may be determined by a variety of ways. Depending on the nature of the contract, revenue is recognised as contractually agreed technical milestones are reached, as units are delivered or as the work progresses.

Expenditure

Liabilities are recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is inclusive of irrecoverable VAT. All expenditure is accounted for on an accrual basis.

Expenditure comprises the following:

- Social ventures' trading expenditure includes direct and indirect costs such as salaries, overheads, and governance costs incurred by the Pharo Ventures companies within the Group.
- Charitable activities include the salaries, overheads, governance costs, and grants payable associated with the furtherance of Pharo Foundation's objectives.
- Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all related conditions.

(As of 31 December 2024)

Tangible fixed assets

All tangible fixed assets costing more than \$200 and with an expected useful life exceeding one year are capitalised. Assets are depreciated when they are brought into use. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

IT equipment Intangible assets Furniture and fittings Motor Vehicles Plant and Machinery Building Leasehold Improvement Leased Land Freehold Construction in progress 3 years estimated useful life 3 years estimated useful life 3 years estimated useful life 2 to 5 years estimated useful life 5 years estimated useful life 20 years estimated useful life 3 to 5 years estimated useful life Over lease period No depreciation No depreciation

Construction in progress comprises of partial completed proportion of the buildings measured at cost.

Intangible Assets

All intangible assets costing more than US\$200 and with an expected useful life exceeding one year are capitalised. Intangible assets are amortised from the point at which they are available for use. Amortisation is charged on a straight-line basis over the estimated useful life of the asset as follows:

Goodwill	10 years estimated useful life
Software	3 to 5 years estimated useful life
Websites	3 years estimated useful life
Work in Progress	Not amortised

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquired entity at the date of acquisition. It is initially recognised at cost and subsequently measured at cost less accumulated amortisation and impairment losses. Goodwill is amortised over a period of ten years on a straight-line basis. It is also subject to annual impairment review, and any impairment losses identified are recognised in the statement of financial activities and are not reversed in future periods. Gains and losses on the disposal of a subsidiary or business include the carrying amount of goodwill relating to the entity sold.

Intangible work in progress comprises costs related to intangible assets under development and not yet available for use. These are held at cost and are not amortised until the asset is complete and ready for its intended purpose.

Investments

Investments other than subsidiaries are included in the financial statements at fair value, using a quoted market price or evidence of recent transactions. If fair value cannot be measured reliably investments are measured at cost less impairment. Gains and losses are recognised in the statement of financial activities. Investments in subsidiaries are held at cost, less any impairment charges.

Foreign currencies

Assets and liabilities in other currencies are translated into US\$ at the rates of exchange ruling at the balance sheet date. Transactions in other currencies are translated into US\$ at the rate of exchange ruling at the date of the transaction. The income statements of subsidiaries in other currencies are translated at

(As of 31 December 2024)

average rates of exchange. Exchange differences are taken into account in arriving at the net movement in funds.

Although the functional and presentational currency, as stated above, is US\$, Pharo Foundation is a UK based charity and certain provisions of legal and regulatory requirements and the charity's operating policies are stated in British Pounds (£). Within these financial statements, amounts relating to these specific requirements have also been stated in British Pounds (£).

The source of the foreign currency conversion is provided by XE.com.

Operating leases

The costs of operating leases are charged to the statement of financial activities on a straight-line basis over the life of the lease.

Debtors

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund accounting

All of the charity's and the group's funds received to date have been unrestricted.

The general fund comprises those monies that may be used towards meeting the charitable objective of the charity at the Trustees' discretion.

The designated fund comprises monies set aside out of unrestricted general funds for specific future purposes or projects. The details of the specific designations made are detailed at **note 17.**

Taxation

The taxation status of the group and it's subsidiaries are disclosed in **note 18.** The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

(As of 31 December 2024)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Restatement of comparative balances

The comparatives have been reinstated regarding the charity investments. Further details are provided in Note 23.

(As of 31 December 2024)

¹ Donation and legacies

	Group	Group
	1 Jan 2024 to	1 Jan 2023 to
	31 Dec 2024	31 Dec 2023
	US\$	US\$
Donations	37,742,689	59,627
	37,742,689	59,627

2 Income from charitable activities

	Group	Group	
	1 Jan 2024 to	1 Jan 2023 to	
	31 Dec 2024	31 Dec 2023	
	US\$	US\$	
Pharo school	2,437,386	917,332	
Pharo laboratories	125,762	91,551	
Other income	147,601	148,201	
	2,710,749	1,157,084	

³ Income from social enterprise trading

	Group	Group
	1 Jan 2024 to	1 Jan 2023 to
	31 Dec 2024	31 Dec 2023
	US\$	US\$
Pharo Construction income	2,192,583	1,584,403
	2,192,583	1,584,403

4 Income from investments

	Group	Group	
	1 Jan 2024 to	1 Jan 2023 to	
	31 Dec 2024	31 Dec 2023	
	US\$	US\$	
Profit share from Pharo Management (UK) LLP	7,804,603	22,008,124	
Bank interest	1,654,868	999,999	
	9,459,471	23,008,123	

⁵ Expenditure on Social Ventures Trading

	Group	Group	
	1 Jan 2024 to	1 Jan 2023 to	
	31 Dec 2024	31 Dec 2023	
	US\$	US\$	
Costs of Sale Social Ventures Group of companies	2,349,811	2,091,722	
Operational costs from the Social Ventures Group of companies	2,761,761	1,241,153	
Governance costs	108,971	84,577	
	5,220,543	3,417,452	

(As of 31 December 2024)

6 Expenditure on charitable activities

	Group	Group 1 Jan 2023 to
	1 Jan 2024 to	
	31 Dec 2024	31 Dec 2023
	US\$	US\$
Grants to institutions	24,993	-
Scholarship awarded	127,508	74,164
Mission driven programmes	12,429,105	13,175,858
Support costs of grant making and programme activities	2,420,512	1,649,280
	15,002,118	14,899,302

Analysis of activities	Activities undertaken directly 2024 US\$	Grant funding of activities 2024 US\$	Support costs 2024 US\$	Amount 2024 US\$
Analysis of activities		03\$	03\$	03\$
Education Mission	9,162,714	152,501	1,792,107	11,107,323
Water Mission	1,745,242	-	335,758	2,081,001
Productivity Mission	1,521,149	-	292,646	1,813,795
	12,429,106	152,501	2,420,512	15,002,119

Analysis of activities	Activities undertaken directly 2023 US\$	Grant funding of activities 2023 US\$	Support costs 2023 US\$	Amount 2023 US\$
Education Mission	8,472,451	74,164	1,063,829	9,610,444
Water Mission	3,121,050	-	388,489	3,509,539
Productivity Mission	1,582,357	-	196,962	1,779,319
	13,175,858	74,164	1,649,280	14,899,302

Support costs have been allocated to each of the above activities based on the resources used during the year.

	1 Jan 2024 to	1 Jan 2023 to	
	31 Dec 2024	31 Dec 2023	
Analysis of support costs	US\$	US\$	
Communications & IT	72,126	108,277	
Finance costs	4,834	743	
General management	231,664	202,917	
Office and premises	122,532	68,368	
Staff costs	1,848,078	1,117,856	
Governance costs	141,278	151,119	
	2,420,512	1,649,280	

(As of 31 December 2024)

7 Net movement in funds

This is stated after charging:	Group	Group
	1 Jan 2024 to	1 Jan 2023 to
	31 Dec 2024	31 Dec 2023
	US\$	US\$
Staff costs (Note 8)	8,677,740	7,553,353
Parent company auditor's remuneration		
- statutory audit services	72,225	69,794
- other services	3,598	5,047
Other companies auditor's remuneration		
- statutory audit services	55,029	41,291
- other services	14,108	31,578
Depreciation	1,154,008	961,124
Loss on disposal of fixed assets	-	3,467
Operating lease rentals	526,272	477,862

8 Staff costs and trustees' remuneration

	Group	Group
	1 Jan 2024 to	1 Jan 2023 to
	31 Dec 2024	31 Dec 2023
	US\$	US\$
Employees		
- wages and salaries	8,183,295	7,125,259
- social security costs	141,717	118,557
- employer pension contributions	352,728	309,537
	8,677,740	7,553,353

The average number of employees during the period totalled 702 (2023: 557). This is analysed as follows:

	Group	Group	
	1 Jan 2024 to	1 Jan 2023 to	
	31 Dec 2024	31 Dec 2023	
	No.	No.	
Number of support staff	16	12	
Number of programme staff	621	481	
Number of social ventures staff	66	63	
	702	556	

(As of 31 December 2024)

	Group 1 Jan 2024 to 31 Dec 2024 No.	Group 1 Jan 2023 to 31 Dec 2023 No.
Employees with emoluments between £60,001 to £70,000 per annum	3	3
Employees with emoluments between £70,001 to £80,000 per annum	3	5
Employees with emoluments between £80,001 to £90,000 per annum	2	3
Employees with emoluments between £90,001 to £100,000 per annum	3	2
Employees with emoluments between £100,001 to £110,000 per annum	2	1
Employees with emoluments between £110,001 to £120,000 per annum	-	-
Employees with emoluments between £120,001 to £130,000 per annum	1	-
Employees with emoluments between £130,001 to £140,000 per annum	1	1
Employees with emoluments between £140,001 to £150,000 per annum	-	1
Employees with emoluments between £150,001 to £160,000 per annum	-	1
Employees with emoluments between £160,001 to £170,000 per annum	2	1
Employees with emoluments between £170,001 to £180,000 per annum	2	-
Employees with emoluments between £240,001 to £250,000 per annum	-	1
	19	19

The key management personnel of the Group comprise the Trustees of the Pharo Foundation, the CEO of the Foundation, and the Executive Team. The Executive Team, which reports directly to the CEO, includes the Chief Financial Officer, Chief Operating Officer and Chief Research and Evaluation Officer.

The total remuneration of key management personnel in 2024 was US\$ 706,145 (2023: US\$ 972,955). The reduction is primarily due to there being no Chief Executive Officer in post during the year and Guillaume Fonkenell in his Interim CEO capacity received no remuneration during the year. A new CEO was appointed in late 2024 and formally commenced in January 2025.

No Trustees received any remuneration or reimbursement of expenses in their capacity as trustees. However, the Foundation catered the Trustees' travel expenses in connection with their duties as Trustees during the year, amounting to \$ 8,336 (2023: nil)

(As of 31 December 2024)

9. Tangible assets

Group	Furniture & fittings US\$	Plant & Machinery US\$	IT equipment US\$	Motor Vehicles US\$	Building US\$	Land US\$	Work in progress US\$	Total US\$
Cost								
At 1 January 2024	780,357	736,574	343,365	2,160,671	4,360,977	1,605,033	3,342,557	13,329,534
Additions	247,705	70,554	168,651	7,343	102,666	105,470	3,619,979	4,322,368
Transfers	-	28,527	-	-	1,042,342	-	(1,070,869)	-
Disposals	(11,205)	(2,588)	(1,230)	-	-	(73,839)	-	(88,862)
Reclassification	-	-	(6,922)	-	-	-	-	(6,922)
FX on exchange rate	(191,173)	(64,236)	(98,293)	(302,968)	(1,309,153)	163,595	(2,790,654)	(4,592,882)
At 31 December 2024	825,684	768,831	405,571	1,865,046	4,196,832	1,800,259	3,101,013	12,963,236
Depreciation								
At 1 January 2024	407,139	225,645	200,744	930,935	372,731	5,630	-	2,142,824
Charge for the period	220,248	150,026	110,577	426,826	221,083	25,248	-	1,154,008
Disposals	(16,231)	(3,235)	(1,572)	-	-	-	-	(21,038)
Reclassification	-	-	(6,922)	-	-	-	-	(6,922)
FX on exchange rate	(138,057)	(26,554)	(62,826)	(199,031)	(202,369)	(547)	-	(629,384)
At 31 December 2024	473,099	345,882	240,001	1,158,730	391,445	30,331	-	2,639,488
Net book value								
At 31 December 2024	352,585	422,949	165,570	706,316	3,805,387	1,769,928	3,101,013	10,323,748
At 31 December 2023	373,218	510,929	142,621	1,229,736	3,988,246	1,599,403	3,342,557	11,186,710

(As of 31 December 2024)

Tangible assets

Foundation	Furniture & fittings US\$	Plant & Machinery US\$	IT equipment US\$	Motor Vehicles US\$	Building US\$	Land US\$	Work in progress US\$	Total US\$
Cost								
At 1 January 2024	622,783	116,275	312,916	968,235	4,230,538	1,327,990	852,522	8,431,259
Additions	234,657	-	148,234	7,343	102,666	105,470	1,350,943	1,949,313
Transfers	-	-	-	-	1,042,342	-	(1,042,342)	-
Disposals	-	-	-	-	-	(73,839)	-	(73,839)
Reclassification	-	-	(6,922)	-	-	-	-	(6,922)
FX on exchange rate	(164,839)	(64,236)	(91,595)	(184,866)	(1,309,152)	240,680	(479,066)	(2,053,074)
At 31 December 2024	692,602	52,040	362,634	790,711	4,066,394	1,600,301	682,057	8,246,737
Depreciation								
At 1 January 2024	304,315	36,820	180,511	499,134	362,843	3,159	-	1,386,782
Charge for the period	181,456	17,915	99,155	198,156	215,904	23,904	-	736,490
Reclassification	-	-	(6,922)	-	-	-	-	(6,922)
FX on exchange rate	(128,806)	(27,848)	(59,496)	(163,323)	(203,713)	1,382	-	(581,804)
At 31 December 2024	356,965	26,887	213,248	533,967	375,034	28,445	-	1,534,546
Net book value								
At 31 December 2024	335,637	25,153	149,386	256,744	3,691,360	1,571,856	682,057	6,712,191
At 31 December 2023	318,468	79,455	132,405	469,101	3,867,695	1,324,831	852,522	7,044,477

The transfers mainly relate to work in progress that was transferred to the building asset category during the year.

(As of 31 December 2024)

10. **Intangible Assets**

Group & Foundation

Group & Foundation				Work	
	Goodwill	Software	Website	in progress	Total
	US\$	US\$	US\$	US\$	US\$
Cost					
At 1 January 2024	804,733	6,922	-	-	811,655
Additions	-	-	89,547	197,106	286,653
FX on exchange rate	169,504	(3,824)	-	-	165,680
At 31 December 2024	974,237	3,098	89,547	197,106	1,263,988
Depreciation					
At 1 January 2024	13,412	6,922	-	-	20,334
Charge for the period	94,590	-	12,196	-	106,786
FX on exchange rate	5,659	(3,824)	-	-	1,835
At 31 December 2024	113,661	3,098	12,196	-	128,955
Net book value					
At 31 December 2024	860,576	-	77,351	197,106	1,135,033
At 31 December 2023	791,321	-	-	-	791,321

The Foundation acquired Tender Care Junior Academy (TCJA) in Nairobi, Kenya. The acquisition included paying an amount exceeding the fair value of the assets, resulting in the recognition of goodwill. The amortisation expense has been charged under other operating expense in the statement of profit or loss.

(As of 31 December 2024)

11. Investments

				Restated
	Group	Group	Foundation	Foundation
	2024	2023	2024	2023
	US\$	US\$	US\$	US\$
Unlisted investments	1,804,766	1,804,766	1,803,221	1,803,221
Investment in subsidiary company	-	-	14,384,297	10,325,384
	1,804,766	1,804,766	16,187,518	12,128,605

Analysis of movement in investments

				Restated
	Group	Group	Foundation	Foundation
	2024	2023	2024	2023
	US\$	US\$	US\$	US\$
Value at 01 January 2024	1,804,766	1,804,766	12,128,603	8,651,551
Additions	-	-	4,058,913	3,477,052
Value at 31 December 2024	1,804,766	1,804,766	16,187,516	12,128,603

Analysis of historical costs

	Group	Group	Foundation	Foundation
	2024	2023	2024	2023
	US\$	US\$	US\$	US\$
Unlisted investments	5,151,542	5,151,542	5,151,542	5,151,542
Investment in subsidiary company	-	-	15,854,345	11,795,430
	5,151,542	5,151,542	21,005,888	16,946,972

Unlisted Investments

Investment by the Group represents its investment in Pharo Management (UK) LLP, Lynk and New Forests Company Holdings Limited. The basis of their valuations are detailed on page 46.

Subsidiary undertakings

At the year end, the Group included subsidiary entities controlled either directly by Pharo Foundation UK or through related structures. These have been consolidated in the Group financial statements.

(As of 31 December 2024)

Name	Parent undertaking	Registration status	Registration number	Nature of business
Pharo Development Investment Limited ('PDIL')	Pharo Foundation - 100%	Company limited by shares (England & Wales)	Company number 7775576	PDIL's principal activity is to receive profit distributions from Pharo Management (UK) LLP and make charitable donations to Pharo Foundation.
Pharo Enterprises Limited ('PEL')	Pharo Foundation - 100%	Company limited by shares (England & Wales)	Company number 12211206	PEL is a holding company whose principal activity is to establish Social Enterprises in East Africa.
Pharo Ventures Somaliland Limited ('PVSL')	Pharo Ventures Kenya Limited – 100%	Company limited by shares (Somaliland)	Company number 18120	The primary principle activity is to serve as a holding company for social enterprises with overall goal of creating jobs, ensuring positive social impact and generating profits for long- term sustainability of both subsidiaries and the company
Pharo Construction Somaliland LTD (PCSL)	Pharo Ventures Somaliland Limited – 99.9%	Company limited by shares (Somaliland)	Company number 1281	The principal activity of the company was previously the provision of construction services, including building and infrastructure works. Following the closure of the construction business unit at the end of 2024, the company's principal activity is now focused on the hire of construction equipment and the sale of ready-mix concrete.
Pharo Real Estate Somaliland	Pharo Ventures Somaliland Limited - 100%	Company limited by shares (Somaliland)	Company number 1759	The principal activity of the company is the provision of real estate services as an income-generating entity of Pharo Ventures Somaliland Limited. The company remained dormant during the year.
Pharo Farm LTD Somaliland (PFSL)	Pharo Ventures Somaliland Limited - 100%	Company limited by shares (Somaliland)	Company number 1758	The principal activity of the company is to operate as an income-generating farm under Pharo Ventures Somaliland Limited. The company remained dormant during the year.
Pharo Integrated Agriculture & Manufacturing PLC Ethiopia (PVET)	Pharo Ventures Kenya Limited - 99.9%	Company limited by shares (Ethiopia)	Registered number 0073029357	The principle activity is engaging in manufacturing of edible oil, farming and agro-processing of oil seeds, wholesale of own products with the objective of generating profits.

(As of 31 December 2024)

Name	Parent undertaking	Registration status	Registration number	Nature of business
Pharo Foundation Farm ('FARM')	Pharo Foundation - 100%	Company limited by shares (Ethiopia)	Registered number MT/ AA10/ 00 50443/20 11	The principal activity of the company is to operate as an income-generating farm within Pharo Foundation's Ethiopia programme. The company remained dormant during the year.
Pharo Ventures Kenya Limited ('PVKL')	Pharo Enterprises Limited - 100%	Company limited by shares (Kenya)	Company number PVT- EYU97BY	The principal activity of the company is to build and grow, commercially and environmentally sustainable businesses, with a focus on maximising creation of economic value and jobs, for the local communities.
Pharo Ventures Rwanda Ltd ('PVRWL')	Pharo Ventures Kenya Limited - 100%	Company limited by shares (Rwanda)	Registered number 112174801	The principal activity is to develop sustainable businesses that create economic value and jobs. The company remained dormant during the year.

(As of 31 December 2024)

A summary of the results of the above subsidiaries for the year ended 31 December 2024 is as follows:

	2024 PDIL \$	2024 PEL \$	2024 PVSL \$	2024 PCL \$	2024 RESL \$	2024 FARM SL \$	2024 PIAM ET \$	2024 FARM ET \$	2024 PVKL \$	2024 PVRWL \$
Income	7,804,603	-	-	2,193,917	-	-	-	-	3,625	-
Administrative expenditure	(3,351)	(3,351)	(637,727)	(3,161,100)	-	(286,148)	(677,308)	-	(454,909)	-
Operating surplus (deficit)	7,801,252	(3,351)	(637,727)	(967,183)	-	(286,148)	(677,308)	-	(451,284)	-
Distributions under gift aid	(7,801,603)	-	-	-	-	-	-	-	-	-
Net result	(351)	(3,351)	(637,727)	(967,183)	-	(286,148)	(677,308)	-	(451,284)	-
Other gains (losses)	(6)	(43)	(6)	(3)	-	-	33,980	-	(55,806)	-
Taxation	-	-	-	-	-		-	-	-	
Net surplus / (deficit)	(357)	(3,394)	(637,733)	(967,186)	-	(286,148)	(643,328)	-	(507,090)	-
Retained funds at 1 January 2024	839	(10,084)	(893,372)	(1,678,201)	-	-	(699,537)	(1,045,897)	1,306,392	-
FX on exchange rate	(1)	-	-	-	-	-	613,921	49,741	(1,286,997)	-
Retained funds at 31 December 2024	480	(13,478)	(1,531,105)	(2,645,387)	-	(286,148)	(728,944)	(996,156)	(487,695)	-
Called up share capital At 31 December 2024	2	14,384,295	6,040,039	4,497,334	1,000	1,000	3,342,361	996,156	14,491,842	1,000
Funds	482	14,370,817	4,508,934	1,851,947	1,000	(285,148)	2,613,417	-	14,004,147	1,000
Assets	3,703	14,374,038	4,600,445	1,899,985	1,000	1,000	3,160,967	-	14,024,695	1,000
Liabilities	(3,221)	(3,221)	(91,511)	(48,038)	-	(286,148)	(547,550)	-	(20,548)	-
Funds	482	14,370,817	4,508,934	1,851,947	1,000	(285,148)	2,613,417	-	14,004,147	1,000

(As of 31 December 2024)

A summary of the results of the above subsidiaries for the year ended 31 December 2023 is as follows:

_	2023 PDIL \$	2023 PEL \$	2023 PVSL \$	2023 PCL \$	2023 RESL \$	2023 FARM SL \$	2023 PIAM ET \$	2023 FARM ET \$	2023 PVKL \$	2023 PV RWL \$
Income	22,008,124	-	-	1,986,946	-	-	-	-	260,772	-
Administrative expenditure	(3,000)	(3,001)	(433,334)	(2,374,853)	-	-	(394,780)	-	(211,484)	-
Operating surplus (deficit)	22,005,124	(3,001)	(433,334)	(387,907)	-	-	(394,780)	-	49,288	-
Distributions under gift aid	(22,005,124)	-	-	-	-	-	-	-	-	-
Net result	-	(3,001)	(433,334)	(387,907)	-	-	(394,780)	-	49,288	-
Other gains (losses)	18	127	-	-	-	-	(55,367)	-	1,260,593	-
Taxation	-	-	-	-			-		(17,224)	-
Net surplus / (deficit)	18	(2,874)	(433,334)	(387,907)	-	-	(450,147)	-	1,292,656	-
Retained funds at 1 January 2023	821	(7,209)	(459,418)	(885,042)	-	-	(357,850)	(1,193,219)	461,733	-
FX on exchange rate	-	-	-	-	-	-	-	147,322	-	-
Retained funds at 31 December 2023	839	(10,083)	(892,752)	(1,272,949)	-	-	(807,996)	(1,045,897)	1,754,390	-
Called up share capital At 31 December 2023	2	10,325,380	4,126,920	3,223,100	1,000	1,000	2,379,036	1,045,897	10,630,950	1,000
Assets	3,820	10,318,276	3,265,036	2,056,576	1,000	1,000	1,750,620	-	12,417,467	1,000
Liabilities	(2,979)	(2,979)	(30,868)	(106,425)	-	-	(179,580)	-	(32,127)	-
Funds	841	10,315,297	3,234,168	1,950,151	1,000	1,000	1,571,040	-	12,385,340	1,000

Charitable Entities

The charity operates through a combination of branches, charitable companies limited by guarantee, and a limited liability partnership, depending on local legal and regulatory requirements. These entities are treated as part of the charity and are fully consolidated within the Foundation's financial statements.

(As of 31 December 2024)

Name	Parent undertaking	Registration status	Registration number	Nature of business
Pharo Foundation Kenya (PDKE)	Pharo Foundation - 100%	Company limited by guarantee (Kenya)	Registered number 1951954.1	PFKE is a non-profit making entity whose principal activity is to carry out related charitable programs within the country.
Pharo Schools LLP	Pharo Foundation Kenya – 99% and Pharo Ventures Kenya Limited - 1%	Limited Liability Partnership (Kenya)	Registered number LLP- 7R15DJ7	The principal activities of the partnership are those of provision of educational services.
Pharo Foundation Rwanda Ltd (PDRW)	Pharo Foundation - 100%	Company limited by guarantee (Rwanda)	Registered number 112266894	PFRW is a non-profit making entity whose principal activity is to carry out related charitable programs within the country.
Pharo Foundation Somaliland (PDSL)	Pharo Foundation - 100%	Branch of Pharo Foundation UK	Registered number L.43.31.2085	PDSL is a non-profit making entity whose principal activity is to carry out related charitable programs within the country.
Pharo Foundation Ethiopia (PDET)	Pharo Foundation - 100%	Branch of Pharo Foundation UK	Certificate No. 3717	PDET is a non-profit making entity whose principal activity is to carry out related charitable programs within the country.

12 Debtors due after one year

	Group	Group	Foundation	Foundation
	2024	2023	2024	2023
	US\$	US\$	US\$	US\$
Scholarship awarded loans	205,504	81,074	205,504	81,074
	205,504	81,074	205,504	81,074

(As of 31 December 2024)

13 Inventory

	Group	Group	Foundation	Foundation
	2024	2023	2024	2023
	US\$	US\$	US\$	US\$
Inventory - Medical	24,494	69,206	24,494	69,206
Inventory - Fuel	10,993	20,182	10,993	20,182
Inventory - RMC	32,246	15,713	-	-
Inventory - School Materials	9,145	-	9,145	-
	76,878	105,101	44,632	89,388

Inventory consists of medical supplies that are used at the Pharo Diagnostic Centre, a depot of fuel stored mainly due to shortage of fuel in the country and construction materials at hand from Pharo Construction Limited. No inventory was carried forward from the prior year. Medical supplies are valued at FIFO method, fuel reported at its costs whereas construction materials valued by construction engineer at year end.

14 Debtors

	Group 2024 US\$	Group 2023 US\$	Foundation 2024 US\$	Foundation 2023 US\$
Accounts receivable	604,352	185,573	69,465	32,128
Prepayments	476,564	881,214	326,349	749,978
Accrued Income	3,170,262	322,462	3,125,000	90,168
Sundry debtors	121,250	71,905	86,970	66,238
Deferred tax asset	304,593	325,998	-	-
Amounts due from subsidiary undertaking	-	-	18,628	1,391
	4,677,021	1,787,152	3,626,412	939,903

Sundry debtors include rent deposits of US\$ 68,149 (2022 – US\$ 57,117). The rent deposit is subject to a charge against all sums due and all Pharo Foundation's obligations under property leases.

(As of 31 December 2024)

15 Creditors: amounts falling due within one year

	Group	Group	Foundation	Foundation
	2024	2023	2024	2023
	US\$	US\$	US\$	US\$
Accruals	553,509	884,703	428,095	820,003
Provision for severance indemnities	746,985	672,045	624,491	567,974
Deferred income	181,764	364,771	103,950	40,498
Corporation tax payable	(6,310)	(2,017)	-	-
Social security and other taxes	162,052	166,392	141,634	157,315
Trade and other payables	428,019	340,912	282,035	250,783
Borrowings	107,547	-	-	-
	2,173,566	2,426,806	1,580,205	1,836,573

The liability for provision for severance indemnities relates to mandatory staff benefit schemes required under local labour laws in countries where the group operates outside the UK. The amount is recognised within creditors in the financial statements.

Analysis of movement for long term service entitlements

	Group 2024 US\$	Group 2023 US\$	Foundation 2024 US\$	Foundation 2023 US\$
Value at 01 January 2024	672,045	451,345	567,974	419,636
Less: Amounts paid	(169,291)	(94,708)	(128,144)	(84,942)
Add: Benefits accured	338,102	320,345	252,569	238,217
FX on exchange rate	(93,871)	(4,937)	(67,908)	(4,937)
Value at 31 December 2024	746,985	672,045	624,491	567,974

Analysis of movement for deferred income

	Group 2024 US\$	Group 2023 US\$	Foundation 2024 US\$	Foundation 2023 US\$
Value at 01 January 2024	364,771	296,541	40,498	18,265
Less: Amounts released to income in the year	(1,902,279)	(476,371)	(1,466,505)	(88,853)
Add: Amounts deferred in the year	1,713,625	544,623	1,524,310	111,107
FX on exchange rate	5,647	(22)	5,647	(21)
Value at 31 December 2024	181,764	364,771	103,950	40,498

Deferred income relates to grants received in advance to fund programme activities and operational costs that are expected to be incurred in future periods. It is recognised as a liability and released to income as the related expenditure is incurred. The deferred income brought forward from the prior year was fully utilised during the reporting period. The remaining balance at year end will be utilised in future periods.

(As of 31 December 2024)

16 Creditors due after one year

	Group	Group	Foundation	Foundation
	2024	2023	2024	2023
	US\$	US\$	US\$	US\$
Bank Loan	172,252	-	-	-
	172,252	-	-	-

Pharo Integrated Agriculture & Manufacturing PLC secured a term Ioan facility from Dashen Bank S.C. totalling ETB 170,000,000 (equivalent US\$ 1,350,757), with interest at 8% per annum. The first disbursement of ETB 35,000,000 (equivalent US\$ 278,100) was received on 4 December 2024. Repayments are due in semi-annual instalments starting from 30 June 2025. The Ioan will be secured by merchandise, vehicles, buildings, factory machinery, equipment and generator.

As at 31 December 2024, the loan balance was ETB 35,214,207 (equivalent USD 279,799), comprising:

- ETB 13,535,333 (USD 107,547) as current liabilities
- ETB 21,678,874 (USD 172,252) as non-current liabilities

17 Designated funds

Group	At 1 Jan 2024 US\$	Net new commitments/ Investment US\$	Granted/ (Reclassified/ Impaired/ Utilised) US\$	At 31 Dec 2024 US\$
Grants Payable	-	101,340	(24,993)	76,347
Financial Commitments	-	5,526,907	(2,667,282)	2,859,625
Committed Funds for Future Programmes	-	16,985,451	-	16,985,451
Operational Reserve	-	15,000,000	-	15,000,000
Impact Investments	1,803,222	-	-	1,803,222
Investments	1,544	-	-	1,544
Tangible & Intangible Assets	11,186,708	884,278	(612,207)	11,458,779
	12,991,474	38,497,975	(3,304,482)	48,184,968

Foundation	At 1 Jan 2024 US\$	Net new commitments/ Investment US\$	Granted/ (Reclassified/ Impaired/ Utilised) US\$	At 31 Dec 2024 US\$
Grants Payable	-	101,340	(24,993)	76,347
Financial Commitments	-	2,185,178	-	2,185,178
Committed Funds for Future Programmes	-	16,985,451	-	16,985,451
Operational Reserve	-	15,000,000	-	15,000,000
Impact Investments	1,803,223	-	-	1,803,223
Subsidiary Investments	10,325,381	4,058,913	-	14,384,294
Tangible & Intangible Assets	7,044,491	1,059,132	(256,385)	7,847,238
	19,173,095	39,390,013	(281,378)	58,281,731

(As of 31 December 2024)

The income funds of the Group and the Foundation include the following designated funds, which have been set aside from unrestricted general funds by the Trustees:

- Grants Payable amounts committed to partner organisations, representing new grants awarded less amounts already committed.
- Financial Commitments represents obligations approved by the Trustees that are not yet disbursed but relate to ongoing or planned activities. These include signed funding agreements and other programme-related commitments.
- Committed Funds for Future Programmes are funds that have been specifically set aside for new projects, new programmes, new ventures or strategic developments. This includes funding for initiatives such as the Wajale development programme in Somaliland.
- Operational Reserve of funds for up to 12 months of operating costs to manage income shortfalls or unforeseen events to ensure financial stability and operational continuity and the target level of reserves is set at 12 months of operating expenses and covers staff salaries, administration costs, and ongoing project expenses.
- Impact Investments funds invested in enterprises that deliver both financial and mission related returns.
- Investments in the Group, this represents PDIL's investment in Pharo Management (UK) LLP; in the Foundation, it represents investments in social venture subsidiaries.
- Tangible Fixed Assets reflects the net book value of assets used in operations, not available to meet other expenditure or contingencies

As at 31 December 2024, designated funds totalled US\$ 48.18 million (2023: US\$ 12.99 million), with the majority of the increase related to future programme commitments plus operational reserves.

18 Taxation

Pharo Foundation is a registered charity and, therefore, is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities. The Foundation's UK subsidiaries gift aids all profits (where applicable) to Pharo Foundation and hence no tax is payable by them.

The charitable Foundation's branches and subsidiaries registered in Ethiopia, Kenya, Rwanda and Somaliland are non-profit making, non-government organisations. Under the respective local laws and regulations, these overseas operations are exempt from income tax.

Pharo Ventures Kenya Limited is an overseas subsidiary resident in Kenya for taxation purposes. The statutory tax rate applicable for the year 2024 was 30% as per the Tax Laws (Amendment) Act 2020. As a result, the tax credit for the year was US\$ 2,178 (2023 US\$ 17,224).

Pharo Ventures Somaliland is a subsidiary of Pharo Ventures Kenya Limited and Pharo Construction Limited is a subsidiary of Pharo Ventures Somaliland and are regulated under the Tax Laws of Somaliland. The statutory tax rate applicable is 12.3% of business profit. No tax charge was reported during the year, as both companies reported losses.

Pharo Integrated Agriculture & Manufacturing PLC is a subsidiary of Pharo Ventures Kenya Limited and is subject to the tax laws of Ethiopia. The applicable statutory income tax rate is 30%, in accordance with Proclamation No. 979/2016. No current tax charge was recognised during the year as the company reported a loss. However, a deferred tax asset has been recognised and is included under debtors in the statement of financial position. This asset reflects tax losses carried forward, which are expected to be utilised against future taxable profits.

(As of 31 December 2024)

19 Related party transactions

Pharo Foundation is funded in part by a share of profits generated by Pharo Management (UK) LLP, from which it received US\$ 7.1 million in 2024 (2023: US\$ 22 million). Mr Guillaume Fonkenell, a Trustee of the Foundation, is a Managing Member of Pharo Management (UK) LLP. In addition to this, Mr Fonkenell made a direct personal donation of US\$ 30 million to the Foundation during the year.

A trustee, Ms. Farah Jirdeh Fonkenell, entered into a land lease agreement with Pharo Foundation Somaliland, granting a 99-year lease term starting 1 July 2023, at an annual rent of US\$ 1.

20 Analysis of net assets between funds

Group	General funds 2024 US\$	Designated funds 2024 US\$	Total 2024 US\$
Tangible fixed assets	-	10,323,748	10,323,748
Intangible assets	-	1,135,033	1,135,033
Investments	-	1,804,766	1,804,766
Net current assets	17,035,708	34,921,421	51,957,129
	17,035,708	48,184,968	65,220,676

Foundation	General funds 2024 US\$	Designated funds 2024 US\$	Total 2024 US\$
Tangible fixed assets	-	6,712,191	6,712,191
Intangible assets	-	1,135,033	1,135,033
Investments	-	16,187,518	16,187,518
Net current assets	16,826,732	34,246,989	51,073,721
	16,826,732	58,281,731	75,108,463

Group	General funds 2023 US\$	Designated funds 2023 US\$	Total 2023 US\$
Tangible fixed assets	-	11,186,710	11,186,710
Intangible assets	791,321	-	791,321
Investments	-	1,804,766	1,804,766
Net current assets	23,944,493	(2)	23,944,491
	24,735,814	12,991,474	37,727,288

Foundation	General funds 2023 US\$	Designated funds 2023 US\$	Total 2023 US\$
Tangible fixed assets	-	7,044,477	7,044,477
Intangible assets	791,321	-	791,321
Investments	-	12,128,606	12,128,606
Net current assets	21,770,664	13	21,770,677
	22,561,985	19,173,096	41,735,081

(As of 31 December 2024)

21 Financial commitments

At 31 December 2024, Pharo Foundation had the following future minimum commitments under noncancellable financial obligations as below:

	Group 2024	Group 2023	Foundation 2024	Foundation 2023
	US\$	2023 US\$	2024 US\$	2023 US\$
Land & Buildings: minimum operating lease commitments				
- Less than one year	435,219	373,011	379,432	314,237
- Between two to five years	1,059,362	639,020	854,707	545,864
	1,494,582	1,012,032	1,234,139	860,102
Scholarships Awarded:				
- Less than one year	205,890	175,505	205,890	175,505
- Between two to five years	617,669	456,800	617,669	456,800
	823,559	632,305	823,559	632,305
Constuction Plant & Machinery Commitments:				
- Less than one year	414,004	3,081,286	-	
	414,004	3,081,286	-	-
System Deployment - WIP				
- Less than one year	127,480	-	127,480	-
	2,859,625	4,725,623	2,185,178	1,492,407

22 Assessment of Hyperinflationary Status of Ethiopian Operations

The Group has evaluated the economic environment in Ethiopia to determine if it qualifies as hyperinflationary under FRS102. Based on available data, Ethiopia's cumulative inflation over the past three years, when calculated on a compound basis, exceeds the 100% threshold. However, qualitative indicators do not conclusively support a hyperinflationary classification. Therefore, the Group has not applied hyperinflation accounting to its Ethiopian subsidiary. The Group will continue to monitor economic conditions in Ethiopia for any significant changes.

23 Post balance sheet event

Following the year-end, the charity made significant commitments to expand its operations in Somaliland. These include a new farming and social development programme in Wajale and the construction of a private international school in Hargeisa.

While these developments took place after 31 December 2024 and do not impact the reported financial position, they reflect the charity's continued growth and strategic direction for the coming years.

(As of 31 December 2024)

Prior Year Adjustment – Foundation Only 24

A prior year adjustment has been made to restate the 2023 comparative figures in the Foundation's balance sheet. This relates to an intercompany investment made by Pharo Foundation Kenya in Pharo Schools LLP, which was not eliminated during the consolidation process in the 2023 Foundation financial statements.

As a result of this adjustment:

- Investments have been reduced accordingly. •
- Designated funds have been adjusted to reflect the correction.

The effect of the adjustment is presented in the Consolidated Statement of Financial Position (extract) below. This adjustment affects only the Foundation's individual financial statements and has no impact on the Group consolidated accounts or the overall net asset position.

				As restated
		Reported		Actual
		Foundation	Adjustment	Foundation
		as at 31/12/2023	Foundation	as at 31/12/2023
		US\$	US\$	US\$
0	Investments	15,696,815	(3,568,210)	12,128,605
		23,613,687	(3,568,210)	20,045,477
	Total net assets	45,303,290	(3,568,210)	41,735,080
	Net assets attributable to Group	45,303,290	(3,568,210)	41,735,080
	Funds of the charity:			
	Unrestricted Funds			
	- General funds	22,561,985	-	22,561,985
	- Designated funds	22,741,305	(3,568,210)	19,173,095
		45,303,290	(3,568,210)	41,735,080