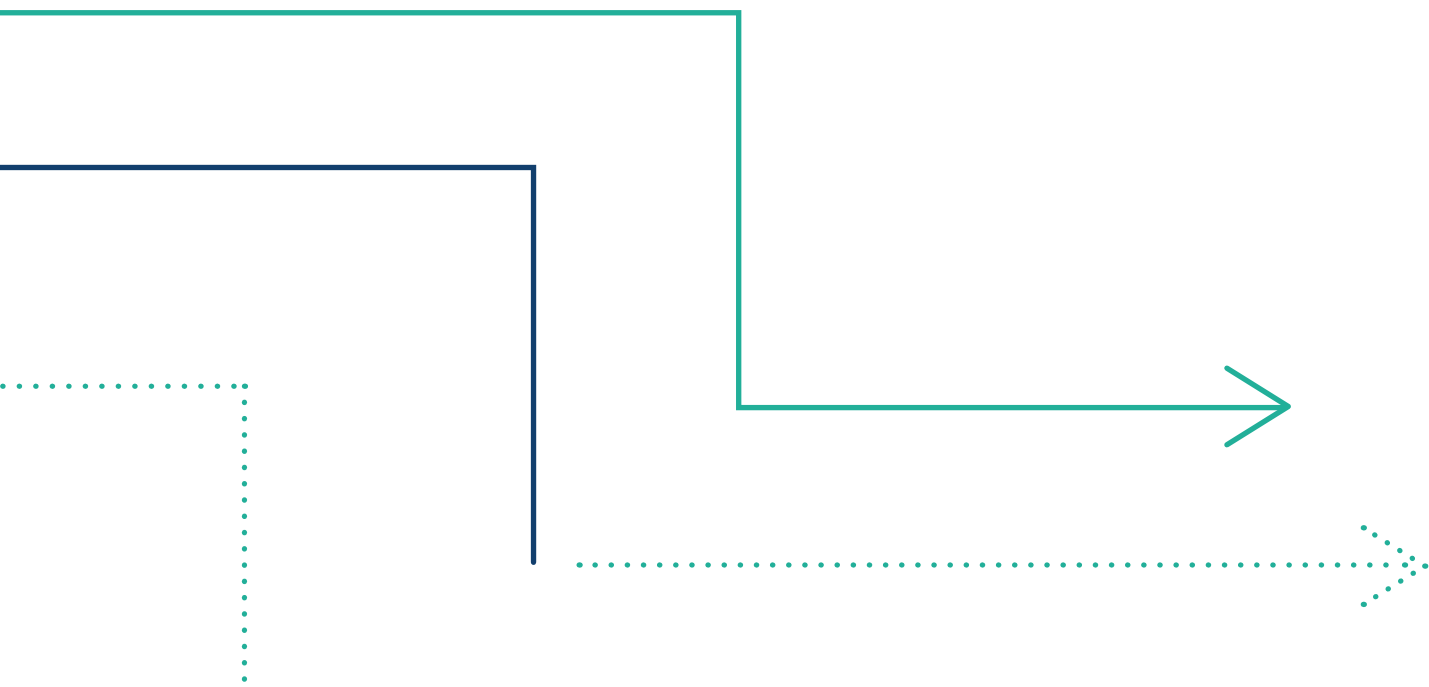


Elrha Annual Report 2020



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ABOUT ELRHA

We are a global charity that finds solutions to complex humanitarian problems through research and innovation.

OUR VISION FOR CHANGE: A world equipped to mitigate the impact of humanitarian crises.

OUR MISSION: To improve humanitarian outcomes through partnership, research and innovation.

OUR PURPOSE: To empower the humanitarian community to improve humanitarian response. We make this happen by supporting and championing the outcomes of robust research and proven innovations.

HOW WE ACHIEVE THIS: We are an established actor in the humanitarian community, working in partnership with humanitarian organisations, researchers, innovators and the private sector to tackle some of the most difficult challenges facing people all over the world. We equip humanitarian responders with knowledge of what works, so that people affected by crises get the right help when they need it most.

Our combined focus on research and innovation defines us. It is central to our belief that the humanitarian system urgently requires robust evidence-based solutions. We understand the synergies between research and innovation, and this allows us to invest in both with confidence, knowledge and expertise. We carry out our work through two funding programmes: our research focused R2HC programme and our innovation-focused HIF.



Research for Health in Humanitarian Crises (R2HC)

aims to improve health outcomes for people affected by humanitarian crises by strengthening the evidence base for public health interventions. Our globally recognised research programme focuses on maximising the potential for public health research to bring about positive change in humanitarian response. Since 2013, we have funded more than 60 research studies across a range of public health fields.



The Humanitarian Innovation Fund (HIF)

aims to improve outcomes for people affected by humanitarian crises by identifying, nurturing and sharing more effective and scalable solutions. The HIF leads on the development and testing of innovation in the humanitarian system. Through HIF, we fund, support and manage innovation at every stage of the innovation process. Our portfolio of HIF-funded projects informs a more detailed understanding of what successful innovation looks like, and what it can achieve for the humanitarian community. This work is leading the global conversation on innovation in humanitarian response.

OUR GUIDING PRINCIPLES

In pursuing our mission and vision, we want to make sure that our work is undertaken in an ethical and robust way. We are led by our six guiding principles:

1 Improving outcomes for people affected by crisis is at the heart of our work.

4 Evidence must be made widely available and accessible to achieve the greatest possible impact.

2 People have a right to quality humanitarian response that is informed by robust evidence.

5 Collaboration and partnership, including with people affected by crisis, improves the quality, impact and uptake of research and innovation.

3 Research and innovation should always be undertaken within a responsible and ethical framework.

6 Creativity, exploration and informed risk-taking is crucial to learn and bring about change.



TRUSTEES' REPORT

The Trustees (who are also Directors of Elrha for company law purposes), have pleasure in submitting their Annual Report and audited financial statements of the company for the year ended 31 December 2020.

1. STRATEGIC REPORT

1. STRATEGIC REPORT

1.1 STRATEGIC OBJECTIVES FOR 2020

Elrha supports and champions robust research and innovative solutions, championing new ideas and different approaches to evidence what works in humanitarian response.

Our impact is focused on our contributions to a humanitarian sector that is fully equipped to mitigate and reduce the impact of crises around the world.

In 2020 we continued to deliver on our 2019-2023 strategy which encapsulates our ambitious direction for Elrha. Our strategy is outcome-focused, positioning us as a change-maker, effectively coordinating all our capabilities and assets on research, innovation, and partnerships to understand and address some of the most complex humanitarian problems.

This strategy is guided by, and remains true to our Guiding Principles, and builds on our success and expertise and represents a responsible and exciting evolution of our work to date. During 2020 we continued to deliver against our strategy, and this report represents our progress against our four strategic objectives; collectively, they maximise

the potential for research and innovation to achieve change and transform the effectiveness of humanitarian response:

Define: We identify and prioritise the most pressing problems within humanitarian response and plan the research and innovation approaches needed to tackle them.

Develop: We invest in the right people to research, explore, develop, and test the solutions to these problems.

Distil: We create and share practical tools and guidance based on the evidence of what works.
Drive: We empower the humanitarian community to adopt what works.

Drive: We empower the humanitarian community to adopt what works.

If our vision is to be realised, there needs to be a change in the way we all work:

Commitment: We want to see humanitarian funding decisions routinely informed by the latest evidence of 'what works'. We also want donors to commit to funding the development of long-term transformative solutions.

This means: donors and governments will only want to fund humanitarian interventions that are underpinned by robust evidence, and where this is not possible due to gaps in the evidence base, they will commit to funding research to address the most critical gaps.

Capacity: We want to see that the right people are equipped with the skills and knowledge to adopt 'what works' into policy and practice.

This means: evidence and solutions will be tested in different contexts and will be accessible to the full diversity of the humanitarian community.

Culture: We want to see that the right people and the wider humanitarian community have the right motivations and incentive structures to adopt 'what works' into policy and practice. We also want a supportive environment for research and innovation stakeholders.

This means: the humanitarian community – from the donor to the responder – will increasingly professionalise the relationship between evidence and practice. As a result, research and innovation will become normalised within the humanitarian system, rather than be a 'nice to have' extra.

Coordination: We want to see that the right people coordinate and adopt evidence and solutions of 'what works' into locally adapted guidance.

This means: system coordination mechanisms, such as the humanitarian clusters will take responsibility for supporting the access and uptake of 'what works' at all levels. This includes absorbing it into organisation-level guidance or ensuring adaption at local level, so guidance is consistent across the humanitarian system and responsive to those affected by humanitarian crises.

On the following pages is a summary of the work of our programmes in 2020.

1.2 2020 AT A GLANCE

DEFINE



2 HUMANITARIAN INNOVATION GAP ANALYSES PUBLISHED

Addressing Gender-Based Violence and Disability and Older Age Inclusion

DEVELOP



8 R2HC NEW HUMANITARIAN HEALTH RESEARCH PROJECTS AWARDED



2 R2HC RESEARCH CALLS FOR APPLICATIONS



23 HIF NEW INNOVATION PROJECTS AWARDED



7 HIF INNOVATION CHALLENGES LAUNCHED

- 2 addressing Disability and Older Age Inclusion
- 1 addressing Gender-Based Violence
- 3 addressing Water, Sanitation and Hygiene
- 1 addressing Scaling Innovations



42 SUPPORT INTERVENTIONS FOR GRANTEES

- 29 innovation strategy development for achieving scale sessions
- 6 building skills in innovation workshops
- 2 community-led innovation development sessions
- 2 development sessions for Disability and Older Age Inclusion grantees
- 2 development sessions for Gender-Based Violence grantees
- 1 development session for Water, Sanitation and Hygiene grantees



17 COVID-19 PROJECTS FUNDED

- 15 responsive research studies funded by R2HC
- 2 Water, Sanitation and Hygiene innovations funded for scaling by the HIF



4 EVENTS HELD-DEVELOPING SKILLS

- 3 virtual workshops exploring the findings from the HIF Disability and Older Age Inclusion Gap Analysis
- 1 Water, Sanitation and Hygiene workshop

DISTIL

**10** REPORTS PUBLISHED
DISTILLING 'WHAT
WORKS'

- 5** reports produced by HIF grantees seeking to improve Gender-Based Violence programming
- 1** R2HC Co-authored ODI Humanitarian Exchange Ebola Special
- 1** R2HC Review of MHPSS interventions
- 3** reports on operational challenges, research methodology, and partnerships have been published by R2HC

**14** EVENTS ATTENDED –
SHARING INFORMATION
AND INSIGHTS

- 1** R2HC shared insights to the Mental Health and Psychosocial Support IASC Reference Group
- 4** inputs from HIF Disability and Older Age Inclusion projects and strategic insights
- 9** inputs from HIF Gender-Based Violence projects and strategic insights

DRIVE

**45** PRODUCTS SHARING
INSIGHTS

- 19** research 'snapshots' share the findings and impact of completed R2HC-funded research studies
- 3** R2HC update newsletters circulated
- 4** R2HC research impact newsletters circulated
- 3** R2HC publications newsletters circulated
- 2** R2HC blogs on research uptake in a COVID-19 world and insights into COVID-19 rapid research
- 10** R2HC grantees published blogs related to COVID-19
- 1** scoping study on the role of training for the inclusion of people with disabilities and older people
- 3** papers exploring insights captured in the HIF Gender-Based Violence, Water, Sanitation and Hygiene and Skills for Innovation areas of focus

1.3 2020 HIGHLIGHTS



Growing our Portfolio:

To date we have supported over 280 world-class research and innovation projects, championing new ideas and different approaches to evidence what works in humanitarian response.



Impact of COVID-19:

For the world over, 2020 was a year of adaptation. Every aspect of our work was adapted, altered or revised in some way due to the impacts of COVID-19 – from changing the way we delivered workshops and training, to virtual collaboration, to supporting the humanitarian response to COVID-19.



Supporting the Humanitarian Response to COVID-19:

We responded to the humanitarian response to COVID-19, **funding humanitarian health research that rapidly contributed to the unfolding crisis**, and scaled two promising handwashing innovative solutions that could help protect thousands of lives.



Researching Violence Against Health Care:

We partnered with ICRC to advocate for the need to establish a body of evidence on violence against health care in conflict, post-conflict, and fragile settings, to inform policy and practice and contribute to the protection of health care from violence and mitigating its wider impacts on health. **We published a rich report** in July – the first global review of literature addressing violence against health care – that identified 23 research gaps across 6 key areas. This report, after being initially delayed due to COVID-19 and delivered virtually instead of in-person as planned, came at a critical time – attacks on health care workers and facilities were exacerbated by the global pandemic, reinforcing how vital this work is.



Journey to Scale continues:

We launched the second round of Journey to Scale at the start of this year. From hundreds of applications to **just a shortlist of ten**, followed by weeks of workshops and bespoke support, the **final five most promising innovations were selected for funding over the next few years**. Journey to Scale will accelerate these potential solutions as they transition to scale, test their approach in new places and form a path to larger impact. By providing support to innovators – financial and otherwise – we hope to ensure these potential solutions can be taken to the next level, making the innovation accessible to those who need it.

SNAPSHOTS: SUPPORTING COVID-19 HUMANITARIAN RESPONSE:

FUNDING RAPID RESEARCH

As COVID-19 began to spread around the world, the humanitarian community worked to respond to the impact the pandemic would have on those already affected by crises, and the most vulnerable communities. Having the experience of funding rapid research to support the Ebola outbreaks in both West Africa and DRC (Democratic Republic of Congo), we knew we could play a vital role in supporting the response, equipping practitioners with knowledge and evidence of what works.

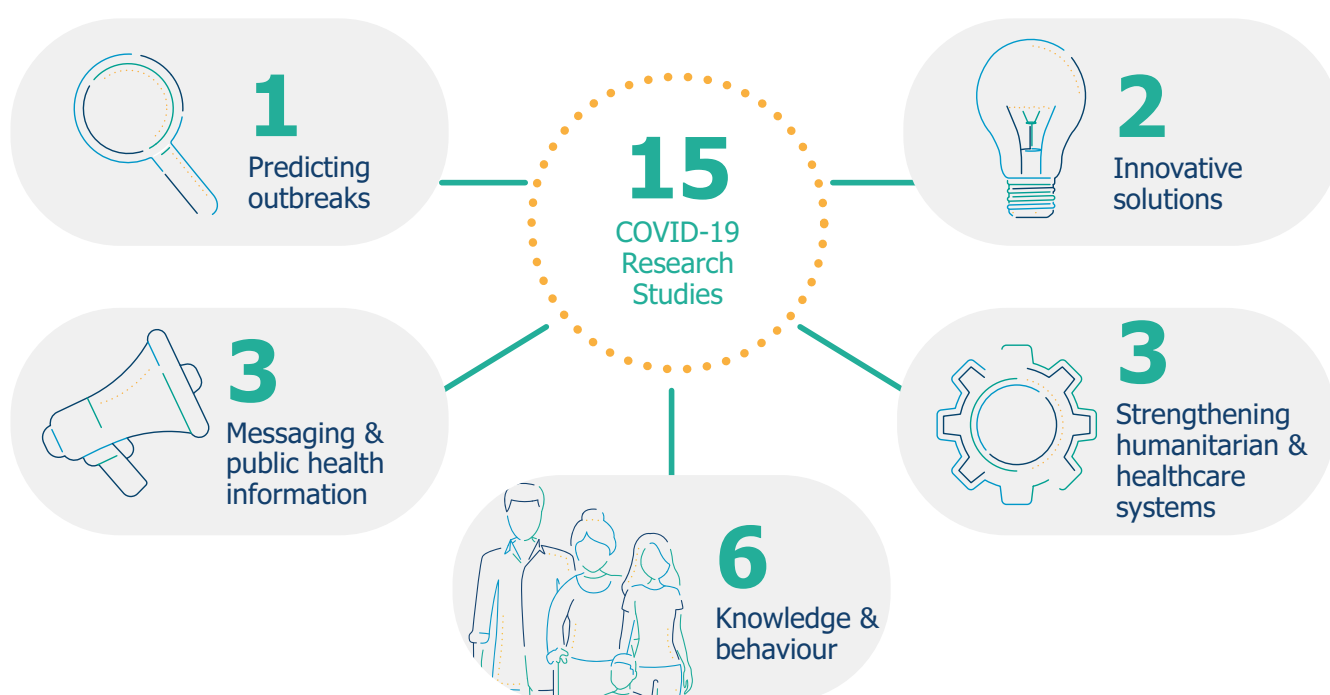
In March, we launched a responsive funding call for **robust research** to contribute to the effectiveness of the 2020 humanitarian response to COVID-19, **rapidly funding 15 research studies** – the first studies were awarded within five weeks of submission and started activities in May 2020.

The funding call targeted refugees and internally displaced people (IDPs) living in camps or urban settings, conflict-affected people in low- and middle-income countries (LMICs), as well as health

systems and health care workers supporting the COVID-19 response in humanitarian settings.

We received a total of 465 proposals as part of the urgent call from those seeking to research the impact of COVID-19 in multiple settings across humanitarian settings. It is thanks to a huge collective effort from the research community, including our Funding Committee, donors and over 65 technical reviewers, that these 15 research studies were able to be funded.

The funded studies covered a diverse range of relevant topics including behaviour change, communications and messaging, as well as Gender Based Violence (GBV) programming questions linked to COVID-19. Nine of the studies fell into the broad category of **social science research** investigating refugees and their understanding of COVID-19. A number of the studies further contribute to our work on **GBV**, inclusion of older people and user-centred design in **handwashing**.



Graphic showing a breakdown of research themes for our R2HC rapid research to support COVID-19 response.

The focus for priority research was guided by the 2019 WHO (World Health Organization) coordinated novel coronavirus Global Research Roadmap, with R2HC-funded studies complementing clinical and bio-medical research funded by other donors. Guidance was provided to grantees on effective research uptake strategies and knowledge translation.

Regular webinars were held to encourage experience sharing between the COVID-19 cohort of grantees, and we organised two external research panels highlighting the work of some of the research teams. Close collaboration with FCDO ensured learning emerging from ongoing studies quickly reached end users through their networks.

SCALING SOLUTIONS

Through our innovation work, we were able to respond to the COVID-19 crisis by launching a proactive, closed scaling funding call. We selected pre-existing HIF-funded innovations that we believed could have a meaningful impact on the COVID-19 response and invited them to apply for scale-up funding.

To balance the need for a rapid response to the COVID-19 crisis with the need for robust scrutiny of project proposals, Elrha designed a fit-for-purpose, rapid application, review and grant sign-off process. In parallel, we fast-tracked our due diligence and contracting process.

Two WASH innovations were funded:

1. We supported Oxfam GB to deploy 2,000 of its Handwashing Stations. This is expected to benefit close to 90,000 people and has also been the catalyst for the production of a further 3,200 Handwashing Stations that will be deployed throughout 2021.

2. Researchers at Stanford University are investigating whether the portable and reusable 'SuperTowel' - supported by the HIF from inception in 2015 - by Danish company Real Relief could be an alternative to handwashing during the COVID-19 outbreak and beyond. With its antimicrobial properties, the towel kills bacteria such as those that cause cholera and diarrhoea, and scientists believe that the towel might also kill inactivate viruses.

1.4 HUMANITARIAN INNOVATION FUND (HIF)

Our HIF programme improves outcomes for people affected by humanitarian crises by identifying, nurturing, and sharing more effective and scalable solutions.

In 2020, our work on innovation expanded to six distinct areas of focus; [Water, Sanitation and Hygiene \(WASH\)](#); [Gender Based Violence \(GBV\)](#); [Inclusion of People with Disabilities and Older People](#); [Building Skills and Capability on Innovation Management](#); [Scale](#); and [Local/Community Innovation](#).

In 2020, the HIF continued to drive forward with an impactful and responsible agenda for humanitarian innovation within an increasingly volatile, uncertain, complex and ambiguous global context.

1.4.1 KEY HIGHLIGHTS

Humanitarian Innovation Gap Analyses

In 2020, we commissioned three substantial gap analyses: for humanitarian Water, Sanitation and Hygiene (WASH), the Inclusion of People with Disability and Older People in humanitarian response (DOAI), and Gender-based Violence (GBV). All three have a global remit, involve both extensive desk-based research, literature review and primary data collection, and sought to incorporate the views and opinions of people affected by crises in the identification of gaps. This created some challenges amidst the COVID-19 pandemic in 2020 with, in some cases, barriers to direct consultation with people at community level.

Inclusion of People with Disabilities and Older People

It has been a pivotal year for one of our newest focus areas on Inclusion of People with Disabilities and Older People, with Elrha recognised as a

legitimate and exciting actor working at the intersection of humanitarian response, disability inclusion and older age and bringing what innovation can offer 'to the table'. This is reflected in new Elrha stakeholders and our representation in important humanitarian inclusion forums.

WHO global estimates suggest that 1 billion people worldwide have some kind of disability, comprising around a 15% of a given population. Older age intersects significantly with disability as an estimated 46% of those over 60 have a disability. Due to current demographic trends and increases in chronic health conditions, this proportion is rising globally, and substantially higher in humanitarian settings.

People with disabilities and older people face barriers to inclusion, including cultural, attitudinal, physical, communication, and legal/policy barriers. Despite representing a significant proportion of a given population, they are often excluded from both accessing and making decisions in humanitarian programming. As a result, their rights, perspectives, and agency are frequently overlooked, leaving them disproportionately affected by crises.

We want to see a humanitarian system that upholds the rights of people with disabilities and older people, and recognises their capacities and views, where inclusion is recognised as the responsibility of all actors, not just specialist agencies. Overall, improving our understanding of the barriers to inclusion for people with disabilities and older people in humanitarian response means we can better uphold the principles of humanity and impartiality, and we can improve outcomes for all individuals affected by crises.

To do this, we're continuing to build upon our work started in 2019, by commissioning a comprehensive **Gap Analysis on the Inclusion of People with Disabilities and Older People in Humanitarian Response**, led by the Nossal Institute at the University of Melbourne. This is the first systematic-style review of its kind in this area. Supported by

a highly expert Technical Working Group, it maps gaps in the inclusion of older people and people with disability in humanitarian action against each of the global Humanitarian Inclusion Standards and by humanitarian sector (Health, Shelter, Protection). It includes a consultation with 63 people with disabilities and older people affected by crises in Indonesia (other planned consultations in Pakistan, Malawi and Tonga were not possible due to COVID-19), and with approximately eighty individuals working in humanitarian response, disability inclusion and older age inclusion.

It is split into two reports: [the first report presents findings of a grey and academic literature review](#); the second, [‘beyond the evidence’](#) builds on this with findings from interviews, consultations and workshops, with recommendations on areas for innovation. It has received strong support from key stakeholders such as CBM, HelpAge and Islamic Relief, who will use it to drive a more coordinated and evidence-based approach to addressing humanitarian inclusion.

We also ran two innovation funding challenges on [increasing meaningful participation](#) of people with disabilities and older people and exploring how [inclusive preparedness enables inclusive response](#) (July 2020).

Gender Based Violence (GBV)

Gender-based violence (GBV) is a human rights violation, yet it is an insidious reality for many women and girls across the world. The risk of abuse, violence and exploitation is increased throughout all phases of a humanitarian crisis. The COVID-19 pandemic has exacerbated the prevalence of, and impact of, GBV on people’s lives and the quality and reach of innovation in this area is needed now more than ever. However, GBV doesn’t always receive the critical attention and resources required in humanitarian crises. For example, between 2016-2018, GBV funding accounted for just 0.12 per cent of all humanitarian funding.

This year marked exciting activities for our Gender Based Violence (GBV) area of focus. With guidance from our newly convened GBV Technical Working Group, we successfully launched two innovation funding challenges, including ‘Advancing GBV Innovations’, and another focused on innovative responses to Intimate Partner Violence in humanitarian settings, which has resulted in unprecedented engagement from the GBViE community of practice.

We published our **Gender-based Violence Gap Analysis: a global consultation demonstrates** the outstanding and persistent gaps that continue to challenge the humanitarian GBV sector. The gap analysis is informed by targeted outreach with strategic actors in the Gender-based violence in emergencies community of practice, including members of the Call to Action on Protection from GBV in Emergencies 2020 Annual Partners’ Meeting Virtual Forum.

Direct consultation at community level was limited by the COVID-19 pandemic and so secondary data analysis through literature review and analysis of existing datasets was undertaken to incorporate the perspectives of women and girls. Ranking and prioritisation of gaps was undertaken initially by over 90 humanitarian professionals and then refined by a group of 40 experts. A Steering Committee, alongside our GBV Technical Working Group, continue to support the gap analysis to increase awareness and drive change in the sector. A second phase of work commences soon, aimed at ensuring that the voices of women, girls, and GBV practitioners in humanitarian settings are prominent and accurately represented.

We continued to actively engage with and contribute to the wider community of practice for example through the Sexual Violence Research Initiative Forum, GBV Call to Action as well as the IDIA Gender and Innovation Working Group.

Water, Sanitation and Hygiene (WASH)

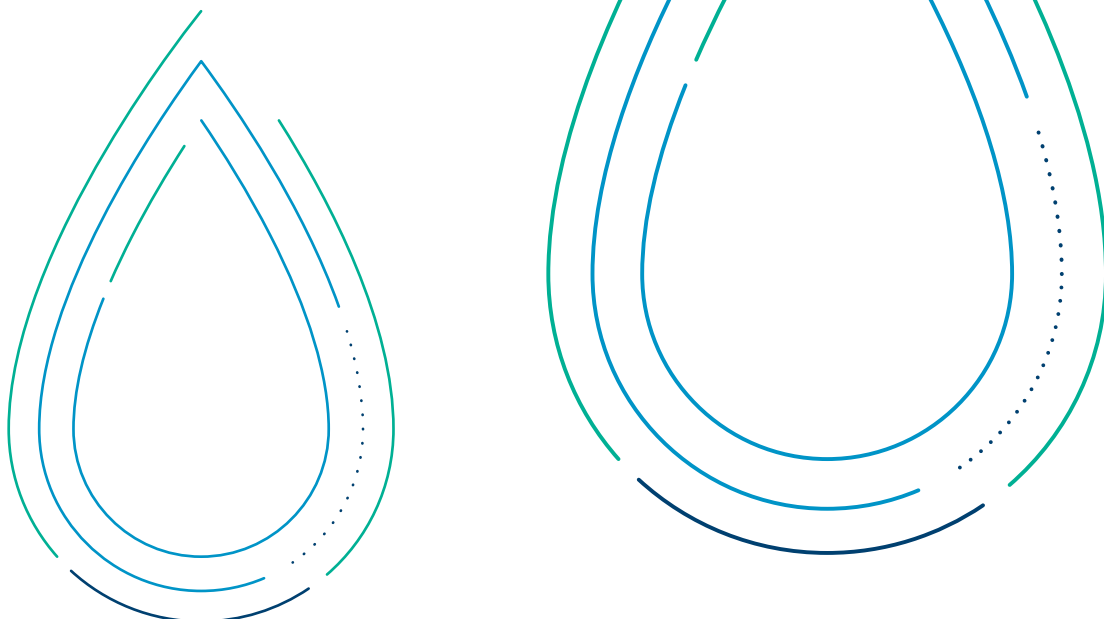
Our work in Water, Sanitation and Hygiene (WASH) continued at a pace in building a strong and diverse portfolio, as the need for humanitarian aid continues to grow year on year, yet the way WASH aid is delivered has changed very little in the last few decades with 15 new funded innovations (including two COVID-19 responsive WASH grants) and a two innovation funding challenges launched.

Our **Evidence Challenge** is supporting innovators to directly tackle one of the barriers to scale, allowing them to gather evidence needed. Our **Adoption Challenge** is designed to incentivise and facilitate adoption through funding and support to humanitarian organisations to trial promising solutions.

We are delivering direct advocacy in the humanitarian WASH system to improve coordination around and encourage the adoption of promising HIF-funded solutions, including by publishing the **second edition of our WASH Innovation Catalogue**.

The first of its kind, the catalogue offers a unique overview of some of the most promising new solutions in WASH and is designed to help practitioners decide which innovations could help them solve their most pressing problems and has been shared with thousands of WASH practitioners globally.

The **WASH Gap Analysis** is a collaboration with Oxfam, the Global WASH Cluster (GWC), Tufts University, Cranfield University and Leeds University launched in 2021. It involves consultation with over 2,000 people affected by crisis and WASH practitioners in approximately 30 countries. We are working with our expert WASH Technical Working Group and the key partners in this collaboration to engage further with strategic actors, decision-makers, and networks to stimulate demand for using this evidence to direct investment and resources at tackling identified gaps.



 **FUNDING SNAPSHOT**

The \$1 Open Water Filter FairCap

FairCap's innovative point-of-use membrane filter provides an effective and low-cost solution for purifying contaminated water in humanitarian settings, for instance, emergencies caused by natural hazards where water is particularly scarce.

The FairCap Project started in November 2016 with support from us and other organisations. We've been supporting the innovation through all its development, not just financially but more widely too, supporting the team to establish links with the complex humanitarian ecosystem.

FairCap Mini is a small, easy-to-use water filter for use on individual bottles that can be screwed onto standard plastic bottles, allowing the user to transport water and purify it instantaneously and without chemicals or electricity. FairCap Family is a higher volume filter that can satisfy a family's needs by installing on to existing containers, such as buckets and jerrycans.

The initial 3D printed prototypes have evolved now into fully functional filters. In both its Mini version and the Family size, the filters have proved their efficacy in several independent laboratory tests and with communities in Lebanon, Kenya, Mozambique and Colombia.

These trials improved their design with feedback from users using the filters and aid agencies distributing them. The filters reduce water turbidity; remove 99.99% of larger pathogens such as *Escherichia coli*, and eliminate 99% of bacterial viruses when applying a smaller pore size membrane. FairCap also built a wide network of partners and contacts within the humanitarian WASH sector to continue their learning and development and advocate for the filters' uptake.

The project now aims to conduct more extensive trials to generate the full body of evidence needed by international organisations in order to adopt the filters at scale. Working with the University of Applied Sciences and Arts North-western Switzerland, FairCap has successfully secured funds from our [2020 WASH Evidence Challenge](#) to carry out this research.

This project is an example of a successful innovation which has an immediate positive impact on lives from the moment it is distributed, while also presenting advantages for humanitarian actors due to its low-cost and small size which makes it highly cost-effective and easy to transport.

Ethical Humanitarian Innovation

We have driven forward our work on building skills and capabilities on innovation management with a particular focus on ethical humanitarian innovation. 2020 saw us lay the foundations for the development, testing and piloting of an Ethics Toolkit for humanitarian innovation, as well as a Participation Toolkit, both due to be published in 2021.

Championing locally led innovation

As part of additional funding from FCDO in early 2020, we embarked on a new piece of work, the Community Led Innovation Partnership, which aims to support the emergence and development of locally-driven solutions to humanitarian problems, identified by people affected by crises.

Community-led humanitarian innovation is, we believe, a critical and promising example of an effective approach to address the ever-increasing humanitarian challenges in a more equitable and sustainable way. This new partnership involves seven entities around the world who share a vision of supporting community-led innovation: Elrha, [the Start Network](#), [Asia Disaster Reduction and Response Network](#) (supported by their Tokyo Innovation Hub), [Yakkum Emergency Unit](#) (Indonesia), the [Center for Disaster Preparedness](#) (the Philippines), the Start Network Hub in DRC, and the Start Network Hub in Guatemala, hosted by [Asociación de Servicios Comunitarios de Salud \(ASECSA\)](#). 2020 focused on the inception period for the CLIP, establishing the partnership and strategy and future plans.

Journey to Scale

Scaling humanitarian innovation remains a critical challenge for the global humanitarian community. Too often promising innovations fail to gain traction and wider uptake. This means work and resources are wasted, and great ideas don't reach their full

potential. With growing humanitarian need and a resource-constrained sector, there is a need to generate greater impact from investments in innovation.

In direct response to this challenge, we launched the second round of Journey to Scale at the start of this year. Following almost a year long process, 2020 saw our Journey to Scale initiative take its next step. Following hundreds of applications, a shortlist of just ten was decided, spanning multiple sectors, including our own innovation focus areas of WASH and GBV, but also including nutrition, mental health, early warning systems for Disaster Risk Reduction (DRR) and conflict, programme monitoring, shelter, energy and the environment.

From this shortlist, the HIF selected five final teams with the strongest proposals to receive flexible funding of up to 580,000 GBP each to explore different scale pathways and refine their approach. Below we share two of them but [you can see all five here](#).



SNAPSHOTS: JOURNEY TO SCALE

SH+360: SCALING UP SELF-HELP PLUS (SH+) THROUGH HUMANITARIAN PARTNERSHIPS

HealthRight International

Self Help Plus (SH+) was developed by WHO to deliver mental health and psychosocial support to large numbers of people in hard-to-reach humanitarian settings. It is a package of audio-recorded sessions and illustrated self-help books designed to be delivered in large workshops by a minimally trained lay provider. HealthRight International has developed the SH+360 model to help leading humanitarian partners to integrate SH+ into their programming with tailored support across

the full project cycle, ensuring that people experiencing mental health issues have access to the support they need.

Through SH+360 the project team will work in partnership with the International Rescue Committee, the Government of Uganda and BRAC to integrate SH+ into programming in health and protection in Uganda.

DMS-HIMALAYA: COMMUNITY-LED DISASTER MANAGEMENT FOR REMOTE GEOGRAPHIES

Pragya

Pragya is scaling DMS-Himalaya, an information and capacity-building disaster management toolkit, to enable marginalised and vulnerable communities in remote Himalayan geographies to reduce their disaster risk. The toolkit improves community-state disaster information flow and facilitates more collaborative action.

DMS Himalaya empowers remote communities to take charge of disaster management at the local level, spanning both pre- and post-disaster stages, and enables communities to easily collaborate with government.

Approach to Gender and Accessibility

We have used our learning from existing focus areas including Gender Based Violence and disability and older age inclusion to ensure approaches to gender and accessibility are not done in isolation but are cross cutting across our programmes and contribute to the organisation. During 2020 we have been building our capacity on accessible communication and accessibility in general. For example, we now publish all key documents and flagship reports accessible PDF and EPUB formats.

Governance

We are extremely fortunate to have such excellent support through our HIF governance groups. We are continuously working to ensure these reflect and represent the communities we are here to serve. This year, after a period of review and following the phasing out of our 'core grants' style of funding in the HIF, we realised we needed to make the role of our HIF Funding Committee clearer and more aligned with our targeted and thematic funding opportunities.

After working closely with existing HIF Funding Committee members, we agreed to bring the current Committee to an end, and build a new one – one that responds to our updated Terms of Reference, has the varied areas of expertise we needed, is gender balanced and includes lived experience. In 2020 we recruited for this new Committee through an open recruitment process and received over 200 applications. Following a rigorous selection process, our new Funding Committee of ten members (including a Chair) were fully inducted in August 2020 and have already begun to support our funding activity.

1.5 RESEARCH FOR HEALTH IN HUMANITARIAN CRISES (R2HC)

Our R2HC programme aims to improve health outcomes for people affected by humanitarian crises by strengthening the evidence base for public health interventions.

Since 2013, the R2HC programme has built a unique community across humanitarian public health practice and research. This community represents a wealth of expertise and experience. We work hard to maximise its potential for the humanitarian system by commissioning research and facilitating critical conversations that support the community to share knowledge and progress practice.

For R2HC in particular, this was a year largely shaped by COVID-19. With just two days' notice, our Funding Committee to review proposals to our seventh Annual Funding Call meeting became virtual, with rigorous reviews conducted online and eight studies approved for funding.

We responded to the pressing need to support the generation of vital research that could contribute to the COVID-19 response in countries and communities already affected by crises, by launching an urgent Responsive Research Funding Call. As detailed above in [Section 1.3](#), this Funding Call demonstrated our extensive global reach – we received 465 applications submitted in a brief five-week window, 70% of them from Lower-Middle-Income Countries settings. 14 of the 15 organisations awarded funding had not been previously directly funded by us.

To support our grantees during an exceptional time while unable to convene in-person, we adapted our tools and resources – including our Research Impact Toolkit – for online audiences and conducted virtual meetings. We facilitated the sharing of experience between our new and existing grantees and with the wider community, and convened panels for externally hosted events.

1.5.1 KEY HIGHLIGHTS

Funding new research

In 2020 we funded 23 new research studies in total; 15 Responsive Studies as part of our COVID-19 response and eight new studies as part of Our Annual Call for proposals. (See a selection of what we've funded below).

Our R2HC programme takes the unique approach of partnering academics with humanitarians and this year included the requirement of the inclusion of a research partner from the country of study. This Call received **138 eligible research proposals** submitted at the expression of interest stage, with **27 being invited to prepare full proposals**. The studies vary in length from two and half to four years and tackle some of the most pressing areas for research in the field of humanitarian health. Although this was an 'open funding call' spanning all health topics in humanitarian contexts, six of the studies have a primary or secondary focus on **mental health and psychosocial support (MHPSS)**. These studies will help to further build on the body of evidence we have been able to fund under the MHPSS focus area, collectively, making an important contribution to the evidence base and helping to improve public health outcomes in humanitarian crises.



FUNDING SNAPSHOT: THREE OF THE NEW RESEARCH STUDIES FUNDED IN 2020 THROUGH OUR URGENT FUNDING CALL TO RESPOND TO COVID-19

Theme: Innovation Solutions

Monitoring and maintenance of handwashing devices during the covid-19 crisis in a humanitarian context – the role of psychological ownership

Lüthi (Eawag, Swiss Federal Institute of Aquatic Science and Technology) with International Federation of the Red Cross (IFRC)

This controlled trial study aims to increase handwashing in households, and will be conducted in Cox's Bazaar, Bangladesh. Camp residents and staff will be surveyed to assess functionality, monitoring and maintenance systems of handwashing devices as well as psychological ownership of the devices, to assess whether ownership increases handwashing.

Expected outcomes are improved monitoring and maintenance of both individual and public handwashing devices in the camp settings, and strengthened interventions for handwashing which increase psychological ownership, tailored to the local conditions and the current COVID-19 crisis.

Theme: knowledge, behaviours, and community responses to COVID-19 public health measures

COVID-19 in the Gaza strip: community practices in Palestine refugee camps

Hart (University of Bath) with UNRWA

This qualitative research study aims to identify the barriers and enablers for the uptake of public health measures in Palestine refugee camp communities in the Gaza Strip. They will also look at the protection concerns for vulnerable groups arising as a result of public health measures being implemented in the communities.

Expected outcomes are a better informed UNRWA response to COVID-19 in Palestinian refugee communities, supported by an increased evidence base of current community practices surrounding COVID-19, and data on the interconnection between public health measures and protection issues.

Theme: messaging and public health information

Using radio and social media to address misinformation about covid-19 amongst internally displaced persons in Burkina Faso.

Heywood (University of Sheffield) with Fondation Hirondelle and others

This qualitative study primarily uses qualitative and content analysis methods to evaluate how radio broadcasters in Burkina Faso can effectively be adapted to address and respond to the information needs of IDPs and to combat misinformation regarding COVID-19. The team will use the findings to directly inform the partner radio station (Studio Yafa) broadcasts through a network of 37 local partner radios, covering zones with the highest concentration of IDPs.

Expected outcomes are a better understanding of the sources and circulation of (mis)information regarding COVID-19 among IDPs and host communities; of IDPs' information needs in general; and in relation to humanitarian actors in particular.

FUNDING SNAPSHOT: THREE OF THE NEW RESEARCH STUDIES FUNDED IN 2020 THROUGH OUR ANNUAL FUNDING CALL

Depression in the time of conflict: evaluating community-based models of psychosocial care in Kachin, Myanmar

Innovations for Poverty Action

This study will evaluate a community-based mental health and psychosocial support programme in war-affected villages in Kachin State. The impact of community-based services in a remote conflict-affected setting will be measured. The cost-effectiveness of standard group and individual-based models of psychosocial first-aid, which will be contextualized for delivery in Myanmar and compared to a low-cost “self-help” group model, will be evaluated.

Self-managed abortion: barriers and opportunities in humanitarian settings in East Africa

Ibis Reproductive Health

This study will examine women’s experiences with abortion in refugee camps in Kenya and Uganda, highlighting critical gaps and estimating incidence. The research aims to contribute to the development of policy and programming guidance to improve information, access and use of abortion medication in humanitarian settings.

We launched our 2020 Annual Funding Call in September - later than normal to enable us to run the rapid urgent funding call for research proposals to support the COVID-19 response in humanitarian settings.

Effectiveness of a guided mental health chatbot for conflict-affected adolescents

World Health Organization

This study aims to test whether an e-mental health chatbot developed by the WHO – STARS – is effective in reducing symptoms of emotional disorder among conflict-affected, older adolescent Syrian and Palestinian refugees in Jordan. The STARS chatbot has been designed to be as simple as possible, and to be feasible for use by adolescents including those with basic literacy.

Focusing on research impact

Our Research Impact Toolkit (RIT) developed with the Overseas Development Institute (ODI) was produced in late 2018, with content adapted from the ROMA (RAPID Outcome Mapping Approach) methodology. It forms the basis of a two-day interactive workshop designed to support study team partners to produce a stakeholder engagement strategy to achieve uptake and use of research by humanitarian stakeholders.

During 2019 the core materials were expanded and developed based on the needs of R2HC grantees (such as additional content on communicating with humanitarian audiences). In 2020, with travel restrictions in place due to the COVID-19 pandemic, we transformed the RIT materials into an online course, with videos, resources and an accompanying strategy template to enable study teams to continue to benefit. Next year we plan to improve materials based on feedback from our grantees and hope to make this course available more widely as a valuable contribution to the humanitarian health research community.

We want humanitarian decision-makers to be able to read, use and apply the findings of the research we fund. But translating lengthy academic research articles into something more suitable for these audiences needs a certain style and structure. We continued to support and showcase Research Snapshots by our study teams, who use them to communicate the main points of their research in a quick, direct, and accessible way. These short 'Research Snapshots' summarise key messages, findings and the implications for humanitarian policy and practice. [You can see an example of a Research Snapshot developed in 2020 here on our website.](#)

This one provides a two-page summary of the research undertaken as part of the R2HC-funded study [Ethics & palliative care during international humanitarian action](#):

Humanitarian teams often operate in high mortality settings, raising crucial questions about care for the incurable and the dying, their families, and their communities. The Humanitarian Health Ethics (hhe) research group conducted a study aiming to better understand ethical and practical experiences, challenges, and possibilities of integrating palliative care into humanitarian crisis response.

[This research snapshot](#) reflects the results of a case study on the provision of palliative care in two protracted conflict-induced refugee camps in Rwanda. The qualitative study identified ethically and contextually relevant interventions including public education, caregiver training, integration of services, and small things (e.g., infrastructure modifications) that are low cost but of high impact.



FUNDING SNAPSHOT

R2HC - Respiratory Health Interventions in Volcanic Eruption Crises

Durham University, Indonesian Red Cross, and partners (Call 2, 2015-2019)

10% of the world's population lives near an active volcano, most of them in low-income countries. When a volcano erupts, humanitarian agencies frequently distribute face masks to protect people from breathing in ash which can lead to serious health problems, including lung cancer. Its use by communities though is inconsistent since agencies often use and distribute a range of different masks with no robust evidence on which are effective or safe, nor clear communications and messaging on their correct usage.

The study we funded investigated the use of face masks as respiratory protection in volcanic eruptions. Through a clinical trial and laboratory experiments, the research team sought to establish whether some forms of protection were safer than others and whether some protection is better than no protection. A qualitative research arm also explored behavioural factors influencing the use of masks in various countries and contexts to help inform advice on how protection should be adapted to different environments.

The study achieved global recognition via the World Health Organisation's endorsement of key research outputs, such as the 'Ash

Protection Guidelines'. The Pan-American Health Organisation (PAHO) used the study team's inputs and the research findings and outputs to inform regional response tools and protocols. The study team also worked with representatives of nine Latin American Ministries of Health to upskill them in volcano response protocols enabling them to update and enhance their national emergency plans. The research also had direct benefits for people affected by crises, specifically those near volcanic eruptions in Indonesia and Guatemala.

This study is an excellent example of how evidence generated by research we have funded has directly influenced policy and practice among key humanitarian actors managing emergency response. In this particular case, in settings with a high likelihood of exposure to volcanic eruptions which make it even more challenging to respond to already complex humanitarian crises.

Knowledge sharing and influencing

A collaboration between ODI (Overseas Development Institute) and R2HC resulted in the publication of a [Special Ebola Edition of the Humanitarian Exchange](#). Co-edited by the Head of R2HC, Anne Harmer, the edition included 13 articles describing different approaches to the DRC Ebola response. Most of the authors were identified from within our own R2HC 'community of practice'.

Due to COVID-19, the planned in-person launch was replaced by an [online launch](#) in March 2020, with 90+ participants joining the event virtually for a panel discussion.

Collaboration with the Mental Health and Psychosocial Support (MHPSS) community has continued to progress this year, facilitated by our commissioning of two reviews in 2020 to support the evidence base: one examining the extent to which MHPSS research since 2010 has contributed to informing MHPSS practice, and the other supporting a MHPSS research priority setting to cover the next ten years.

The [first review – looking back - was completed and published in 2020](#), comprising a literature review and consultation, and assesses mental health and psychosocial support (MHPSS) research generated since 2010. Its purpose is to analyse the extent to which evidence generated over the last 10 years has; *contributed to the public health evidence base; influenced programming and policy in humanitarian settings; advanced the research agenda*. The second review – looking ahead – will be published in early 2021.

In recognition of our contribution to this community of practice, we were invited to become an observer member of the IASC (Inter Agency Standing Committee) Reference Group on MHPSS.

THEMATIC FUNDING FOCUS: Mental Health & Psychosocial Support (MHPSS)

Being a refugee, displaced person, or someone affected by conflict or a natural disaster impacts negatively on mental health and psychosocial well-being, with evidence of increased psychological distress, social problems, and both common and severe mental disorders. In June 2019 WHO updated its estimates for the prevalence of mental disorders in conflict-affected low-income and middle-income settings. The review estimated that more than one in five people (22.1%) in post-conflict settings live with depression, anxiety disorder, post-traumatic stress disorder, bipolar disorder, or schizophrenia and that almost one in ten people (9.1%) in post-conflict settings have a moderate or severe mental disorder at any point in time.

Given the high prevalence of mental disorders, there is a need to make available sustainable mental health care in humanitarian affected contexts. This requires investment in leadership and governance for mental health; integrated and responsive mental health and psychosocial services (MHPSS) in community-based settings; strategies for mental health promotion and prevention; and strengthened information systems, evidence, and research for mental health in humanitarian settings. Whilst the past 15 years has seen more humanitarian actors addressing the mental health and psychosocial (MHPSS) needs of refugees and those affected by conflict and displacement through their programming, the effectiveness of these interventions is largely unknown.

The need for research to evaluate interventions, including those implemented in contexts where there are no skilled service providers, is widely recognised. Evidence-based approaches are critical for informing the decisions of those funding and implementing humanitarian response.

We strive to get a better understanding of which MHPSS approaches and interventions are most effective, and to promote the uptake of research findings to inform policy and programming, so children, young people and adults struggling with mental health problems can receive the best possible support.

This report brings together this evidence, by identifying literature from low, middle and high-income countries, countries both at peace and in conflict. The research was undertaken by RAND Europe and informed by an Expert Working Group consisting of 12 specialists representing key organisations committed to preventing violence against health care.

Our strategic collaboration with ICRC continues as we advocate for the need to establish a body of evidence on violence against health care in conflict, post-conflict and fragile settings, to inform policy and practice and contribute to the protection of health care from violence and mitigating its wider impacts on health.

Impactful Partnerships

As a result of our strategic collaboration with the International Committee of the Red Cross (ICRC), **in July this year we published our joint report [Researching Violence Against Health Care: Gaps and Priorities](#)**. The report identified key evidence gaps that need to be filled through rigorous research if we are to identify solutions to both prevent, and protect health care from violence. Due to COVID-19 travel restrictions, the launch of this report was delayed to the summer, we quickly adapted the launch of the report to work online, holding a discussion panel with the researchers and ICRC team, chaired by Professor Gilles Carbonnier, ICRC Vice President. We were joined by over 200 people from around the world.

As part of [ICRC's Health Care in Danger Initiative](#), we partnered to commission this evidence review, taking stock of global knowledge on violence against health care and its impact, and to determine the availability of preventive solutions. We know that one of the key barriers to identifying effective solutions to address violence against health care is a lack of knowledge of the global evidence that could be used to inform interventions in different countries and settings.

1.6 NEW AREAS OF WORK FOR 2020

In 2020, additional funding by the Foreign, Commonwealth and Development Office (FCDO) allowed us to expand on or undertake new areas of work. This included: The Global Prioritisation Exercise (GPE), The UK Humanitarian Innovation Hub (UKHIH) and the Community Led Innovation Partnership (CLIP). 2020 was predominantly an establishing year for these new areas of work, which included finalising proposals, recruitment to new roles, and developing delivery plans and strategies. Below, we share more about the GPE and the UKHIH. The CLIP is captured in the above [Section 1.4](#) under the Humanitarian Innovation Fund.

1.6.1 THE GLOBAL PRIORITISATION EXERCISE

It is estimated that in 2021, **235 million people** will need humanitarian assistance and protection. 68 million more people will need access to life saving aid than in 2020, when need was already the highest it has been in decades.

The COVID-19 pandemic continues to affect communities globally. Extreme poverty has risen for the first time in **22 years**, and the full impact of the economic fallout has yet to be seen. With a global recession, increasing economic pressures on all countries, and anticipated cuts to aid and humanitarian budgets, it is more critical than ever that humanitarian investments are as impactful as possible in supporting humanitarian action.

Communities affected by crises have a right to effective aid that is lifesaving, relieves suffering and promotes dignity. By targeting resources at the most pressing problems, the humanitarian community can have a bigger impact on lives. **Our Global Prioritisation Exercise (GPE)** will improve outcomes for people affected by crisis by amplifying

the impact of investments in humanitarian research and innovation.

We will do this by:

- revealing global investment trends and activity in humanitarian research and innovation
- identifying what humanitarian actors believe to be the most impactful areas for investment.
- highlighting examples of effective research and innovation investments.
- developing an inclusive coordinating mechanism that enables multiple actors to align activity against identified needs.

We know that countries that consistently invest in innovation, research and development (of a new product, process or service) are more productive and adaptive. Unfortunately, the spend on research and development across the humanitarian sector remains low.

This work will bring together major funders of research and innovation, the humanitarian community, and countries and communities affected by crisis. Together, they will identify and prioritise challenges within the system and create opportunities for positive change. Ultimately our aim is to increase the impact of humanitarian research and innovation investments for communities affected by crises, by targeting resources at the most pressing problems.

During 2020, we recruited for key roles to lead this work including a Director of Policy Engagement and Communications and a dedicated Research Manager. We also established our **GPE Reference Group** to provide expert advice and counsel to ensure its success. Its members reflect a broad range of experiences and backgrounds, with a strong, proven commitment to research and innovation. They will be critical to us achieving our vision of a world where people affected by crisis receive an effective and coordinated humanitarian response.

1.6.2 THE UK HUMANITARIAN INNOVATION HUB

In 2020 Elrha was chosen to be the host organisation for the UK Humanitarian Innovation Hub (UKHIH). UKHIH is a new FCDO-funded mechanism that will promote and support strategic and focused collaborations across government, science, private and humanitarian actors to drive urgently needed innovations and technologies in humanitarian responses to disasters and conflict. At its heart, the Hub is about focusing on the biggest humanitarian problems and bringing new collaborations together to solve them.

As we have described with the need for the GPE, we are currently facing the realisation that humanitarian need is at an all-time high. This is likely to continue to rise during the next decade driven by more complex and longer conflicts, by growing fragility and climate change, and by the impact of the COVID-19.

UKHIH's work will complement the work of Elrha, in both its research and innovation ambitions, investing in communities in countries affected by crises not as an add on, but as a fundamental part of the innovation process. As the host, we will collaborate with the UKHIH and continue to amplify its core message that innovation is essential - the humanitarian system needs to make the best use of its expertise and funding to provide protection and assistance to those that need it, when they need it.

During 2020, UKHIH has been working to establish itself, recruiting a Project Manager to oversee the set-up of this new, exciting initiative. Initial investments have been explored, and include artificial intelligence, satellite technology, global humanitarian surgery and covid-19 vaccine delivery in war / disaster zones. These investments will be confirmed in early 2021, alongside the recruitment of the Hub's new Director.

1.7 PLANS FOR FUTURE PERIODS

Looking ahead to 2021 and beyond, we will be focusing on the following:

- Strategy Review – how are we doing?**
 As part of our 2021 work plan, we will be undertaking a mid-term strategy review with input from key stakeholders, including our staff and board. This halfway point review will help us assess our progress and successes to date, contribute to our continued learning development, and look ahead to the second half of the strategy period (2021-2023).
- Embedding New Work:** We will continue to develop the new or expanded areas of work that were established in 2020, including the CLIP, GPE, and supporting the UKHIH.
- Who and How we Fund:** We will create a new cross Elrha focus on increasing accessibility and improving success rate of 'southern' applicants to our funding.
- Demonstrating our Impact:** We will continue to build on the MEAL (Monitoring Evaluation Accountability and Learning) framework and strategy established in 2020, systematically capturing the impact Elrha is making, sharing powerful stories of change, rooted in evidence.
- Increasing Outreach and Engagement:**
 With more resources due to the growth of Elrha in 2020, we will drive forward more evidence based and audience centred communications - communications that amplify voices who are not always heard and platform a diverse range of perspectives, knowledge and experiences.
- Diversity, Inclusion and Anti-Racism:** We will create a new Diversity and Inclusion Policy, fit for purpose for the Elrha of today; we will continue to support our voluntary Anti-Racism Working Group, set up in September 2020, working to make change happen in Elrha and beyond, and delivering on the commitments we made.
- Strengthening our Governance:** Building on the recommendations of a Governance Review completed in 2020, we will further develop Elrha's Governance systems to support us to deliver on our ambitious strategy.
- Diversifying our Funding –** We will be exploring additional funding from a greater diversity of sources to ensure a sustainable long-term future for Elrha.

2. FINANCIAL REVIEW

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and the second edition of *Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)*, published in October 2019.

The financial outcome for 2020 is set out in the Statement of Financial Activities on [page 48](#).

2.1 FINANCIAL ACTIVITIES

2.1.1 INCOME

Total income in the year was £13.7m, representing an 88% increase on 2019's income of £7.3m. 98.4% of this (2019: 98.5%) was restricted income received in the form of grants from institutional donors including the UK Foreign, Commonwealth and Development Office (FCDO; formerly the Department for International Development (DFID)), National Institute for Health Research (NIHR), the Netherlands Ministry of Foreign Affairs, Wellcome Trust, the Norwegian Ministry of Foreign Affairs and the Swedish International Development Agency (Sida). As all restricted income is recognised on a performance basis, the amount recognised was driven by expenditure on the relevant charitable activities. The significant year-on-year variation is analysed further in the Expenditure section below.

Gifts in kind of £98k (2019: £50k) consisted primarily of professional services donated to the organisation in support of our activities.

Unrestricted income of £125k (2019: £60k) was generated through the provision of consultancy services to other humanitarian organisations, drawing upon Elrha's existing expertise and in line with the entity's charitable objectives.

2.1.2 EXPENDITURE

Total expenditure in the year was £13.5m (2019: £7.4m). As in previous years, expenditure was dominated by grant payments to organisations Elrha funds, which in 2020 amounted to £10.4m (2019: £4.5m). As a proportion of Elrha's total spend, this represents an increase from 60% to 77%, which is attributable to both the R2HC and HIF programmes. In each case this was driven by a combination of normal programme fluctuations, exceptional spend in response to COVID-19, and increases in certain areas of funding.

R2HC Grant Expenditure

R2HC's grant expenditure remained Elrha's biggest single area of spend in 2020, with a doubling of absolute spend from £3.1m to £6.2m. This represented a proportional growth from 42% to 46% of total expenditure. The change can be attributed to the following factors:

- 1. Normal fluctuations in partner payments for regular grants:** R2HC's core annual grant-making consists of substantial grants awarded for multi-year projects with multiple partner organisations contributing to research. Costs are recognised when the milestones for payments are reached. Given the multiple factors which can influence research timelines, along with the relatively small number of large payments involved, year on year spend naturally fluctuates according to the pattern of payments approved. With spend in 2019 on this

type of grant having been 13% lower than in 2018 (including the months during which R2HC was operating within SCUk prior to transfer to Elrha), it was to be expected that some catch-up would occur in 2020.

2. **Increased scale of grant-making:** In addition to a usual variation in the timing of payments, the overall value of grants awarded in each annual call has also been increasing over the past few years, and particularly in 2020. Where the total 'pot' awarded to partners in previous calls had ranged from approximately £3.0m to £3.5m, the total value of grants awarded through the Call 7 annual funding call in 2020 came to £4.8m, representing a 34% increase relative to Call 6 which was awarded in 2019.
3. **Responsive research grants awarded in relation to COVID-19:** During 2020, R2HC ran its largest responsive research call to date, awarding a total of 15 grants for research in relation to the COVID-19 pandemic. As a result, there was a substantial increase in spend on responsive grants from £647k in 2019 to £1.9m in 2020. This is described in more detail in Sections 1.3 and 1.5 above.

HIF Grant Expenditure

Grants expenditure by the HIF more than trebled in 2020 relative to 2019, from £1.3m to £4.1m. Three key factors contributed to this change:

1. **Expected variation as part of the programme cycle:** 2019 saw a lull in the HIF's grant expenditure, as the previous phase of work was being wound down and grants closed, while the next phase was being established. Much of the HIF's work in 2019 was on activities such as problem definition and the design of the next round of funding calls. By 2020, new grants had begun to be awarded, and several additional calls were also launched with further new grants being awarded throughout the year. As a result, whereas 84% of the HIF's grant expenditure in 2019 was on old grants which were being closed (with the remaining 16% being new grants), these comprised just 3% of spend in 2020. New grants awarded in the normal course of programming comprised £3.1m of 2020 expenditure, or 73% of HIF grants spend.
2. **Exceptional expenditure in response to COVID-19:** With the rapid emergence of the COVID-19 pandemic, Elrha worked closely with all partners to adjust programming as needed to meet new challenges. This included exceptionally awarding two responsive grants to current Elrha grantees with promising WASH innovations, in the hopes that these innovations could be implemented more rapidly than otherwise would have been possible (see Section 1.3 for more detail). With spend of £356k in 2020, these two grants alone accounted for 8% of HIF grant expenditure and represented spend which otherwise would not have taken place in the year.
3. **New funding towards the Community Led Innovation Partnership (CLIP):** As described above in Section 1.4, the amendment signed in April 2020 included funding for a new area of work for the HIF, namely the CLIP. Although this project was still in the early stages as at the end of the year, initial payments were made to CLIP partners prior to 31 December 2020 in order to cover costs incurred during the year, as well as an advance on costs anticipated in 2021 so that no partner would experience cash flow challenges. Since these were grant payments for which all conditions had been met, the costs were recognised in full by Elrha in 2020 in line with our accounting policies. These initial payments amounted to 16% of the HIF's grant expenditure in 2020.

Direct Costs

Direct costs include all programme staff and other costs associated directly with the management of our activities. In total, spend on activities undertaken directly fell in both absolute and relative terms, from £2.0m to £1.8m, or 26% to 13% of total spend. Notable factors affecting direct spend included the following:

1. **Activities and events adjusted or postponed due to COVID-19:** There was an obvious direct impact from COVID-19 related restrictions, in that activities and events which would usually have been conducted in person and entailed costs including travel, accommodation, and venue hire, had to be moved to virtual platforms, postponed, or otherwise redesigned in order to meet the intended objectives. This included events such as Funding Committee meetings, workshops with grantees, Elrha attendance at external conferences and training, and the biennial HIF Forum which had been scheduled for 2020. There was also an indirect impact on some activities, where resources were temporarily diverted for purposes such as R2HC's COVID-19 responsive call, as well as both R2HC and HIF staff liaising with partners to support their needs and amend grant conditions to allow for appropriate adjustments to the new circumstances. In some cases, this meant other activities were slightly delayed, with spend being pushed into 2021.
2. **Recovery of VAT:** Elrha secured a VAT refund of £84k in 2020 which principally related to direct costs incurred in 2019.
3. **Recruitment and new lines of work:** Offsetting the above factors were costs associated with activities to build up new lines of work as described in [Section 1.6](#). In the initial stages of this development, the principal cost was payroll, as team capacity was built up with a view to the expected increased scope of work. Elrha's average headcount in 2020 increased to 36 (2019:27). This included recruitment to the HIF, Global Prioritisation Exercise (GPE), and UK Humanitarian Innovation Hub (UKHIH) teams.

Support Costs

Support costs of £1.4m (2019: £1.0m) include all office running costs, externally sourced support services and the salaries of staff not directly attributable to programmes. As a proportion of Elrha's total spend, support costs decreased to 10% (2019:13%). Although all staff worked entirely from home from mid-March onwards, Elrha continued to incur the cost of facilities in the Farringdon and Cardiff offices. Support costs also increased due to support functions being built up in line with the increased funding received from the FCDO.

2.2 RESERVES AND FINANCIAL POSITION

Our total reserves at 31 December 2020 were £367k (2019: £145k), of which £129k were restricted (2019: £nil) and £237k were unrestricted (2019: £145k). There were no designated reserves. We hold unrestricted reserves to enable us to continue our activities in the event of:

- a temporary loss of income
- a permanent loss of income, to enable us to meet the cost of winding down the organisation if needed.

It is Elrha's policy to retain only sufficient reserves to safeguard the continuity of its operations, or to achieve an orderly wind-down if this were not possible, thereby committing the maximum possible resources to further our charitable objectives.

In 2020 Elrha's restricted and unrestricted reserves balances both increased, and the Trustees are confident that future incoming resources to the charity will be adequate to support the continuation of existing projects and activities, and also to meet other needs which may arise under reasonably possible downside scenarios, until at least the end of 2022. Accordingly, Elrha continues to adopt the 'going concern' basis in preparing the financial statements.

The Trustees are also taking steps to seek and secure additional funding from a great diversity of sources with a view to Elrha's longer term future. These plans are described above in [Section 1.7](#).

Investments

Elrha held no investments during the period.

2.3 PRINCIPAL RISKS AND UNCERTAINTIES

The major risks to which Elrha is exposed have been identified by the executive management team and reviewed by the Trustees as part of the annual risk review process. Appropriate systems and procedures are in place to manage these risks and provide reasonable but not absolute assurance against occurrence.

1. **Safeguarding or ethical issue:** There is a risk that our grantees do not conduct themselves or carry out their funded project in an appropriate way. This could result in people affected by crises being put at risk of harm or that ethics are not appropriately applied. As well as the inherent harm, Elrha's name, or the names of its donors could be brought into disrepute. We have comprehensive policies in relation to safeguarding in place, including the requirement for all staff to conduct safeguarding training. All staff and members of governance groups are required to sign up to our code of conduct which outlines the expectations we have of those we seek to work with. We perform due diligence on prospective grantees and monitor projects and studies on an ongoing basis to highlight potential risks and report any allegations of incidents.
2. **Impact of COVID-19:** Like many organisations, Covid-19 has affected the ability of our grantees to deliver programming and to do this safely, as well as for Elrha to deliver activities such as commissioned work. We have been able to adapt our planned approaches quickly by engaging with grantees to re-forecast, redesign and readjust outputs where needed. We have enhanced our due diligence and monitoring practices to ensure that those we work with have appropriate safety standards in place, as well as enabling us to identify the need for adjustments, such as no-cost extensions in a timely manner. We

redesigned activities where needed to ensure that they could still proceed. Our donors were consulted with and engaged with regularly throughout this period on any material changes to our planned approach. Our staff have been working from home throughout the period and have acted with great support and flexibility.

3. **Risk of donor disallowance:** there is a risk that expenditure may be disallowed, due to an inadvertent breach of donor rules or a project spending on ineligible costs. Elrha has low levels of unrestricted reserves and unrestricted income to cover costs such as these should they arise. Elrha carefully manages whether any new donor's compliance rules are worth the risk and capacity has been increased to ensure that donor rules can be adhered to. We ensure that our grantees receive appropriate training on allowable costs and compliance, and that their budgets and financial reports go through appropriate review to limit the risk of ineligible costs being incurred. During 2020, we entered into a new innovative partnership where some programming is taking place in fragile settings. A robust approach has been taken to the development of all relevant agreements to ensure that Elrha is as well protected as possible and the terms mirror those of the underlying donor.
4. **Funding risks:** Elrha has a number of funding risks owing to our reliance on a small number of donors, particularly the FCDO, for a high proportion for our income. Any reduction in our underlying agreements with them may have significant implications for Elrha at its current size. We are mitigating this risk by continuing to diversify our donor base where we can as well as engaging robustly with our current donors. As a high proportion of our expenditure is on grants, we also ensure that terms in agreements mirror those of our donors so that we can respond flexibly to any changes in our funding portfolio. Cashflow is projected carefully and underspends and overspends are managed robustly through regular forecasting to ensure that mitigating actions can be taken.

3. STRUCTURE, GOVERNANCE AND MANAGEMENT

3.1 LEGAL AND ADMINISTRATIVE INFORMATION

Elrha is registered at 1 St. John's Lane, London EC1M 4AR under the laws of England and Wales as both a private limited company by guarantee (11142219) and a charity (1177110). A second office is located at Phoenix House, 8 Cathedral Road, Cardiff, CF11 9LJ.

The charity was incorporated on 10 January 2018. The activities of Elrha had commenced in 2009 within the entity of Save the Children UK, and the related assets were transferred to the separate legal entity on 1 May 2018 for nil consideration. The sole member of Elrha is the Save the Children Fund, of which Elrha therefore acts as a wholly owned subsidiary.

Under Elrha's Articles of Association, dated at incorporation, certain decisions are reserved for the Member. These include, but are not limited to:

- i. any changes to the Articles of Association,
- ii. any alteration to the Charity name or registered office,
- iii. any structural change to the organisation e.g., setting up of subsidiaries mergers, sales, disposals, and liquidations, and
- iv. the appointment and removal of all trustees.

TRUSTEES

The following were members of the **Board of Trustees** (and also Directors of Elrha for company law purposes), at the date on which the financial statements were approved and during the year:

- Margie Buchanan-Smith (Chair)
- Matthew Clancy
- Wendy Fenton
- Andy Katz
- Ebrima Saidy (appointed 18 February 2021)
- Andrew Shellard (Treasurer)
- Andrew Toby Smith
- Karen Twining Fooks

SENIOR LEADERSHIP TEAM

Day-to-day management of the charity is delegated by the Trustees to Elrha's Senior Leadership Team (SLT). As at the date of approval of this report and during the year, the members of the SLT were:

- Jessica Camburn – Chief Executive Officer (on maternity leave from 20 July 2020)
- Lyndall Stein – Interim CEO (maternity cover started 6 July 2020)
- Kate Hart – Director of Programmes and Strategic Partnerships
- Dallan Cunniffe – Director of Finance and Operations
- Jean McLean – Director of Policy Engagement and Communications (started 5 October 2020)

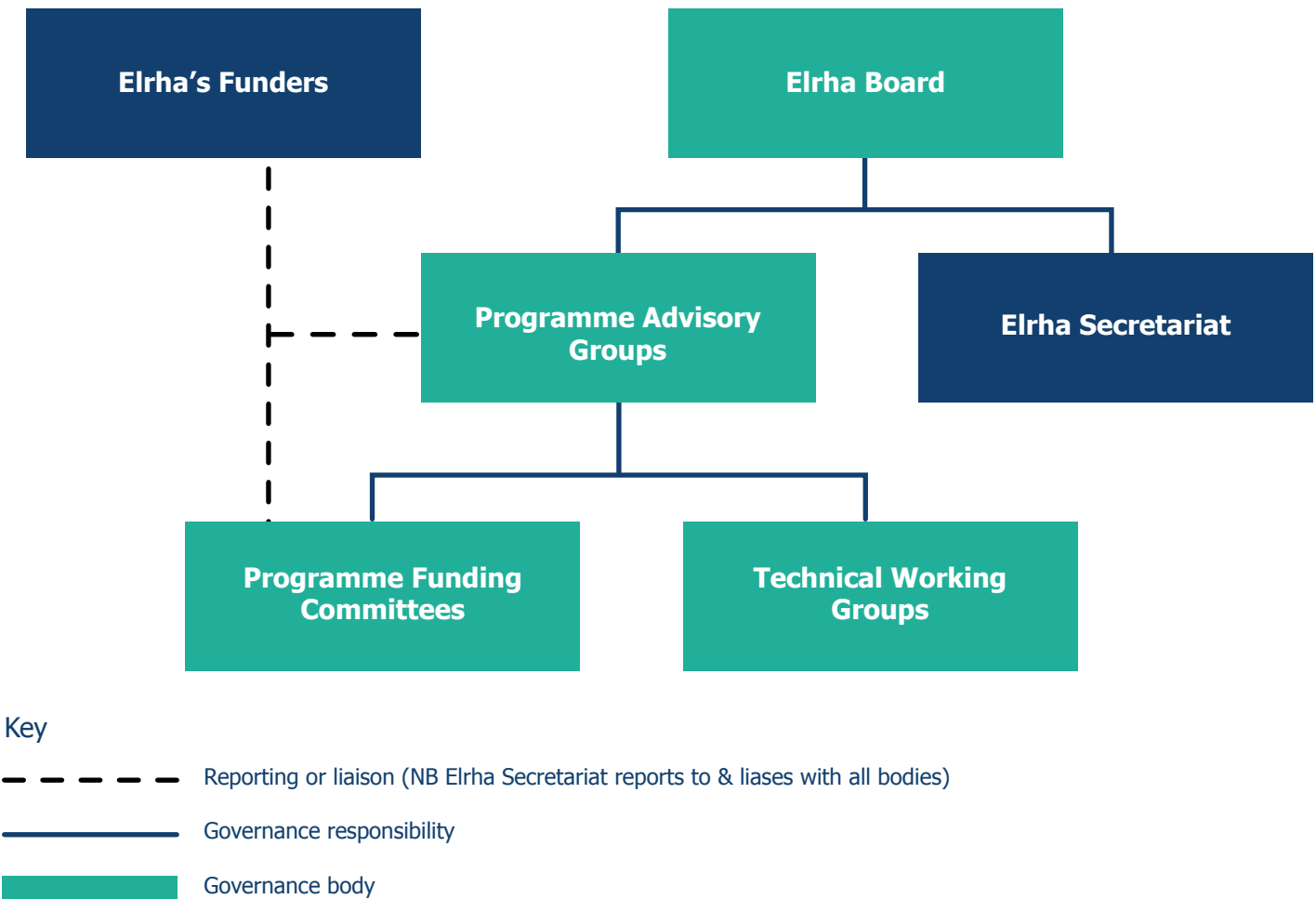
PRINCIPLE PROFESSIONAL ADVISORS

Auditor: KPMG LLP, 15 Canada Square, London E14 5GL

Bankers: National Westminster Bank, PO Box 83, Tavistock House, Tavistock Square, London WC1H 9NA

Legal advisors: Dechert LLP, 160 Queen Victoria Street, London EC4V 4QQ

3.2 GOVERNANCE



3.2.1 BOARD OF TRUSTEES

As indicated above, Elrha is a limited company and all Trustees are also full Directors of Elrha for company law purposes.

Trustees, all of whom are non-executive, have been drawn from diverse backgrounds in business and professional life, and bring a broad range of experience and skills to Board deliberations.

The Trustees have been appointed in accordance with the provisions of the Articles of Association for Elrha.

All Trustees have received a full induction including meeting with members of the Senior Leadership Team so that they could familiarise themselves with their statutory responsibilities, their role as Board members, the governance framework within Elrha, Elrha's work, and the risk environment.

Ongoing training is arranged as and when a need is identified.

There are clear distinctions between the role of the Board and the Senior Leadership Team to which day-to-day management is delegated. The principle that 'management proposes,' 'Board decides,' 'management implements,' 'Board monitors,' forms the basis of Board and the executive management team interaction. Matters such as policy, strategic planning and budgets are prepared by the Senior Leadership Team for consideration and approval by the Trustees. The members of the Board cannot, under the governance regulations of the charity, receive remuneration for services to Elrha and may only be reimbursed for incidental expenses claimed.

The terms of reference for the Board are to meet four times a year. An exceptional board meeting was held in addition to this in July 2020 to consider changes in the economic and political landscape.

Board attendance was as follows:

NAME	MEETINGS
Margie Buchanan-Smith (chair)	5/5
Matthew Clancy	4/5
Wendy Fenton (deputy chair*)	5/5
Andy Katz	4/5
Andrew Shellard (treasurer)	3/5
Andrew Toby Smith	5/5
Karen Twining Fooks	5/5

*Wendy Fenton was appointed as deputy chair in December 2020.

3.2.2 BOARD SUB-COMMITTEES

In 2020, the Board convened a number of temporary sub-committees to focus on specific key decisions and activities.

- The remuneration sub-committee comprised Matt Clancy, Toby Smith and Karen Twining Fooks. Its purpose was to oversee and monitor the approach to pay and performance management for all staff, including the senior leadership team, during the annual pay review. The remuneration sub-committee met once in May 2020.
- The nominations sub-committee was set up to lead the recruitment of an interim CEO. It comprised Karen Twining Fooks and Margie Buchanan-Smith and met informally during April 2020.
- The partnerships sub-committee comprised Wendy Fenton and Toby Smith. Its purpose was to oversee Elrha's approach to partnerships and it met regularly on an informal basis during 2020 to support the set up the Community Led Innovation Partnership (CLIP), a newly funded project for the HIF.
- The Governance Review sub-committee comprised Margie Buchanan-Smith, Wendy Fenton, Matthew Clancy and Toby Smith. Its purpose was to review the recommendations of an external consultant in relation to Elrha's governance structures and it met in June 2020.

3.2.3 OTHER BODIES IN GOVERNANCE FRAMEWORK

Each governing body has a clear terms of reference which sets out their roles and responsibilities. It also sets out a conflict of interest process to ensure that the bodies uphold the highest standards of transparency and accountability.

PROGRAMME ADVISORY GROUPS

The Advisory Groups advise the Elrha Board on the strategic direction of our grant making programmes. The Advisory Groups provide the Elrha secretariat with technical advice and make recommendations regarding programmatic priorities, set the direction and framework for grant-making, and select Funding Committee members. The Chairs of the Advisory Groups report to the Elrha Board.

PROGRAMME FUNDING COMMITTEES

Our two Funding Committees, one for the HIF and one for R2HC, provide independent assessment and recommendation of funding decisions. The Chairs of the Funding Committees report to their respective Advisory Group.

TECHNICAL WORKING GROUPS

The Technical Working Groups provide a greater depth of technical expertise in Elrha's focus areas. The Programme Advisory Groups delegate their duties to the Technical Working Groups in these specific thematic areas. The Chairs of the Technical Working Groups report to the Programme Advisory Groups. Our technical working groups for 2020 included one for Water Sanitation and Hygiene (WASH), one for Gender-Based Violence (GBV), and one for Disability and Older Age Inclusion (DOAI).

PROGRAMME FUNDERS

Our Programme Funders retain the ability to veto a proposal before a final decision is made to grant restricted funds to a third party. However, Programme Funders cannot require that a third party receive a grant, and any final decision on whether a grant should be made remains with Elrha.

In addition, Elrha's funders may have observer status on the Advisory Groups and/or Funding Committees. This may be an ad-hoc or a regular arrangement and is agreed on a case-by-case basis.

3.3 TRUSTEES' RESPONSIBILITIES

Statement of Trustees' responsibilities in respect of the Trustees' Annual Report and the financial statements

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the income and expenditure for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

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

3.4 EXTERNAL AUDITOR

KPMG LLP have expressed their willingness to continue to act as auditors. A resolution to reappoint them, under section 485 of the Companies Act 2006, was approved at the Board of Trustees Meeting on 28 July 2021, pending shareholder approval.

3.5 PUBLIC BENEFIT

Charity trustees have a duty to develop strategic plans to ensure that we provide public benefit and achieve our objectives as set out in our governing document. These objectives include the relief of hardship in cases of war, natural disaster, or catastrophe anywhere in the world; the promotion of education and training, and of research for the public benefit concerning these matters; and making publicly available the results of such research. These objectives fall under the purposes defined by the Charities Act 2011. We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

3.6. POLITICAL DONATIONS

No political donations were made during the period.

3.7 FUNDRAISING ACTIVITIES

Elrha's fundraising activities are currently limited to institutional donors and trusts, as well as occasional consultancy work for like-minded organisations. Elrha does not engage in fundraising from members of the public.

3.8 GRANT MAKING PROCESS

Elrha designs its grant-making funding calls to ensure maximum contribution from any funded project to its strategic aims. Any registered legal entity may apply for grant funding from one of Elrha's programmes, although particular funding calls may have additional eligibility requirements, depending on the nature of the challenge being set or other needs.

Proposals submitted to Elrha go through the following process:

1. The Elrha secretariat screen the proposal to ensure it is eligible for funding. In addition, for some funding calls, Expressions of Interest are short-listed by the Funding Committee, with successful applicants being asked to submit a full proposal.
2. Proposals that pass the screening/short-listing stage are reviewed technically by:
 - a. At least two technical reviewers with subject area expertise
 - b. Elrha secretariat, who will review the proposal budget

Comments from these reviews are passed to the Funding Committee for consideration alongside the proposal.

The Funding Committee has the authority to make funding recommendations up to the amounts agreed in the budget. For the R2HC programme, these recommendations are then agreed by the donors.

Once the Funding Committee has made a decision on the quality of each project, it is subjected to Elrha's Due Diligence process, which is an integral part of Elrha's risk management and part of our established Mandatory Operating Procedures. Participating organisations and key staff members

for the project or study are vetted against sanctions, anti-terrorism, and other international risk monitoring lists. The policies of the lead organisation are checked against our safeguarding and financial control principles to ensure they are of sufficient quality. Elrha then weighs the risk of granting to the lead organisation, and only when Elrha is comfortable that risks are within its appetite, or that sufficient mitigations have been put in place to achieve this, will a grant be confirmed.

3.9 SAFEGUARDING AND ETHICAL BEHAVIOUR

Maintaining the safety and protection of those we work with and our staff is highly important across Elrha. This includes staff, governance groups, grantees and the people our grantees work with. We have a zero-tolerance approach towards all forms of unethical behaviour, including bribery, facilitation payments, tax evasion and money laundering.

Criminal record checks are completed for all staff and trustees, and more enhanced checks are performed following a risk-based approach. As part of our due diligence process for grantees, we review their safeguarding policies to make sure they are in line with our policies.

We have an Incident Prevention and Management Policy – with a wide definition of vulnerable groups – and Codes of Conduct. These policies set out the standards of behaviour expected from all staff, trustees, grantees and all others that we work with, particularly in relation to safeguarding. R2HC research studies are subject to review by an Institutional Review Board (IRB) to ensure they achieve recognised ethical approval before research is funded.

We have an incident reporting mechanism and are committed to investigating any potential breaches of our policies, whether within Elrha or the projects and studies we fund. All complaints are investigated, following established investigation guidelines, and should internal breaches be substantiated, disciplinary action would be taken, up to and including dismissal. With our grantees, substantiated breaches may result in us withdrawing funding and any other support.

We are committed to openness, and to keeping our donors informed of any complaints and the progress of any investigations. We are also committed to inform and work with our regulators and any relevant law enforcement agency where the complaint warrants this.

While we believe that our systems are effective, we are committed to their on-going review and development. We will continue to identify and implement measures that will enhance policy and practice to ensure our standards meet or exceed best practice in the sector.

3.10 EQUALITY, DIVERSITY, AND INCLUSION

We think work should be an inspiring place to be. Our staff give their all, with energy and dedication and are encouraged and supported at every turn. We champion new ideas, collaboration and appreciation, making sure our staff develop their skills along the way, with access to a range of professional development opportunities to encourage growth so everyone can thrive in their role.

3.10.1 PAY AND RECRUITMENT

We are committed to creating an inclusive and supportive working environment, free from discrimination, harassment, and victimisation. We promote and provide equal opportunities and respect diversity. Elrha is an equal opportunities

employer. The aim of our equal opportunities policy is to support the principles of equal opportunities and diversity in employment and is fully compliant with the provisions of the Equality Act 2010.

In 2020, we carried out a significant benchmarking exercise where salaries across Elrha were compared to the median of salaries of similar roles in other organisations, and considered factors such as: budget responsibility, skills, complexity, autonomy, strategic scope, specialist/technical role, and line management. We also gave a number of regrades, where the salaries of job roles within Elrha were reviewed based on their level of responsibilities relative to other equivalent positions within the organisation to ensure internal equity, and promotions.

During 2020 staff numbers increased significantly due to new funding, with total headcount rising from 30 to 47. As part of this planned growth, our ambition was to increase the diversity of our staff to better represent and reflect the people and communities we exist to help. Positive steps that we have taken towards achieving this include using a wider range of recruitment websites and platforms to ensure a broader pool of candidates, as well as including a notice on all of our job advertisements to encourage applicants from a wider range of backgrounds.

We carried out all interviews online via video platforms and developed new ways of doing things to make sure that all new team members joining us still got a great induction experience, despite joining remotely.

We are fully transparent about pay when we advertise for any role, sharing the starting salary in all instances. We are proud to support the charity sector's call for salary transparency as part of Show The Salary campaign.

3.10.2 ANTI-RACISM

At Elrha, we strive to be a force for positive change in the humanitarian community. Racism, power, and privilege are embedded in the aid sector's culture and structures that we are part of and interact with, but we are dedicated to transforming our current reality and committed to being an anti-racist organisation. During 2020, this involved both an honest examination of how our work reinforces existing inequity, and proactively working with others to address structural and systemic racism in our sector.

In September, we established a voluntary Anti-Racism Working Group within Elrha to ensure anti-racism is being actively discussed and becomes an imperative part of our work. Through this working group, which is supported by a Senior Leadership Team 'sponsor', we developed a set of strategic commitments to anti-racism, and a detailed action plan to realise these as an organisational priority: We will be an anti-racist employer and workplace: We will work to ensure no one is disadvantaged at Elrha because of their colour. We will improve the diversity of our governance structures and review our recruitment processes to promote anti-racism and remove unconscious bias.

We will collaborate with the sector and our partners to promote an anti-racism approach: We will work with peers to redress the sector's racial inequalities and leverage our partnerships to seek changes to our joint working, where necessary. We will build diverse supply chains. We will promote and share best practice, encourage greater accountability and advocate widespread change.

We will consider how our work in research and innovation can support an anti-racism agenda: We will work to improve the accessibility of funding to applicants from lower middle-income countries and ensure our research and innovation programmes and portfolios directly and indirectly support anti-racism.

We will weave anti-racism into the fabric of our brand and our communications:

We will redress power imbalances by critically reviewing what we say and the language we use, and through thoughtful consideration of how we visually represent the work we do. We will ensure diverse representation at events we organise or participate in. We will review and reconstruct our storytelling, using our platform to provide space for, and amplify, the voices and perspectives of people of colour, particularly in lower middle-income countries.

We will nurture an environment of listening, learning and unlearning racism:

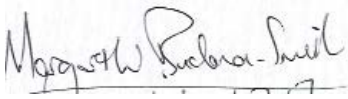
We will invite speakers to discuss racism and unconscious bias, for example, and encourage safe spaces for employees to discuss how racism and privilege manifests itself in our organisation, our sector and beyond. At Elrha, there are monthly Elrha Learns sessions for all staff where we invite speakers from all backgrounds to present on various topics. In 2020, we held a session on anti-discrimination in development.

3.10.3 WELL-BEING: ADAPTING TO COVID-19

For most of 2020 our whole team worked remotely from home. Our physical transition to remote working was relatively smooth due to our existing flexible working approach and access to equipment, with all staff already using laptops. In line with our well-being policy, developed in 2019, we worked hard to ensure we offered holistic support for both physical and emotional needs during this exceptional and unsettling time. We supported physical needs by providing further equipment like chairs and monitors to improve working environments, and significantly increased internal activities to support good mental health, resilience and connection with colleagues while apart, through training, learning and social events online.

APPROVAL OF THE TRUSTEES' REPORT

The Trustee's Report on pages 5-43 was approved by the Board of Trustees on 28 July 2021.



Margie Buchanan-Smith
Trustee



Andrew Shellard
Trustee

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF ELRHA

OPINION

We have audited the financial statements of Elrha ("the charitable company") for the year ended 31 December 2020 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and related notes, including the accounting policies in [note 1](#).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

GOING CONCERN

The trustees have prepared the financial statements on the going concern basis as they do not intend

to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the charitable company's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charitable company will continue in operation.

FRAUD AND BREACHES OF LAWS AND REGULATIONS – ABILITY TO DETECT

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks"), we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Trustees and management and inspection of policy documentation as to the charitable company's high-level policies and procedures to prevent and detect fraud, including the charitable company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Trustee meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that charitable income is recorded in the incorrect accounting period, and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management or other unexpected individuals and those posted to unusual accounts combinations; and
- Inspecting grant agreements to determine if income has been recognised in line with accounting policy.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Trustees and other management (as required by auditing standards). We discussed with the Trustees and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation and the Charities SORP) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the charitable company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, and certain aspects of company and charity legislation, recognising the nature of the charitable company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

OTHER INFORMATION

The trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

TRUSTEES' RESPONSIBILITIES

As explained more fully in their statement set out on pages 38-39, 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES

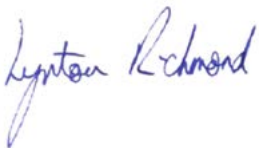
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK)

will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Lynton Richmond (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

15 Canada Square, London, E14 5GL

Date: 2 August 2021

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2020

	Notes	Unrestricted funds	Restricted funds	Total funds for the year to 31/12/2020	Total funds for the year to 31/12/2019
		£	£	£	£
Donations	3	87,491	10,300	97,791	50,291
Charitable activities	4	124,632	13,512,826	13,637,458	7,246,641
Total income		212,123	13,523,126	13,735,249	7,296,932
Charitable activities	5	(119,343)	(13,393,711)	(13,513,054)	(7,408,145)
Total expenditure		(119,343)	(13,393,711)	(13,513,054)	(7,408,145)
Net income and net movement in funds		92,780	129,415	222,195	(111,213)
Reconciliation of funds:					
Funds brought forward		144,528	-	144,528	255,741
Movement in funds		92,780	129,415	222,195	(111,213)
Funds carried forward		237,308	129,415	366,723	144,528

The statement of financial activities includes all gains and losses recognised in the period

BALANCE SHEET**As at 31 December 2020**

	Notes	31/12/2020	31/12/2019
		£	£
Current assets			
Debtors: amounts falling due within one year	11	3,120,887	590,902
Cash at bank and in hand	16	93,725	703,112
		3,214,612	1,294,014
Liabilities:			
Creditors: amounts falling due within one year	12	(2,847,889)	(1,149,486)
		(2,847,889)	(1,149,486)
Net assets		366,723	144,528
The funds of the charity:			
Restricted income funds	15,16	129,415	-
Unrestricted funds	16	237,308	144,528
Total Funds		366,723	144,528

The notes on pages 51-69 form part of the financial statements.

Approved by the Board on 28 July 2021 and signed on its behalf by:



Margie Buchanan-Smith
Trustee



Andrew Shellard
Trustee

CASH FLOW STATEMENT

For the year ended 31 December 2020

	Notes	Year to 31/12/2020	Year to 31/12/2019
		£	£
Cash flows from operating activities			
<i>Net cash provided by operating activities</i>	a)	(609,387)	403,112
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period		703,112	300,000
Cash and cash equivalents at the end of the reporting period	b)	93,725	703,112

NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of net income to net cash flow from operating activities			
		Year to 31/12/2020	Year to 31/12/2019
		£	£
Net income		222,195	(111,213)
Adjustments for:			
Decrease/(increase) in debtors		(2,529,985)	238,760
Increase in creditors		1,698,403	275,565
Net cash provided by operating activities		(609,387)	403,112
(b) Analysis of cash and cash equivalents			
		Year to 31/12/2020	Year to 31/12/2019
		£	£
Cash at bank and in hand		93,725	703,112
Total cash and cash equivalents		93,725	703,112

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

GENERAL INFORMATION AND BASIS OF ACCOUNTING

Elrha is a charitable company incorporated in England and Wales and domiciled in the United Kingdom under the Companies Act 2006. The address of the registered office is:

1 St. John's Lane
London
EC1M 4AR

Elrha is a public benefit entity. The nature of Elrha's operations and its principal activities are set out in the trustees' report (including the strategic report) on pages 5-43.

Save the Children UK (company number 00178159; charity numbers 213890 (England and Wales) and SC039570 (Scotland)) is the sole member of Elrha. Save the Children UK's principal purpose is to save children's lives and tackle global child poverty. Elrha's results will be consolidated with those of Save the Children UK and the consolidated accounts can be obtained by the public at the registered office address given above.

BASIS OF PREPARATION

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The functional currency of Elrha is pounds sterling because that is the currency of the primary economic environment in which Elrha operates.

GOING CONCERN

The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The Trustees have prepared financial forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides and the anticipated impact of COVID-19 on the operations and its financial resources, the Charitable Company will have sufficient funds to meet its liabilities as they fall due for that period.

While COVID-19 has not significantly impacted Elrha's ability to operate and is not expected to do so, it has had an indirect impact due to the economic and political effects of the pandemic. Specifically, the UK Government, which is Elrha's largest donor via the Foreign, Commonwealth and Development Office (FCDO) and National Institute of Health Research (NIHR), has reduced its commitments to international aid, and as a result Elrha was informed in late April 2021 that FCDO and NIHR funding for the 12 months ending 31 March 2022 would be significantly lower than previously anticipated.

Having already been warned that a cut was expected to be made, the Trustees were able to start taking action to manage the expected impact of these cuts before precise amounts were communicated, including:

- Deferring processes to award new grants to partners;
- Deferring large new commitments to suppliers;
- Completing an internal scenario planning exercise involving all budget holders, to identify ways to continue key strategic activities in case of cuts; and

- Implementing a pay freeze and recruitment freeze

Since the scale of cuts was confirmed, the Trustees have taken further action, including:

- Deferring or cancelling new grants and activities as necessary, based on the scenario planning previously completed;
- Identifying further savings required to staff costs and commencing the process to implement these savings; and
- Working with all donors to agree on a mutually acceptable approach to the budget which will allow Elrha to continue delivering on its key strategic objectives.

For the purposes of assessing Elrha's going concern status under alternative scenarios, the Trustees have considered a scenario in which UK Government funding cuts of 70% are implemented across all programmes until 31 March 2023 and no additional funding is secured for the period. This would represent a more severe situation than the one the organisation currently faces and testing this scenario while applying conservative assumptions demonstrates that under these circumstances the Trustees would still have sufficient tools at their disposal to maintain Elrha's viability.

Elrha's operating model is generally well-suited to scaling up or down in response to the availability of funding. The ability to meet liabilities as they fall due rests upon ensuring that funding from Elrha's institutional donors is sufficient to cover the direct and indirect costs of running the programmes. As such, Elrha does not make commitments to third parties unless donor funding has already been secured. Furthermore, while every effort is made to adhere to commitments made to third parties, Elrha does retain the legal right to withdraw funding from partners in the exceptional event that Elrha's own funding is unexpectedly reduced. To date the Trustees have not needed to exercise this right in respect of grants for which agreements have been signed.

However, the option remains available, in the instance that it presents a threat to Elrha's liquidity.

Elrha receives incoming cash through claims submitted to each of its donors on an agreed schedule, and also has access to a flexible credit facility provided by Save the Children UK (SCUK). This credit facility is available interest free up to a value of £2.5 million. At the onset of the COVID-19 pandemic, Elrha sought and obtained improved payment terms with its donors, such that the majority of payments are now claimable in advance of expenditure being incurred. As a result, Elrha has typically remained in a positive cash position since these arrangements came into place. As at 31 December 2020, Elrha was exceptionally in a cash deficit position with large receivables due from donors, and temporarily made use of the credit facility. As payments were received from donors in early 2021, the cash balance quickly improved, and Elrha returned to a net receivable position with SCUK by the end of February. As at the reporting date Elrha is not drawing upon the credit facility.

Consequently, the Trustees are confident that the Charitable Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

FUND ACCOUNTING

Unrestricted funds are those which are available for the general purposes of Elrha at the discretion of the trustees. The trustees may elect to dedicate some funds for specific purposes. No funds have been dedicated in this way during the period.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors or that have been raised by the charity for particular purposes. Costs are charged against the specific fund in line with donor wishes. An analysis of each restricted fund is set out in [note 15](#).

In case of a deficit or surplus in restricted funds, the following approach is applied:

- if there is a deficit in restricted funds at the end of the year, the likelihood of future income being received which could cover this shortfall is assessed. A deficit is considered acceptable to the extent there is a realistic expectation of future income to cover the shortfall. If this condition does not apply, any shortfall must be immediately made up through a transfer from unrestricted funds.
- the restricted funds balance will be assessed at the end of each funding arrangement with a donor. If the balance is in deficit and the end of the funding arrangement means the prospect of future income to make up the shortfall is now unlikely, a transfer from unrestricted funds will be made. If the balance is a surplus, the implications will be assessed in light of donor restrictions, which may require that surplus income is repaid to the relevant donor.

INCOME

Income is recognised in the statement of financial activities when Elrha is legally entitled to the income, receipt is probable, and it can be effectively measured.

Grant income

Most of Elrha's income is donor funding, which is granted either directly from donors, or via Save the Children UK. In general, grants represent restricted income from governments, agencies and foundations, corporates and trusts and have been included as 'Incoming resources from charitable activities' where these grants specifically outline the goods and services to be provided to beneficiaries. For these performance related grants, in the absence of specific milestones to determine entitlement, income is recognised to the extent that resources have been committed to the agreed outcomes and outputs as this is deemed to be a reliable estimate of the right to receive payment for the work performed. In this case cash received

in excess of expenditure is included as a creditor (as deferred income) and expenditure in excess of cash included as a debtor (as accrued income). Unless otherwise specified by donors, restricted funds are not held in separate bank accounts.

Consulting income

Consulting income is income arising from services provided by Elrha to other humanitarian organisations. Such services are closely aligned with Elrha's charitable objectives and expertise and include activities such as training and research to support other organisations with which Elrha shares common goals. Income from these contracts is unrestricted and any profits generated are used to fund Elrha's other charitable activities. As with grant income, consulting income is recognised either upon the achievement of specific milestones, or in the absence of such milestones, income is recognised to the extent that resources have been committed to the agreed outcomes and outputs, until contract completion allows for a final and accurate accounting of profit or loss.

Gifts in Kind income (GIK)

GIK (Gifts in Kind) include goods for project distributions or resale, pro-bono services and supplies. GIK must be included in the accounts as income and expenditure and valued at market value by management and/or the donor. No monetary value is attributed to volunteer work.

EXPENDITURE

All expenses are recognised on an accruals basis. Expenditure on charitable activities is any that relates directly to fulfilling the charitable objects of Elrha.

Grant funding expenditure comprises the direct value of sub-grants made by Elrha to partner organisations during the year, as detailed in [note 7](#). Grants funding costs are reported against the programme to which they relate.

Expenditure on 'activities undertaken directly' includes all costs of activities directly attributable to specific programmes or projects.

Support costs represent core activities and services, such as general management, governance, human resources, communications, financial management and premises costs, and are allocated across the categories of charitable activities in proportion to the services provided.

Staff costs are analysed and apportioned on the basis of management's estimation of the time spent on each activity and are allocated to activities undertaken directly or support costs according to the role of the staff concerned.

PROVISIONS

Provisions for liabilities are recognised when there is a legal or constructive obligation for which a measurable future outflow of funds is probable. Elrha held no provisions at the balance sheet date. (2019: nil)

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when Elrha becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Elrha only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Trade and other debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid, net of any trade discounts due. Creditors and provisions are recognised where Elrha has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at

their settlement amount after allowing for any trade discounts due.

DEFINED PENSION CONTRIBUTION SCHEME

Save the Children UK operates a defined contribution retirement benefit scheme for all qualifying employees of group entities, including Elrha. For all schemes the amount charged to the statement of financial activities is in respect of the pension contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of Elrha's accounting policies, which are described in [note 1](#), the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure, with the exception of income recognition. In light of the guidance set out in the Charities SORP (FRS 102) all awards have been reviewed to determine their performance related conditions, see [Accounting Policies \(Grant income\)](#).

3. INCOME FROM DONATIONS

Year ended 31 December 2020

	Unrestricted	Restricted	Year to 31/12/2020
	£	£	£
Gift in kind income	87,472	10,300	97,772
Other	19	-	19
Total Total	87,491	10,300	97,791

Year ended 31 December 2019

	Unrestricted	Restricted	Year to 31/12/2019
	£	£	£
Gift in kind income	50,285	-	50,285
Other	6	-	6
Total Total	50,291	-	50,291

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted	Restricted	Year to 31/12/2020	Year to 31/12/2019
	£	£	£	£
Humanitarian Innovation Fund (HIF)	-	6,690,290	6,690,290	2,941,310
Research for Health in Humanitarian Crises (R2HC)	-	6,741,673	6,741,673	3,999,585
Global Alliance for Humanitarian Innovation (GAHI)	-	-	-	244,873
Consulting	124,632	-	124,632	60,873
Global Prioritisation Exercise (GPE)	-	28,070	28,070	-
UK Humanitarian Innovation Hub (UKHIH)	-	52,793	52,793	-
Total	124,632	13,512,826	13,637,458	7,246,641

The Global Alliance for Humanitarian Innovation (GAHI) ceased to be hosted by Elrha in May 2019. Expenditure in 2019 represented the activities that were required to wind down its activities and produce final reports. GAHI was presented as a discontinued operation in the 2019 accounts.

5. EXPENDITURE

	Grant funding	Activities undertaken directly	Support costs	Year to 31/12/2020	Year to 31/12/2019
	£	£	£	£	£
Charitable activities					
Humanitarian Innovation Fund (HIF)	4,193,283	1,309,852	1,190,355	6,693,490	2,941,310
Research for Health in Humanitarian Crises (R2HC)	6,158,206	352,669	237,898	6,748,773	3,999,585
Global Alliance for Humanitarian Innovation (GAHI)	-	-	-	-	244,873
Consulting	-	90,543	4,500	95,043	56,544
Global Prioritisation Exercise (GPE)	-	22,076	5,994	28,070	-
UK Humanitarian Innovation Hub (UKHIH)	-	22,712	30,082	52,794	-
Other Charitable Activities	-	(5,290)	(99,826)	(105,116)	165,833
Total	10,351,489	1,792,562	1,369,003	13,513,054	7,408,145

Total resources expended include the following:

Fees payable to the auditor

	Year to 31/12/2020	Year to 31/12/2019
	£	£
Audit of financial statements	17,000	15,800
Total audit fees	17,000	15,800

6. ANALYSIS OF SUPPORT COSTS

	Year to 31/12/2020	Year to 31/12/2019
	£	£
Governance	125,160	97,719
General Management	425,489	337,017
Financial Management	290,682	189,636
Communications Support	224,859	166,883
Human Resources	145,002	82,706
Information Technology	102,684	69,504
Premises and Facilities	55,127	43,127
	1,369,003	986,592

7. ANALYSIS OF GRANT EXPENDITURE

	2020 HIF	2020 R2HC	2020 Total	2019 Total
	£	£	£	£
Action Against Hunger UK	7,212	6,040	13,252	183,940
Aga Khan Agency for Habitat India	7,964	-	7,964	-
The Alliance for International Medical Action (ALIMA)	-	-	-	219,353
American University of Beirut	-	-	-	3,749
Amref Health Africa	-	153,296	153,296	163,296
Anglia Ruskin University	-	35,833	35,833	5,682
Arbeiter-Samariter-Bund Deutschland	132,985	-	132,985	35,000
ARQ International (formerly War Trauma Foundation)	-	-	-	20,517
Austrian Red Cross	-	-	-	4,912
Basic Water Needs B.V.	-	-	-	832
Beth Israel Deaconess Medical Center	-	61,485	61,485	-
BRAC	-	2,352	2,352	-
Brandeis University	-	260,652	260,652	-
Bremen Overseas Research and Development Association (BORDA)	-	-	-	6,771
Brigham and Women's Hospital	-	127,653	127,653	149,085
Brown University	-	9,361	9,361	-
Build Up Nepal Engineering Pvt Ltd	8,939	-	8,939	-
Buklod Tao Inc	-	-	-	9,322

	2020 HIF	2020 R2HC	2020 Total	2019 Total
	£	£	£	£
Busara Center for Behavioral Economics Inc	-	41,388	41,388	-
Center for Disaster Preparedness (Philippines)	-	-	-	10,000
Childline Zimbabwe	-	-	-	48,580
Church World Service Japan	169,017	-	169,017	81,500
Columbia University	-	470,175	470,175	142,076
Dalberg Design LLC	-	-	-	24,600
Deutsche Welthungerhilfe e. V.	-	-	-	17,693
Durham University	-	1,128	1,128	35,076
Eawag	-	44,745	44,745	-
Ecole d'économie de Paris	158,737	-	158,737	49,998
Erasmus University	-	2,002	2,002	-
Faircap CIC	33,374	-	33,374	18,475
Field Ready	-	-	-	52,000
Flinders University	-	-	-	478
The George Washington University	87,375	-	87,375	-
Hala Systems	9,926	-	9,926	-
The HALO Trust	-	-	-	4,738
Healthright International	213,000	122,329	335,329	-
Heartland Alliance International	-	7,128	7,128	33,893
Humanity & Inclusion (formerly Handicap International)	-	122,635	122,635	-
Ibis Reproductive Health	-	247,181	247,181	-
IDinsight	-	83,102	83,102	-
Ifakara Health Institute	-	4,481	4,481	5,000
IMPACT Initiatives	-	129,901	129,901	-
Innovations for Poverty Action	-	193,399	193,399	-
Institute of Tropical Medicine Antwerp	-	51,178	51,178	96,904
International Centre for Diarrhoeal Disease Research, Bangladesh	-	-	-	2,621
International Federation of Red Cross and Red Crescent Societies	77,353	-	77,353	4,996
International Medical Corps UK	-	3,685	3,685	-
International Planned Parenthood Federation	-	9,468	9,468	-
International Rescue Committee	99,991	324,799	424,790	316,740
Ipas	61,250	296,751	358,001	-
Islamic Relief Worldwide	-	-	-	5,097
Jesuit Refugee Service	-	-	-	14,986

	2020 HIF	2020 R2HC	2020 Total	2019 Total
	£	£	£	£
Johns Hopkins University	-	244,278	244,278	456,051
Kube Energy	15,000	-	15,000	75,000
Leiden University	-	-	-	10,052
Leonard Cheshire	37,452	-	37,452	-
Light for the World	38,494	-	38,494	-
Liverpool School of Tropical Medicine	14,804	-	14,804	43,862
London School of Hygiene and Tropical Medicine	128,283	162,010	290,293	140,415
Make Music Matter	-	-	-	49,300
Makerere University	-	143,854	143,854	-
Manchester Metropolitan University	-	-	-	4,082
Martin Luther University Halle-Wittenberg	-	77,522	77,522	97,762
Massachusetts General Hospital	-	-	-	90,100
McGill University	-	-	-	6,312
McMaster University	-	53,587	53,587	-
Michigan State University	-	116,622	116,622	-
Monash University	-	10,937	10,937	-
No Strings International	18,433	-	18,433	33,824
Norwegian Refugee Council	-	163,630	163,630	-
Nossal Institute for Global Health	37,497	-	37,497	-
The Ohio State University	-	-	-	9,989
Örebro University	-	-	-	16,061
Ove Arup and Partners Ltd	-	-	-	19,998
Oxfam (Various members)	266,066	161,952	428,018	164,901
Panzi Foundation USA	-	-	-	34,682
Pesitho	182,150	-	182,150	-
Philippine Geographical Society	-	-	-	7,765
Physicians for Human Rights	202,500	-	202,500	-
The Population Council (Various members)	-	222,765	222,765	-
Pragya	152,548	-	152,548	-
Première Urgence Internationale	-	-	-	9,743
Professional Institute for Development and Socio-environmental Management (PRISM)	8,000	-	8,000	-
The Population Council (Various members)	-	222,765	222,765	-
Pragya	152,548	-	152,548	-
Première Urgence Internationale	-	-	-	9,743
Professional Institute for Development and Socio-environmental Management (PRISM)	8,000	-	8,000	-

	2020 HIF	2020 R2HC	2020 Total	2019 Total
	£	£	£	£
Queen Margaret University, Edinburgh	-	21,219	21,219	20,330
Queen Mary University of London	-	43,260	43,260	-
Radboud University Medical Center	-	-	-	1,701
Real Relief Health ApS	-	-	-	70,109
Reemi Charitable Trust	33,687	-	33,687	-
Research and Grant Institute of Ghana (REGIG)	25,933	-	25,933	14,407
Rural Development Initiatives in the Islands of Leyte Inc	-	-	-	50,000
Save the Children UK	19,992	-	19,992	51,545
SEMA (İnsani ve Tibbi Yardım Derneği)	-	-	-	45,890
Social Development International	33,997	-	33,997	-
Social Solutions Research Association				60,000
Solidarités International	5,000	-	5,000	51,900
Stanford University	146,230	165,457	311,687	165,457
Start Network	508,037	-	508,037	-
Sustainable Environment and Ecological Development Society (SEEDS)	-	9,222	9,222	-
Swansea University	-			7,343
Tearfund	87,500	-	87,500	-
Terre Des Hommes Foundation	212,584	-	212,584	9,744
Translators without Borders	-	-	-	110,000
Tufts University	-	4,532	4,532	-
UN-Habitat	104,617	-	104,617	-
University of Ottawa	-	10,000	10,000	-
University of Sheffield	-	94,824	94,824	-
Université Catholique de Louvain	-	6,607	6,607	4,468
University College London	-	7,852	7,852	78,899
University of Applied Sciences Northwestern Switzerland (FHNW)	165,981	-	165,981	55,752
University of Bath	-	43,340	43,340	-
University of California	-	-	-	132,542
University of Edinburgh	-	-	-	2,444
University of Leeds	25,972	-	25,972	-
University of Leicester	-	-	-	4,601

	2020 HIF	2020 R2HC	2020 Total	2019 Total
	£	£	£	£
University of New South Wales	-	169,582	169,582	-
University of Oxford	-	-	-	1,500
University of Rwanda	-	112,808	112,808	136,000
University of Sciences, Techniques and Technologies of Bamako (USTTB)	-	20,885	20,885	-
University of Victoria	-	-	-	5,000
University of Washington	-	176,063	176,063	-
Waterscope	84,050	-	84,050	-
Women's Refugee Commission	125,000	50,881	175,881	3,880
Words. Rhythms. Images.	7,979	-	7,979	-
World Health Organization	-	478,178	478,178	199,718
World Vision (Various members)	149,963	582,299	732,262	246,746
York University	127,019	-	127,019	-
Youth Development Labs Inc.	185,170	-	185,170	-
Refunds of grants previously contracted:	(23,778)	(8,107)	(31,885)	(104,917)
Total	4,193,283	6,158,206	10,351,489	4,462,868

8. TRUSTEES

The trustees received no remuneration during the year. During the year £85 (2019: £166) was expended on travel and accommodation expenses for one trustee (2019: 1) to attend and participate in meetings of the Board of Trustees. No donations were received from trustees during the year (2019: nil).

9. EMPLOYEES

Payroll costs were as follows:

	Year to 31/12/2020	Year to 31/12/2019
	£	£
Wages and salaries	1,404,976	1,031,809
Social security costs	147,767	107,375
Pension costs	84,621	62,728
Other staff costs	30,595	11,338
	1,667,959	1,213,250

Payroll costs are included under Expenditure as 'Activities undertaken directly' in [note 5](#) to these financial statements.

The average monthly number of employees during the year was:

	Average headcount¹		Average FTE headcount²	
	2020	2019	2020	2019
Elrha	36	27	34	26
GAHI	-	1	-	1
	36	28	34	27

¹ Headcount is defined as the number of roles filled by employees.

² FTE headcount is defined as headcount adjusted to take into account hours worked, where employees do not work on a full-time basis.

During the year the following number of employees received employee benefits (excluding employer pensions costs) within the bands shown below.

	Year to 31/12/2020	Year to 31/12/2019
£60,001-£70,000	3	2
	3	2

The total amount of employee benefits received by key management personnel during the year was £283,066 (2019: £257,994).

10. TAXATION

Elrha is a registered charity and as such is not liable to United Kingdom income or corporation tax on charitable activities or primary purpose trading activities.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Year to 31/12/2020	Year to 31/12/2019
	£	£
Trade debtors	47,138	56,125
Amounts due from parent company	-	188,563
Grant debtors	3,033,210	317,119
Prepayments and accrued income	6,812	-
Other debtors	33,727	29,095
	3,120,887	590,902

There are no debtors expected to pay after a period of longer than one year.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Year to 31/12/2020	Year to 31/12/2019
	£	£
Trade creditors	162,746	236,509
Amounts due to parent company	915,622	-
Taxes and social security costs	50,506	29,151
Accruals	1,509,207	30,165
Deferred income	193,406	853,189
Other creditors	16,402	472
	2,847,889	1,149,486

13. FINANCIAL COMMITMENTS

The table below shows the charity's commitment to donors in delivering projects on their behalf, which are expected to be completed over a number of years. Elrha's obligation to deliver on these projects is conditional upon donor funding being received in accordance with grants agreements. The commitments to be delivered within one year have been reduced to reflect the short-term cuts to FCDO and NIHR funding as disclosed in [note 19](#). Should the total value of grant agreements with donors also be reduced, commitments in years two to five will also be adjusted accordingly.

	31/12/2020	31/12/2019
	£	£
Within one year	12,755,035	9,877,447
In years two to five	50,336,635	17,991,655
After five years	-	-
	63,091,670	27,869,102

Sub Grant Commitments

A proportion of the funds needed for these programmes has already been received and is included within deferred income in note 12. For those not yet received, there are legal agreements with donors to ensure that Elrha will be reimbursed for completion of those projects. As described in note 1 (Going concern), Elrha retains the right to withdraw from these commitments in the event that donor funding is cut unexpectedly.

	HIF	R2HC	31/12/2020	31/12/2019
Within one year	2,434,993	3,246,934	5,681,927	4,932,643
In years two to five	2,098,757	3,287,744	5,386,501	2,217,743
After five years	-	-	-	-
	4,533,750	6,534,678	11,068,428	7,150,386

14. ANALYSIS OF CHARITABLE FUNDS

Year ended 31 December 2020

	Opening balance	Income	Expenditure	At 31/12/2020
	£	£	£	£
Unrestricted funds	144,528	212,123	(119,343)	237,308
Restricted funds	-	13,523,126	(13,393,711)	129,415
Total	144,528	13,735,249	(13,513,054)	366,723

Year ended 31 December 2019

	Opening balance	Income	Expenditure	At 31/12/2020
	£	£	£	£
Unrestricted funds	255,741	111,164	(222,377)	144,528
Restricted funds	-	7,185,768	(7,185,768)	-
Total	255,741	7,296,932	(7,408,145)	144,528

15. RESTRICTED FUNDS

For the year ended 31 December 2020

	Opening balance	Income	Expenditure	Transfers	At 31/12/2020
	£	£	£	£	£
HIF					
DFID/FCDO	-	4,247,110	(4,174,458)	(72,652)	-
MFA Netherlands	-	2,266,529	(2,222,835)	(43,694)	-
Government of Norway	-	145,465	(145,465)	-	-
Swedish International Development Cooperation Agency (Sida)	-	31,186	(31,186)		
	-	6,690,290	(6,573,944)	(116,346)	-
R2HC					
Wellcome Trust	-	1,851,639	(1,851,639)	-	-
National Institute for Health Research (NIHR)	-	2,051,523	(2,051,523)	-	-
DFID/FCDO	-	2,838,511	(2,838,511)	-	-
	-	6,741,673	(6,741,673)	-	-
Global Prioritisation Exercise (GPE)					
DFID/FCDO	-	18,864	(18,323)	(541)	-
MFA Netherlands	-	9,206	(8,942)	(264)	-
	-	28,070	(27,265)	(805)	-
UK Humanitarian Innovation Hub (UKHIH)					
DFID/FCDO	-	52,793	(51,280)	(1,513)	-
	-	52,793	(51,280)	(1,513)	-
Other					
Other movements in restricted funds	-	10,300	451	118,664	129,415
	-	10,300	451	118,664	129,415
Total restricted funds	-	13,523,126	(13,393,711)	-	129,415

Effective on 2 September 2020, the Department for International Development (DFID) merged with the Foreign and Commonwealth Office to create the Foreign, Commonwealth and Development Office (FCDO).

All arrangements previously entered into with DFID transferred to the FCDO as of the date of the merger.

Since Elrha's establishment in 2018, funding arrangements have been in a process of transition, going via SCUK subgrants, to funding agreements directly between Elrha and external donors.

Of the funding received by the HIF in 2020, funds from DFID/FCDO included both a subgrant from SCUK and new grants directly from the

donor. Funding from the Swedish International Development Cooperation agency (Sida) was exclusively via Save the Children UK (SCUK), and funding from the Netherlands Ministry of Foreign Affairs and the Government of Norway was received entirely through direct grant agreements to which SCUK is not a party.

Of funding received by the R2HC programme, funds from DFID/FCDO and the National Institute of Health Research (NIHR) included both subgrants from SCUK and new direct grants. Funding from Wellcome Trust is received via SCUK.

The Global Prioritisation Exercise (GPE) and the UK Humanitarian Innovation Hub (UKHIH) are both funded directly.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	At 31/12/2020
	£	£	£
Debtors: amounts falling due within one year	70,817	3,050,070	3,120,887
Cash at bank and in hand	93,725	-	93,725
Creditors: amounts falling due within one year	72,766	(2,920,655)	(2,847,889)
	237,308	129,415	366,723

17. EMPLOYEE BENEFITS

Save the Children UK operates a defined contribution retirement benefit scheme for all qualifying employees of group companies, including Elrha. The total expense charged to the statement of financial activities in the year ended 31 December 2020 was £84,621 (2019: £62,728). Pension contributions are included under Expenditure as 'Activities undertaken directly' in [note 5](#) to these financial statements.

The contributions outstanding at 31 December 2020 were £16,386 (2019: £455).

18. RELATED PARTY TRANSACTIONS

Transactions, including grants, with Save the Children UK are not disclosed on the basis of the exemption available under FRS 102.

During the year George Fenton, husband of trustee Wendy Fenton, was engaged as a consultant on a team providing services to Elrha via an independent third party which was appointed via a competitive procurement process. Of the fees paid by Elrha to the contracted supplier, George Fenton received payment of £3,300 for his services.

19. POST BALANCE SHEET EVENTS

In late April 2021, Elrha was notified that FCDO and NIHR funding for the 12 months ending 31 March 2022 would be significantly lower than previously intended due to the UK Government's reduction of the international aid budget for that period. These cuts affect all of Elrha's programmes.

The estimated impact on Elrha's total income and expenditure in respect of the financial year ending 31 December 2021 is a reduction of approximately £7.7 million. Elrha's multi-year grant agreements with FCDO and NIHR remain in place, and the long-term impact of the cuts is yet to be determined.

Further details of how the Trustees have responded to the situation in order to protect Elrha's going concern status are set out in [note 1](#).



elrha



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Elrha is a registered charity in England and Wales (1177110).