Pharo Foundation

Development on a mission

Annual Report, 2025

www.pharofoundation.org

Company Limited by Guarantee | Registration Number: 07678862 (England and Wales) | Charity Registration Number: 1143152

Pharo Foundation

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Trustees' Report (Strategic Report)

An overview of the Pharo Foundation & our evolution to Pharo Foundation 3.0

Pharo 1.0 (2011–2017)	Pharo 2.0 (2017–2024)	Pharo 3.0 (2025–2035)
Grant-Making "Learning the Landscape"	**Operator Model "Building Capability"**	**Mission-Led Model "Scaling Impact"**
• Funded external organisations across sectors • Built initial understanding of development challenges • **Trade-off:** Limited control over delivery • **Outcome:** Foundational insight into what works	• Shift to direct, on-the-ground implementation • **Five-pillar approach:** Education, Water, Agriculture, Health, Ventures • Built execution capability and local presence • **Trade-off:** Broad scope diluted scale • **Outcome:** Proven models and clarity on scalable interventions	• **Focus on three missions:** Education, Water, Economic Productivity • Integrated model • Aligns capital, capability, and mission • **Outcome:** Scalable, sustainable, and measurable impact

Pharo Foundation is a mission-driven, impact-oriented organisation that designs, funds, and operates economic development programmes across Africa. Our work is anchored in a clear long-term vision: a vibrant, productive, and self-reliant Africa. To deliver this vision, we focus on three core missions that address the fundamental constraints to development: educating the next generation, solving water scarcity, and unlocking economic productivity.

We operate through two integrated divisions. Pharo Development delivers our mission-led programmes on the ground, while Pharo Ventures builds and scales profitable businesses that create jobs, generate economic value, and reinvest profits to sustain and expand our impact.

Pharo Foundation has evolved from a grant-making organisation (1.0), to establishing ourselves as a direct delivery organisation testing multiple intervention areas (2.0), to a focused, mission-led institution (3.0). This progression positions us to deliver scalable, sustainable impact, with a clear link between our vision, our missions, and the way we deploy capital and capabilities on the ground. Our current achievements are the culmination of a long and evolving history.

Pharo 1.0: Grant-Giving (2011 – 2017)

In its early phase, the Foundation operated primarily as a grant-making organisation. This approach allowed us to support a wide range of initiatives and build an initial understanding of the development landscape.

However, this model provided limited control over delivery and outcomes, prompting a reassessment of how to maximise impact.

Pharo 2.0: The Five-Pillar Operator Model (2017 – 2024)

In 2017, the Trustees made a deliberate shift towards direct implementation. The Foundation moved onto the ground, operating its own programmes through a structured five-pillar approach.

This phase was critical in building execution capability, testing interventions, and identifying which programmes had the greatest potential for scalable impact. It provided the practical insights needed to refine our long-term strategy.

Pharo 3.0: Mission-Led Model (2025–2035)

Pharo 3.0 represents our current ten-year strategy and operating model through to 2035, with 2025 marking the first full year of implementation.

This model sharpens our focus by aligning all activities behind our three core missions: education, water, and productivity. It reflects a shift from a broad portfolio of interventions to a more concentrated, high-impact approach.

Pharo Ventures plays a central role in this model by driving job creation and profit generation, ensuring that economic value is both created and reinvested to support our in-country presence and our mission-led programmes.

Our Central Missions Explained

1. Education

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

Education systems across Africa face a set of deeply interconnected challenges. Enrolment remains low in many areas, as families are constrained by cost or rely on children for labour. For those who do attend school, inconsistent quality in schools, teachers, and pedagogy limits the development of future-oriented skills.

Even where high-quality education exists, it is often unaffordable, restricting access to a small segment of the population. These structural challenges have been further compounded by pandemic-related learning losses, which set back a generation of students across the continent.

With the world's fastest-growing young population, addressing these constraints is one of the most urgent priorities for Africa's long-term development.

Pharo's education approach is designed to tackle this challenge progressively, starting at the earliest stages and expanding outward to drive system-wide impact. We begin with early childhood education (ECE), where the foundations of cognitive development, learning habits, and social skills are established. By ensuring strong early-stage interventions, we improve school readiness and long-term learning outcomes.

From there, we expand into primary and secondary education, focusing on delivering high-quality, affordable schooling that equips students with the skills required for productive lives. This ensures continuity in learning and addresses both access and quality constraints.

Building on this base, we extend opportunities through tertiary scholarships, enabling high-performing students to access world-class higher education. This creates a pipeline of future leaders and skilled professionals who can contribute meaningfully to economic development.

Finally, we amplify our impact at the system level through initiatives such as our teacher capacity building. By investing in teacher training, pedagogy, and leadership, we move beyond direct service delivery to strengthening the broader education ecosystem. This creates a multiplier effect, improving outcomes not just for students within our institutions, but across the wider system.

2. Water

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

Across the Horn of Africa, recurring drought has become one of the most urgent and destabilising challenges. Multiple consecutive seasons of poor rainfall and rising temperatures have destroyed crops, pasture, and livestock, pushing communities in parts of Somaliland, Somalia, Ethiopia, and Kenya to the brink of famine. What was once cyclical risk is now structural, with droughts becoming more frequent and severe, placing increasing strain on already fragile water systems.

Our experience responding to the 2022 drought in Somaliland, where we organised emergency water provision through trucking, was a catalyst for defining a more comprehensive and long-term water strategy.

To address both immediate needs and structural constraints, our approach is built across three horizons of impact:

Short term: Emergency response

We provide rapid, life-saving access to water during periods of acute drought. This includes water trucking and targeted interventions to stabilise vulnerable communities, protect livelihoods, and prevent displacement. This horizon is critical in moments of crisis but is not, on its own, sustainable.

Medium term: Infrastructure development

We invest in scalable water infrastructure, including boreholes, berkads (hafir dams), and distribution systems. These interventions reduce the distance communities travel for water, improve reliability of access, and support basic economic activity.

Long term: System resilience and water security

We are increasingly focused on addressing the root causes of water scarcity through landscape and system-level interventions. This includes groundwater recharge, improved runoff management, and the development of grazing reserves to better manage land and water resources. These approaches aim to restore ecological balance, reduce dependency on emergency interventions, and build long-term resilience to climate shocks.

Scaling Impact

While infrastructure is a critical enabler, a systemic solution to water scarcity must also address water quality, affordability, and governance. Delivering this at scale will require partnerships with organisations that bring complementary expertise, allowing us to move beyond isolated interventions towards integrated, sustainable water systems.

3. Productivity

Our Mission: To enable productive participation in the economy by removing constraints and creating jobs.

African economies face a dual challenge: high unemployment alongside low productivity. In urban areas, limited availability of salaried jobs pushes many young people into informal work, unemployment, or migration, weakening cities as engines of growth. Even where jobs exist, labour market frictions such as skills mismatches, limited access to finance, and health constraints reduce productivity and stall economic expansion. In rural areas, remoteness exacerbates these challenges, with poor access to healthcare, inputs, finance, and markets constraining both participation and output. Broader societal factors, including gender norms, further restrict labour force participation and economic efficiency.

With Africa set to account for nearly half of the world's new labour force entrants by 2050, addressing these constraints is critical. However, productivity cannot be improved by focusing on individual barriers in isolation. It requires a coordinated approach that strengthens the full functioning of the labour market, from the capabilities of workers to the availability of jobs and the systems that connect the two.

Our approach is therefore structured around three interconnected levers. First, we build capability by strengthening both skills and health, ensuring that individuals who desire work opportunities are able to work. Second, we enable participation by reducing barriers to entry and improving access to finance, inputs, and markets, allowing individuals to connect to economic opportunities. Third, we create demand by supporting the development of businesses and value chains through Pharo Ventures, which generate jobs and establish the economic activity into which workers can integrate.

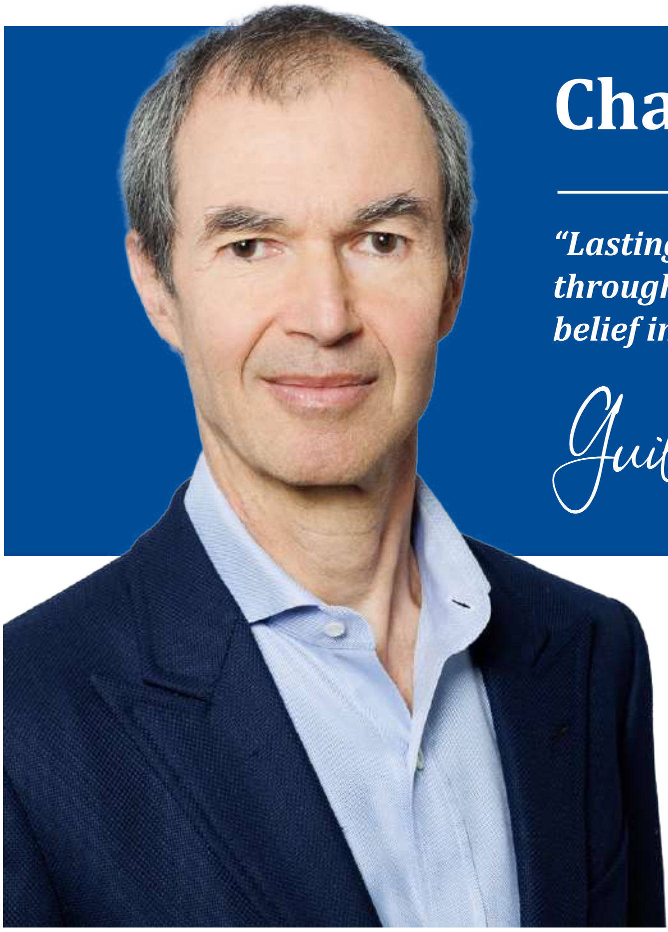
Pharo Ventures is therefore not separate from this mission, but a core component of it. It serves as the engine that creates real economic activity, ensuring that investments in skills, health, productivity and access translate into productive employment and income generation.

A defining feature of this model is that these interventions are not delivered in isolation. Instead, they are embedded in close proximity to, and in direct functional relationship with, our programme assets and ventures. This ensures that capability development is aligned with real economic opportunities, that access translates into actual participation, and that job creation is sustained by functioning local ecosystems.

At the same time, Pharo Ventures plays a central role in our long-term sustainability. In each country where we deploy philanthropic capital, we also deploy investment capital, ensuring that economic value is created alongside social impact. This dual approach is designed to reduce dependency on external funding over time. Our ambition is that, by 2030, the proceeds from our ventures will support our country office operations, and by 2035, contribute meaningfully to funding our broader mission-driven programmes.

We invest with a clear philosophy of profit with purpose, building a diversified, multi-country portfolio of scalable businesses. As a catalytic investor, we provide early-stage risk capital, support strong operational execution, and crowd in private capital over time.

In this way, our productivity mission moves beyond addressing constraints to building functioning economic systems. By combining capability, access, and enterprise creation within a single model, we ensure that labour supply and demand develop together, driving job creation, income growth, and long-term, self-sustaining economic development.



Chairman's Note

"Lasting change is built steadily, through trust, through partnership, and through an unwavering belief in what is possible."

Guillaume Fonkenell

Our growth has been significant, but what matters most is that our core vision has remained unchanged: an economically vibrant, self-reliant and inclusive Africa. Each year brings new challenges, yet also new evidence that meaningful, lasting change is possible.

Twenty-six years ago, when Pharo Management was still in its infancy, I made a quiet promise to myself: that if we were ever fortunate enough to succeed, we would use that success to contribute to something larger, to support economic development across Africa.

What began as a distant ambition became a reality in 2011 with the founding of Pharo Foundation.

This year, as we mark our 15th anniversary, I find myself reflecting not only on how far we have come, but on the people, communities and partnerships that have shaped our journey.

Life is, in many ways, shaped by chance. Where you are born, the community you grow up in, the education you are able to access, and the opportunities that come your way early enough for talent to take root and grow. When you recognise this, you are faced with a choice: to become cynical, or to act with a sense of responsibility. I have never believed that cynicism is a strategy. Rather, the randomness of life creates an obligation to do something meaningful with whatever advantages one has been given.

We started as a small team of five, working out of London with a shared sense of purpose and a great deal of determination. Today, we are a vibrant organisation headquartered in Nairobi, with close to 800 colleagues working across Kenya, Ethiopia, Somaliland and Rwanda.

The context in which we work has become increasingly challenging. Across the developing world, vulnerable communities are facing mounting pressures. Climate change is intensifying droughts and floods, often striking those least equipped to cope. At the same time, geopolitical instability continues to fuel conflict, displacing millions and destroying livelihoods. For many, survival depends ever more heavily on foreign aid, yet that support is becoming less certain. Fiscal pressures in donor countries, alongside shifting political priorities, have led to a contraction in international assistance. The abrupt dismantling of USAID programmes by the Trump administration in 2025 was a stark illustration of how quickly vital support can disappear.

Africa has been deeply affected by these developments. In East Africa, where we currently operate, droughts that used to occur once a decade are now becoming alarmingly frequent. Last August, in Somaliland, at the request of the government, our local teams mobilised an emergency response to deliver water to remote communities that had gone months without rain. 1,000 water trucks distributed 5,000 cubic metres of water to 388 villages in our second such intervention in just three years.

These are not isolated events, but signs of a shifting and increasingly fragile reality. At the same time, the reduction in foreign aid has forced many local organisations to close, removing essential services and leaving communities even more exposed.

This has brought into sharp focus one of Pharo Foundation's defining strengths: our independence.

Our work is fully funded by a single, deeply committed donor, Pharo Management, our sister organisation which manages hedge fund investments in emerging markets. This structure allows us to plan for the long term, to act with consistency, and to remain focused on impact rather than funding cycles. As long as our hedge fund colleagues continue to perform, we will be able to continue to invest in the communities we serve and make progress in our missions.

There was a moment in 2025 that, for me, was quietly profound. For the first time, I was able to bring a meaningful group of my hedge fund partners, along with their spouses, to see our operations on the ground. Many had heard me speak about the Foundation over the years, but seeing it is different. They were genuinely surprised and moved by the scale and seriousness of what has been built alongside Pharo Management. For me, it was a rare privilege to bring these two worlds together. Not as separate stories, but as one, rooted in the same values, expressed in different ways.

For us, 2025 was a year of meaningful progress and important milestones. We welcomed a new CEO, Tom Mason, who brought with him years of successful private sector experience and a deep knowledge of the continent. It was the first time we appointed a CEO from the private sector, with a clear mandate to bring greater discipline, pace and accountability into the organisation. The shift was not about grand gestures, but about doing the basics well: clearer ownership, tighter execution, and a higher bar for performance. Over the year, the organisation began to come together, not as a collection of strong individuals, but as one team operating with a shared rhythm and purpose.

Among other noteworthy highlights, we began production at our sesame seed oil plant in Debre Birhan, Ethiopia, supporting local industry and job creation. Our ready-mix concrete plant in Hargeisa reached profitability, an encouraging sign of the potential for sustainable, locally rooted enterprise.

We opened a new day school in Assosa, Ethiopia, welcoming more than 1,000 learners on its first day. We broke ground on the Pharo Hargeisa International School, with the ambition of setting a new standard for education in the country. We completed two additional large water reservoirs in Somaliland, strengthening water security for local communities.

And perhaps most inspiring of all, our girls' boarding school in Homosha, Ethiopia, achieved a 100% pass rate in the national high school examinations, far exceeding the 8% national average. It is an extraordinary accomplishment, and a testament to the dedication of our students, teachers and wider community.

These achievements, taken together, tell a story not only of progress, but of resilience and possibility. They remind us that even in a difficult environment, sustained effort and long-term commitment can create real change.

As we look ahead, we do so with both realism and optimism. The challenges are significant, but so too is the potential. If the past 15 years have taught us anything, it is that lasting change is built steadily, through trust, through partnership, and through an unwavering belief in what is possible.

G. Fonkenell

Guillaume Fonkenell
Chairman and Founder

CEO's Summary

"Thank you for taking the time to read our annual report. We hope it provides a clear understanding of our work and impact across our countries of operation. Please get in touch if you would like to learn more about the Foundation."

Tom Mason

In 2025, the Pharo Foundation delivered the first full year of Pharo 3.0, our ten-year strategy and operating model through to 2035. Pharo 3.0 is anchored in a simple vision: an economically vibrant, productive, self-reliant Africa. To advance that vision, we focus our efforts on three missions that matter profoundly to the communities we serve and to the future of the continent: Education, Water, and Productivity.

Across all three, we apply a private-sector approach to long-term public good: high standards, disciplined execution, and a bias toward sustainability. We have shifted from a legacy of grant giving toward a direct delivery model, where our in-country teams, alongside partners, are accountable for execution and outcomes. This work is enabled by the success of our colleagues at Pharo Management and governed under the stewardship of a diverse Board of Trustees, who have entrusted us to invest USD 250 million into impact across East Africa by 2035.

2025 was an important year of strategic clarity, operational efficiency & subsequent delivery. We sharpened our capital allocation, strengthened our operating system, and built a right-sized team, enabling us to choose priorities with intent, deploy resources with focus, and measure outcomes with greater rigor.

This annual report captures the substance behind that progress: what we set out to do, what we learned along the way, and where we go next.

Mission 1:

Education - expanding our reach with quality

Education remains our most direct long-term investment in human potential. It is a timeless asset class: once someone has an education, it cannot be taken from them, and the returns compound for life.

In 2025, our focus was to expand reach while strengthening the foundations of quality and scalability:

Early childhood education: building on proven evidence that early year's shape later learning outcomes, we designed and launched a model that can scale our Early Childhood Education program at a lower cost, enabling wider reach without compromising quality.

Schools: we built and opened an additional school in Ethiopia serving more than 1,000 additional children. We continue to prioritise fee-paying schools for low- to middle-income families in growth centres, because these models

2025 Education highlights:

5,000+
Learners reached

8
Schools operated

400+
Teachers trained/coached

Notable milestones:

A new campus in Assosa for 1,000 new students, strong exam results across our countries and Pharo students going on to university, with **69 graduates now enrolled in universities globally**

provide a credible pathway to long-term sustainability.

Post-school success: we continued to allocate capital to extend educational journeys through tertiary university opportunities both on the continent and offshore, investing in future leaders and entrepreneurs who will build Africa's next chapter.

Teachers & technology as the multiplier: we expanded teacher development & computer-assisted learning program to extend the benefit of philanthropic capital beyond our own campuses and into larger education systems, reaching far more learners over time.

Across our education footprint, the objective is consistent: expand access, invest in quality, optimise affordability, and pursue sustainability wherever possible.

Mission 2:

Water - reliability today, resilience over time

Water is both immediate and strategic. It is dignity today and economic potential tomorrow.

In 2025, our emphasis was on reliability and resilience. The test is straightforward: does a community have water it can depend on through dry seasons, shocks, and rising demand?

We prioritised three practical shifts:

First mover response in periods of drought: as a privately funded organisation, we can act quickly when communities are under acute pressure. In 2025, we again responded early alongside governments and communities when drought hit hardest.

Improving the efficiency of every investment: engineering discipline, procurement rigor, and strong site supervision enabled us to expand rural water catchments and improve delivery in both Somaliland and Ethiopia. We also recognised the power of technology through our research team and that innovation in design and program delivery would allow us to stretch each dollar further.

Scaling long-term impact: we took the first steps to expand our ambition beyond boreholes and dams, exploring wider concepts such as grazing reserves, groundwater recharge, and rooftop harvesting - approaches that can shift the equation over the long term.

Where water becomes reliable, health improves, school attendance improves, livelihoods stabilise, and the conditions for productivity emerge.

2025 Water highlights:

Improved water access to

3,040 Households and
21,280 beneficiaries

Water points delivered

7 hafir dams total capacity of
319,600m³

Total investment in water programmes:

US$ 1.9 million
in Somaliland alone.

Notable milestones and learnings:

We learned that Dams with geomembranes, silt traps, and security infrastructure (associated with stronger site management) were more efficient.

Mission 3:

Productivity - jobs, value creation, and investable operating models

Productivity is how communities move from vulnerability to self-reliance, and it is where our private-sector approach is most visible. In 2025, our productivity initiatives and Pharo Ventures continued to develop ventures and economic initiatives designed to:

Remove barriers to productivity: Non-communicable diseases are an emerging and under-addressed constraint to workforce participation across Africa. Through our diagnostic laboratory in Assosa, Ethiopia, and our facilities at Hargeisa Group Hospital in Somaliland, we have developed a clear understanding of how health challenges limit productivity and economic engagement.

Facilitate skills development: Our technical and vocational training school in Somaliland continued to scale, with an increasing focus on direct job linkages to the construction sector. In parallel, we initiated the development of an arts school in Nairobi to begin unlocking opportunities in the creative economy, and advanced our research into entrepreneurship pathways in Rwanda.

Investing in local value addition: We completed construction of our industrial edible oil plant in Ethiopia. With the factory now commissioned, the focus has shifted to optimising sourcing, improving quality, and securing the certifications required to access both domestic and international markets.

Creating reliable market access and strengthening supply chains: We continued to build our investment in Ken Tuna, alongside Across Agriculture and founder Bryan Matiba. This model improves quality, consistency, and market access for sustainably caught tuna, strengthening incomes for local fishermen.

Driving profitable, re-investable operating models: Our concrete business achieved profitability, with the team expanding our offering into machinery rentals, preform housing and concrete derivative products.

Our productivity mission is not philanthropy that defers sustainability to others. It is a deliberate, country-by-country approach to identifying the key constraints to economic potential, building the delivery infrastructure required to address them, and, where appropriate, establishing businesses as a direct extension of this work to remove those constraints and enable local economies to function more effectively.

2025 Productivity highlights:

Pharo Construction (Ready-mix concrete):

Continued operational focus on the ready-mix concrete business, which remains the primary activity, with gradual improvements in production and revenue generation during the year.

Financial performance:

The venture generated total revenue of

$1,917,388

and a loss before tax of

US$ 3,895

reflecting its ongoing development phase.

Notable learning:

Our research team consolidated and analysed programme data from the NCD Centre in Somaliland and community screenings to assess performance, reach, and sustainability. The analysis showed that since inception, the programme has recorded 19,597 outpatient visits and served 9,643 unique patients, with nearly one-third of those patients newly diagnosed, indicating substantial unmet need.

We remain clear-eyed: ventures are hard. They require strong management, disciplined capital allocation, and relentless execution. But when they work, they create a durable engine for both impact and independence.

How we operate - building an institution that scales

Pharo 3.0 is not just what we do, it is how we do it. Today we have almost 800 colleagues, and by 2035 this will be significantly larger. Building an institution of this scale requires discipline, clarity, and consistency. In 2025, our colleagues, from schools through to our seafood business, strengthened the standards that underpin how we operate the Pharo Foundation.

Operating cadence: we introduced a consistent review rhythm across the organisation, creating greater transparency on performance, enabling faster and better-informed decisions, and ensuring disciplined follow-through across countries and operating units.

Financial discipline: we strengthened controls, established more predictable planning cycles, and reinforced our performance framework, while continuing the development of Business Central as our ERP backbone and implementing Planful as our FP&A system.

Performance and accountability: we clarified goals, improved reporting, and strengthened ownership at country, entity, and operating unit level. This was supported by the rollout of PeopleHum and the transition to a Microsoft Teams-based operating environment.

Pipeline discipline: we centralised our development, ventures, and partnerships activities into three structured pipelines, enabling ideas to progress systematically from concept through to investment with greater rigour and consistency.

Sustainability focus: we advanced programmes designed to operate, maintain, and grow without perpetual support, with a clear ambition for ventures to support country offices by 2030 and contribute to broader development work by 2035.

To support and codify these changes, we launched our Leadership and Governance Handbook, setting out clearly how we operate as we scale.

This is also about culture, as Pharo is a place where standards are high, feedback is candid, and execution is respected. The best organisations are not those that never face obstacles, but those that respond to obstacles & learn from their failures, with calm, competence and speed.

Looking ahead: 2026 priorities

With trustee confidence strengthened and our operating model proven in practice, we enter 2026 focused on disciplined delivery and scaling what works.

Our priorities remain consistent:

Education: scale early childhood education, strengthen our school network with the recruitment of a central schools focused team, hone our strategy on a self-sustaining network of schools, invest in tertiary scholars, and expand reach through initiatives such as computer assisted learning and teacher training.

Water: increase impact per dollar spent and accelerate solutions that deliver resilience at scale across short-, medium-, and long-term strategies & their horizons.

Productivity: unlock productivity country by country - from builders in Somaliland, to artists in Nairobi, to entrepreneurs in Kigali - while pushing ventures toward operational excellence, break-even to profit, and scalable economics.

Institution-building: continue strengthening governance, investing in people, leveraging our systems, and reinforcing a performance-driven culture.

We look forward to sharing the progress and outcomes 2026 will bring, so for now permit me to thank you.

Pharo Management has enabled Pharo to build with long-term conviction. With that privilege comes responsibility, and we take it seriously. My thanks to everyone at Pharo Management for your continued support, and to all those who volunteer their time - whether joining one of our students on Zoom or Teams to practise English, helping raise funds to fill a library, or joining us in the field across our schools and programmes.

To our trustees, thank you for your diligence and your ability to absorb lengthy, diverse, and often complex materials. Thank you, too, for taking the time to walk the journey with us on the ground - including the long dusty hours in 4x4s and the roadside meals in rural villages that come with seeing the work properly. Your support, patience, and challenge help keep us on point.

Thank you to our teams across London, Somaliland, Ethiopia, Kenya, and Rwanda for your commitment and professionalism. Whether delivering programmes in remote settings, keeping operations running late into the night, or preparing lessons into the early hours. We ask a lot, and you deliver.

I also thank the parents who place their trust in us, the communities we partner with, the governments that support our work, and the customers who choose our ventures.

Pharo Foundation exists to build a more vibrant, productive, and self-reliant Africa.

Tom Mason
Chief Executive Officer

Mission Reports

Mission reports
Education Mission

"I am thrilled to join the Pharo Foundation at such a pivotal moment and to lead the development of an ambitious, high-performing network of schools. Together, we have the opportunity to build a system that delivers consistent quality, scales with purpose, and transforms outcomes for thousands of students across Africa."

Nkazimuli Moyo

Managing Director, Pharo Schools

In 2025, we strengthened our education platform across four countries, with eight Pharo-run schools and a growing portfolio of programmes forming the foundation for the scaled system envisioned under Pharo 3.0, and enabling us to define our 2035 ambition.

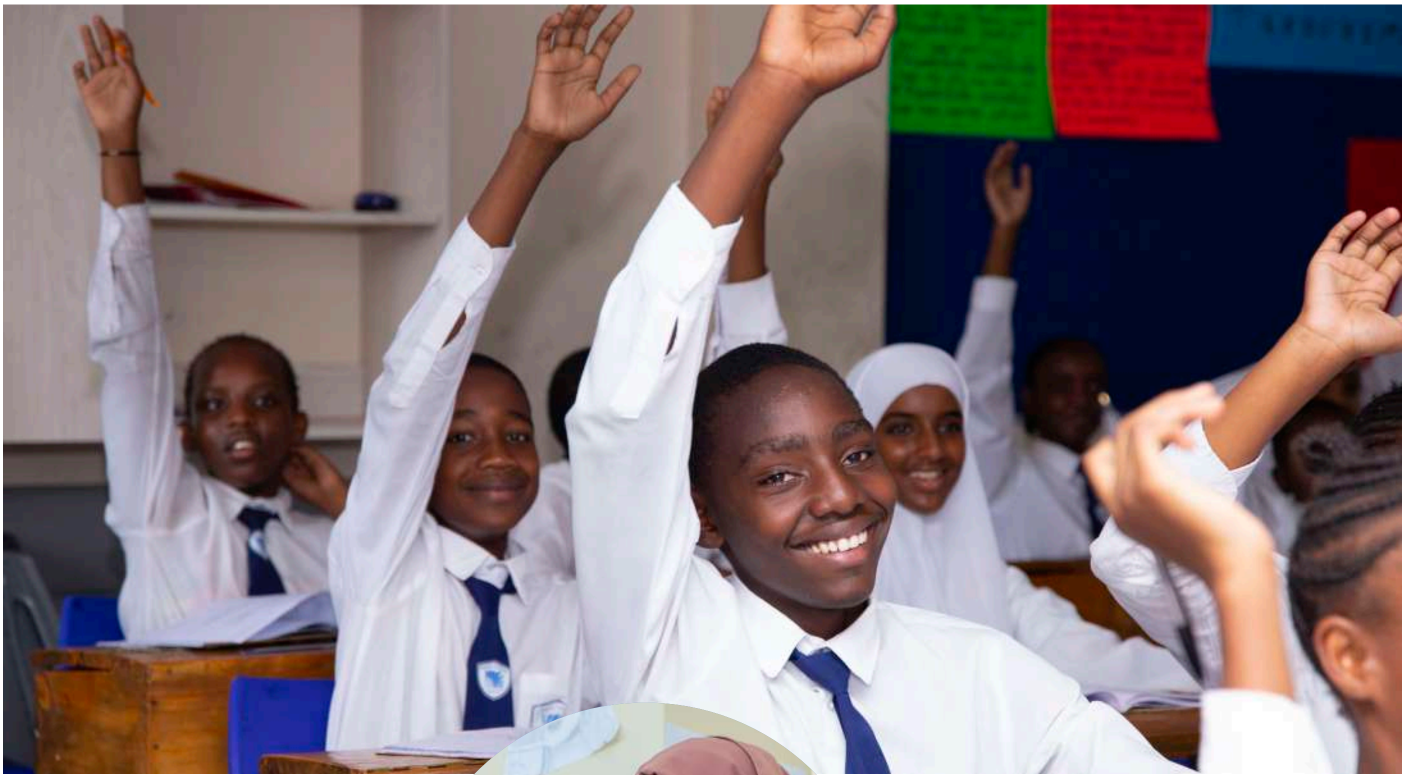
Under this ten-year vision, we expect to build a self sustaining network of schools serving over 25,000 students directly, while our broader education programmes will extend our impact to more than 250,000 children. This ambition represents a significant step change, moving from operating individual institutions to managing a scaled, high-performing network of schools.

With this clarity on both scale and ambition, it became evident that delivering this vision would require additional capabilities. A critical lever is the ability to design, operate, and continuously improve a network of schools at scale, ensuring consistency in quality, pedagogy, and outcomes across geographies. To support this next phase, we made the strategic decision to bring in leadership with deep expertise in school systems management. In October 2025, we appointed Nkazimulo Moyo as Managing Director of Pharo Schools.

Nkazimulo is an accomplished education leader and school systems strategist, with experience spanning from classroom teaching to executive leadership. She has served as a teacher, principal, and regional manager, and most recently as Portfolio Head for Primary Schools at SPARK Schools in South Africa, where she led a network of 21 schools.

Since joining, Nkazimulo has begun shaping the long-term vision for the Pharo Schools network, focusing on how we scale with quality, build institutional capability, and deliver consistent outcomes across our platform. She has also provided an overview of our education work in 2025, alongside a forward-looking perspective on how we will achieve our 2035 ambitions

An overview from Nkazimulo Moyo, Managing Director of Pharo Schools



In 2025, Pharo Schools continued to expand with our student network growing to approximately 5,000 students, supported by more than 400 teachers and academic staff.

Beyond enrolment growth, the year was defined by deliberate investments in quality, systems, people and culture, positioning the network to accelerate toward its 2035 ambition of serving 25,000 students directly and reaching 250,000 learners through broader education development work.

Beyond enrolment growth, the year was defined by deliberate investments in quality, systems, people and culture, positioning the network to accelerate toward its 2035 ambition of serving 25,000 students directly.

Strengthening Access, Quality and Educational Coherence

A central priority in 2025 was refining the Pharo Schools' access strategy, ensuring that the network continues to serve students from diverse socio-economic backgrounds while progressing toward financial sustainability. This included a review of scholarships, enrolment strategies and fee structures to better balance access with long-term viability.

Significant progress was made in strengthening the quality and coherence of teaching and learning. In collaboration with the Research, Evaluation and Data (RED) team, schools expanded the use of assessment data, classroom observation and instructional coaching. Early indicators point to improvements in core literacy and numeracy, particularly in primary years.

A major milestone was the education model workshop, which brought together academic leaders to refine Pharo's pedagogical approach. This process clarified a consolidation and growth strategy grounded in local, regional and global realities, and reinforced the principle that schools must respond directly to the needs of families in each context. This work led to a clearer pedagogical spine and the development of a Pharo Graduate Profile, defining the knowledge and skills required to support a productive, self-reliant Africa.

In parallel, Pharo Schools continued to build the systems required to support a multi-country network. The rollout of a Student Information System (SIS) improved management of student data, attendance, academic progress and school operations. Work also continued on a harmonised educational model, ensuring consistency in philosophy and standards while maintaining responsiveness to national contexts.

Investing in Teachers, Leadership and Culture

Pharo Schools continued to prioritise teacher development through coaching, training and collaborative learning. The Teacher Exchange Programme remained a key driver of cross-network learning, strengthening both individual practice and system-wide alignment. Providing teachers with opportunities to experience different school environments, share pedagogical practices and build a stronger professional community

Leadership development was also a major focus. Principal and Heads of Education platforms were formalised as communities of practice, enabling structured collaboration and shared problem-solving. Anchored in key levers of successful schools, including strong culture, observation and feedback, and data-driven instruction, these platforms strengthened both instructional and operational leadership.

At the organisational level, continued efforts were made to bolster the Pharo Schools central team, ensuring the capacity to consolidate systems, address gaps and accelerate implementation.

Enabling High-Quality Learning Environments

In 2025, key infrastructure upgrades were completed, including a new school gym in Kigali, the addition of a Kindergarten section in Assosa (Ethiopia), and the transformation of the Sheikh campus auditorium.

The network also undertook library audits across all schools, ensuring alignment with Pharo's philosophy of learning and strengthening the role of reading in foundational education. This work was complemented by generous book donations to our new Ethiopian school, providing a great starter collection.

Impact Beyond Pharo Schools

Pharo Foundation continued to expand its education development work, notably with the completion of four libraries in partner schools in Somaliland, alongside early childhood education programmes now reaching over 8,000 children. As well as our Benishangul-Gumuz Education Acceleration Project (BEAP) programme in Ethiopia.

In Rwanda, the teacher development programme expanded significantly, now supporting 42 schools and improving the quality of teaching and learning for over 21,000 students.

Academic Outcomes and Student Success

Pharo Schools continued to demonstrate strong academic outcomes across multiple contexts. Pharo Secondary Sheikh maintained a 100% pass rate in IGCSE examinations, with a notable improvement in quality as all students achieved grades above E.

At Homosha Girls School in Ethiopia, students achieved a 98% pass rate in national examinations, significantly outperforming the national average of approximately 8%. This remains a strong testament to the quality of teaching and learning, particularly given the challenging context.

Our scholarship programme continues to grow, with 69 graduates now enrolled in universities globally, and we are continuing to build partnerships that will further expand opportunities for students.

Looking Ahead:

Building a Coherent Pharo Schools Network with a Distinct Brand Identity

As Pharo Schools looks to the future, our focus is on building a coherent, high-performing network of schools anchored in a clear pedagogical identity, strong culture, and an unmistakable Pharo brand.

Our ambition is to create a network where every Pharo school, regardless of country or context, is instantly recognisable in its ethos, instructional approach, learning environment and student experience. This coherence is not about uniformity; it is about what it means to deliver a world-class Pharo education.

The harmonised educational model, alongside the Pharo Graduate Profile and pedagogical spine, will anchor teaching, curriculum and student development across all campuses. Combined with continued investment in culture, systems and leadership, this will enable us to maintain quality at scale while adapting to local contexts. This coherence will enable us to maintain quality at scale while allowing each school to adapt intelligently to its national context.

As we expand into new phases, including High School pathways, the Pharo Schools brand will increasingly signal excellence, fairness and opportunity. With strengthened systems, growing capacity and a clear vision, Pharo Schools is well-positioned to scale with purpose, delivering meaningful, lasting outcomes for young people across the region.

Beyond Nkazimulo's summary, we are also able to update on education work in each of our countries of operation.

Mission reports

Education Mission

Somaliland

Highlights

112
teachers completed a capacity-building programme on literacy instruction, inclusive education, classroom management, ethics, and assessment strategies.

66
Grade 8 students graduated from Pharo Primary School recorded as the highest number in the school's history.

70 learners
successfully graduated from Pharo Kindergarten, supporting a smooth transition into primary education.

In Somaliland, the education team at our schools and beyond had a busy year. In this section, we will cover the details of our Education mission in Somaliland, focusing on: Teacher capacity building, development and training, ECEs, scholarships and graduation outcomes/pathways, and our Government Primary Schools Programme (GPS):

Teacher capacity building

In April 2025, Pharo Primary School achieved a major milestone in professional development through a strategic partnership with Windle Trust International, resulting in the successful launch of an English Language Training Programme for teachers. This initiative increased teachers' language skills to improve teaching confidence, leading to better engagement.

Furthermore, a total of 112 teachers (67 male and 45 female) completed a comprehensive seven-month capacity-building programme covering literacy instruction, inclusive education, classroom management, ethics, and assessment strategies. In addition, 19 vice principals completed a six-month leadership development programme, strengthening school-level management and collaboration.

Early Childhood Education (ECE) Programme:

In 2024/2025, our research team designed and led Somaliland's first randomised controlled trial of an Early Childhood Education (ECE) programme, demonstrating large, statistically significant gains in child development, including strong improvements in literacy and numeracy. Students taught by certified ECE teachers achieved learning outcomes that were 29% higher than those taught by non-certified teachers. Certified teachers also outperformed peers by 12.5% in observed teaching quality, highlighting the importance of professional training in early learning success.

Building on this evidence, in 2025 the research team examined potential pathways for scaling ECE nationally, including whether existing Quranic schools (madrassas) could serve as a viable platform for expanding access. A survey of 236 Quranic schools assessed readiness for ECE delivery, institutional capacity, and transition requirements. The findings indicate that KG-level madrassas offer the greatest potential for scale, as their enrolment closely aligns with the target age group. However, infrastructure and capacity gaps remain, and addressing these will be essential for successful expansion.

In Somaliland, we believe that education is the most powerful catalyst for national transformation. As the Pharo Foundation, our mission is not just to build schools, but to nurture a generation of critical thinkers and ethical leaders.

Muna A. Jama – Head of Education, Somaliland

To test the feasibility of this pathway, the education team is piloting ECE delivery in two madrassas during the 2025/2026 academic year, generating practical insights to inform decisions on scale.

5 students from Pharo Secondary School, Sheikh, were awarded pre-university and international pr eparatory scholarships valued at over USD 350,000.

We have also strengthened the pipeline of future ECE educators through the University Placement Programme, where we had 17 final-year university students, all female, successfully completed internships within our ECE's. This achievement strengthened the pipeline of qualified future ECE teachers and contributed to long-term programme sustainability.

Scholarships and graduation outcomes/ pathways:

In 2025, Pharo Schools Somaliland recorded outstanding achievements in expanding access to international education. Ten Pharo graduates successfully secured university placements in Malaysia and India, enrolling in competitive programmes across science, engineering, finance, technology, business, and counselling fields.

In addition, five students from Pharo Secondary School, Sheikh, were awarded highly prestigious pre-university and international preparatory scholarships valued at over USD 350,000. Three students received United World Colleges scholarships and will pursue the International Baccalaureate Diploma Programme at UWC campuses in the USA, Thailand, and Tanzania beginning in August 2025. One student was admitted to the African Leadership Academy in South Africa, enrolling in a two-year programme combining Cambridge A-Levels with leadership training. Another student was selected for the Ashinaga Africa Initiative and will progress through a preparatory programme before university placement in Japan in 2026. These achievements reflect the global competitiveness of Pharo students.

Graduation outcomes across Pharo Schools in 2025 demonstrated sustained growth, strong completion rates, and academic progress across primary, kindergarten, and secondary education levels. These results reflect increased access to education and improved student retention across the school system.

Pharo Primary School recorded a historic achievement by graduating 66 Grade 8 students, the highest number in the school's history. The cohort comprised 40 girls and 26 boys, marking the first time that female graduates outnumbered male graduates. Academic excellence was further demonstrated in the Sheikh Secondary School entry examinations, where 37 students advanced to the second round, including 21 Pharo Primary School graduates.

Pharo Kindergarten successfully graduated 70 learners, supporting a smooth transition into primary education. At Pharo Secondary Sheikh, 56 students graduated in 2025, accompanied by notable academic improvement. The school's CAT 1 average increased to 69%, up from 67% in the previous year, while Form 4 students achieved the highest recorded average of 75%.

Government Primary Schools Programme (GPS):

In 2025, the GPS Programme achieved substantial improvements in learning outcomes across participating schools. Endline assessments demonstrated significant gains in literacy and numeracy across Grades 1–3, with some schools achieving exceptional scores of up to 99%.

Mission reports

Education Mission

Ethiopia

The 2025/26 academic year marked a breakthrough expansion phase for Pharo Foundation's education portfolio in Ethiopia, particularly in Assosa. Highlights included:

- Pharo School Assosa opened a brand-new campus and successfully enrolled 870 new students within its first operational year, establishing the campus as the fastest-growing education investment in the region and positioning it as a future flagship school serving Kindergarten through Grade 12.
- Homosha Girls' Boarding School reached full enrolment capacity with 220 girls.
- We have extended the lease for the Pharo School Assosa Primary, started new KG programme modifying the campus and enrolled 528 students.
- Combined enrolment across Pharo Schools now stands as one of the largest non-state education footprints in the region, significantly expanding equitable access to quality education.

These enrolment outcomes reflect strong community trust, effective mobilisation, and the credibility of Pharo's education model in a historically underserved context by enrolling over 1,600 students for the first time in five years.

Further to these highlights this section will cover National Examination Performance at our schools and an in-depth look at the Benishangul-Gumuz Education Acceleration Project (BEAP), along with the Computer-Assisted Learning (CAL) implementation.

In Ethiopia, 2025 proved that focused, long-term investment in human potential delivers extraordinary returns. Our Homosha Girls' Boarding School didn't just outperform the national average it shattered it with a 99% pass rate, proving that young women in our most underserved communities can achieve world-class excellence when given the opportunity. We are building the very foundations for a vibrant, productive, and self-reliant Ethiopia, one student, one community, and one sustainable solution at a time.

Ephrem Feleke – Country Director, Ethiopia

Highlights

870
New students enrolled at our brand-new Assosa campus successfully enrolled

99%
Success rate achieved by Homosha Girls' Boarding School in the National School Leaving Examination

100%
Pass rate recorded by Pharo School Assosa in both Grade 8 and Grade 6 examinations

National Examination Performance

- Homosha Girls' Boarding School achieved a 99 percent success rate in the National School Leaving Examination
- Pharo School Assosa recorded a 100 percent pass rate in both Grade 8 and Grade 6 examinations

These results position Pharo Schools as centres of excellence in a region where national examination performance has historically been low.

BEAP and CAL: A Step-Change in Public School Outcomes

One of the most significant achievements of the year is the dramatic transformation in public school performance through the Benishangul-Gumuz Education Acceleration Project (BEAP).

- Computer-Assisted Learning (CAL) supported a 74 percent pass rate in the Grade 8 regional examination at Assosa Primary School, a historic improvement.
- Prior to BEAP implementation, Assosa Primary School had consistently recorded pass rates below 10 percent for many years, despite repeated conventional interventions.

The improvement represents a sevenfold increase in student success, directly attributable to:

- Structured CAL exposure
- Level-based Teaching at the Right Level (TaRL)
- High teacher commitment and attendance
- Data-driven instructional decision-making

This achievement provides compelling evidence that targeted foundational interventions can rapidly shift outcomes even in highly constrained public-school contexts.

By 2025, the project had reached a substantial number of learners through its targeted after-school support programmes. Specifically, 866 students benefited from Teaching at the Right Level (TaRL) after-school sessions, which focused on strengthening foundational literacy and numeracy skills. In addition, 763 students participated in Computer-Assisted Learning (CAL) after-school sessions, designed to improve performance in English, Mathematics, and Science.

2025 was truly a year to remember! At Homosha Girls' Boarding School, we delivered stellar national exam results, showcasing our dedication to academic leadership in the region and beyond. We were also excited to welcome Pharo School Assosa's new campus to our network of Pharo Schools in BGRS, it is great to see us growing!

Majiwa Benson - Principal of Pharo School Homosha

Major activities accomplished in 2025 include:

- 56 teachers trained on newly developed TaRL instructional approaches for Assosa and Benishangul primary schools.
- 17 teachers trained on Computer-Assisted Learning instructional approaches at Assosa and Benishangul primary schools.
- Mentoring and coaching support provided for 56 teachers on new TaRL approach and structured pedagogy at after-school programme.
- Trained 10 school leaders on newly developed Computer-Assisted learning instructional approaches.
- Provided more than 1,200 TaRL teaching and learning materials per student, covering both literacy and numeracy. Literacy materials included syllable charts, picture reading exercises, paragraphs, and short stories, while numeracy materials comprised number charts, addition, subtraction, and multiplication charts, number expansion charts, and basic operation word problems.

Results Achieved by the End of 2025

By the 2025 implementation year, the project had generated several notable improvements in teaching and learning outcomes.

- Students' foundational literacy and numeracy skills improved across the target schools as a result of structured, level-appropriate instruction.
- Teachers increasingly adopted play-based, interactive, and learner-centred instructional approaches, replacing more traditional, lecture-based methods.
- Student engagement in after-school sessions increased, reflecting greater motivation and participation in learning activities.
- Digital literacy among both students and teachers improved steadily over time, supported by the integration of Computer-Assisted Learning (CAL).
- Academic performance showed significant progress, particularly at Assosa Primary School. In 2025, 77.9% of students scored 50% or above, compared to 13.5% in 2023 and 40% in 2024, marking a substantial upward trend in learning achievement in regional examination.

Lessons Learned by 2025

- The combined implementation of Teaching at the Right Level (TaRL) and Computer-Assisted Learning (CAL) has contributed to improved student performance, as evidenced by higher test scores on regional examinations.
- A significant performance gap was observed between primary schools in Assosa town that implemented structured pedagogy and those that did not, demonstrating the effectiveness of structured pedagogy when applied appropriately.
- Teachers, school leaders, and local education authorities reported positive perceptions of the implementation of structured pedagogy and the TaRL programme.
- Implementing TaRL is cost-effective because it aligns instruction with students' actual learning levels, incorporates regular assessments, uses data for timely instructional adjustments, and encourages teacher collaboration and the sharing of best practices.
- TaRL is highly adaptable and can be effectively tailored to a variety of contexts.

Strengthening TaRL implementation within school systems requires adequate technical support, clearly defined roles and responsibilities among stakeholders, and consistent measurement of implementation success.

Mission reports
Education Mission

Rwanda

Highlights

31 schools
Our Capacity Building Programme successfully expanded

100%
Pass rate recorded in the September 2025 DELF examinations by Pharo School Kigali

Mentors
provided direct school-based support to 331 teachers, including 97 nursery teachers and 234 teachers in Primary 1–3

In Rwanda, we can look at education within Pharo School Kigali and the work carried out in our Teacher Capacity Building (TCB) programme:

Pharo School Kigali

2025 was a landmark year marked by strong academic outcomes, strategic growth, and international recognition. The school successfully graduated 23 learners from Nursery 3 to Grade 1 in June 2025, demonstrating a strong foundation in early childhood education and readiness for primary learning. In September 2025, the school welcomed over 100 new children, reflecting growing community trust and increasing demand for our educational programmes.

Academic excellence remained a central achievement. The school recorded a 100% pass rate in the September 2025 DELF examinations, with several students attaining perfect scores, underscoring the effectiveness of our language instruction and student support systems. Further strengthening our academic credibility, 3 of our language teachers were officially confirmed and certified as international examiners with DELF in November 2025, positioning the school as a recognised centre of excellence in language education.

In addition to these milestones, 2025 was characterised by enhanced instructional quality, stronger parent engagement, and continued investment in staff professional development. These achievements collectively reinforce the school's reputation for delivering high-quality, internationally aligned education and set a strong trajectory for sustained growth and innovation.

Teacher Capacity Building Programme

Programme Expansion and Institutional Strengthening

In January 2025, the Teacher Capacity Building (TCB) Programme successfully expanded from the 11 schools it supported in 2024, to 31 schools. These 20 additional schools were known as Cohort 2.

To ensure effective implementation and maintain quality standards across the expanded portfolio, eight mentors were recruited and trained in March 2025. These mentors provide instructional coaching, classroom observation, and programme oversight across supported schools.

Further strengthening programme management, a Project Coordinator was recruited in August 2025 to enhance coordination, implementation fidelity, monitoring, and overall quality assurance.

Teacher Professional Development Through Offsite Training

In August 2025, a comprehensive teacher training was conducted on leading learner-centered instruction for classroom impact. This brought together 418 participants across all 31 supported schools, including:

- 106 teachers from Cohort 1
- 252 teachers from Cohort 2
- 48 school leaders and 12 owners of community-based Early Childhood Development (ECD) Centres, 60 in total.

The training represented five sectors of Gasabo District and focused on effective implementation of play-based learning approaches in nursery education and strengthening learner engagement strategies in Primary 1–3 classrooms.

The 2025 academic year at Pharo School Kigali was truly remarkable. We had the pleasure of welcoming close to 100 new families into our vibrant school community. Throughout the year, our students were actively engaged in both academic and co-curricular activities, fostering holistic growth and development.

Peris Wangui Muhugu - Principal of Pharo School Kigali

The training resulted in strong leadership commitments. Community-based ECD school owners agreed to adopt a teacher-multiplier strategy, introducing bi-weekly teacher coaching sessions and reinforcing leadership accountability for instructional quality.

Other school leaders committed to institutionalizing co-observation of lessons and providing structured, constructive feedback to teachers, and strengthening leadership for learning practices.

Improved Teaching and Learning Practices

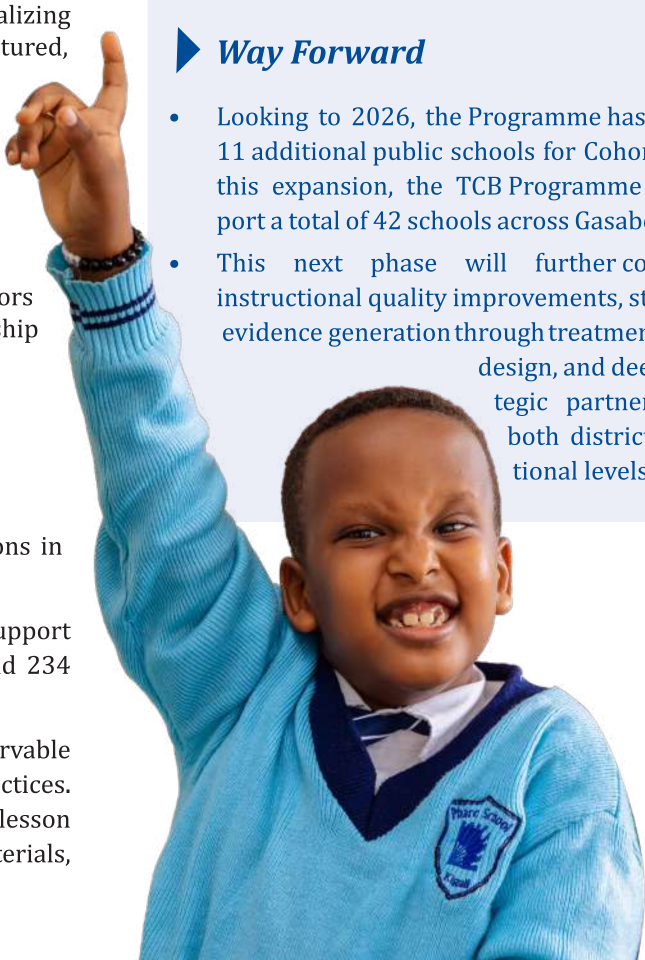
Following the centralized training, TCB mentors implemented structured, school-based mentorship support which included:

- Lesson observations
- Delivery of model lessons
- Collaborative lesson planning

Facilitation of school-based teacher training sessions in partnership with school leadership

In 2025, mentors provided direct school-based support to 331 teachers, including 97 nursery teachers and 234 teachers in Primary 1–3.

The mentorship programme is yielding observable improvements in teaching and learning practices. Teachers demonstrate increased confidence in lesson planning, effective use of teaching and learning materials, and the creation of inclusive classroom environments that actively engage all learners. Learners are showing higher levels of motivation and participation, with notable improvements in foundational literacy and numeracy skills.



Way Forward

- Looking to 2026, the Programme has lined up 11 additional public schools for Cohort 3. With this expansion, the TCB Programme will support a total of 42 schools across Gasabo District.
- This next phase will further consolidate instructional quality improvements, strengthen evidence generation through treatment-control design, and deepen strategic partnerships at both district and national levels.

Mission reports

Education Mission

Kenya

Highlights

100%
Pass rate in the KJSEA National Exam

Snack
Programme introduced to ensuring that our students remain energised and focused throughout the day

Extra Carricular
Competed at the national level of the Kenya National Music Competition

In Kenya, our education offering is centred around three large campuses that make up Pharo School Nairobi. These three campuses are situated strategically in Komarock and Umoja, in Nairobi's Eastlands area, a vibrant and fast-growing part of the city serving the growing middle-income population.

In Kenya, Pharo Schools is translating its continental ambition into tangible outcomes, demonstrating what it means to deliver high-quality, relevant, and values-driven education to a growing community of aspirational families. Our approach is anchored in a simple but powerful belief: that excellence in education must be both measurable and meaningful. This year, our academic results provide strong evidence of this commitment.

Academic Achievement

- In 2025, Pharo School Nairobi's KJSEA national examination results were incredibly strong:
- 101 candidates sat for the assessment, and we had a 100% pass rate.
- Furthermore, 85% of our students achieved a distinction.
- 2 of our students achieved the highest scores in the entire region.

Future Ready Students

Beyond examination performance, we have continued to refine and strengthen our educational model to ensure it remains relevant to the demands of the future. As part of our commitment to developing a connected Pharo graduate, we introduced technology-enabled learning programmes, including coding, and successfully completed the digitisation of all classrooms.

"The 2025 academic year at Pharo School Nairobi was marked by strong growth and a positive school culture. Our learners demonstrated commendable academic achievement while also excelling in co-curricular activities. It has been especially rewarding to witness their personal growth throughout the year. We hope to build on this momentum and achieve even greater success in 2026

Stephen Munyao Mwau-
Headteacher of Pharo School Nairobi

In 2025, we ensured that Pharo School Nairobi boasted some of the best extracurricular activities amongst its nearest competitors.

This initiative also involved teacher bootcamps to ensure that our teachers were able to support students in an increasingly digital world, student coding projects and coding events, as well as key partnerships with GoMyCode and the UN African Girls Can Code Initiative. We further supported our students' modern education by digitising the classrooms with projectors, tablets and new computer rooms to ensure that learning was dynamic and engaging.

Our commitment to preparing future-ready students doesn't stop at achieving top results. In 2025, we ensured that Pharo School Nairobi boasted some of the best extracurricular activities amongst its nearest competitors. Our school now offers: Ballet, music, scouts, chess, choir, skating, swimming, karate, basketball, football and many other activities. This year, our students participated in the Kenya National Music Competition.

We competed all the way to the national level, with one of our groups travelling to Meru for the National Music Festival. A future-ready student is a well-rounded student, so it is our responsibility to ensure students can explore their passions outside of the classroom.

Learner Support

To further support learner wellbeing, we introduced the 10 o'clock snack programme, ensuring that our students remain energised and focused throughout the day. This was paired with the introduction of the Junior School Textbook Fund, designed to ease the annual responsibility of sourcing textbooks and to ensure that all learners have access to the required learning materials. Together, both of these initiatives sought to improve learning experiences and lessen the financial hardship placed on parents.

We also launched the Pharo Scholarship programme, where a comprehensive board of judges goes through multiple levels of application stages to select deserving students from within the school as well as externally. These students receive full support from us, including their continued tuition, school supplies, uniform, transportation and textbooks.

In further strengthening our community, we launched the Pharo Schools Alumni Programme an important step in building a lifelong network that connects current students with graduates. This initiative reflects our belief that education extends beyond the classroom, and that sustained relationships can support mentorship, opportunity, and a shared sense of purpose among Pharo graduates.

Mission reports
Water Mission

"Our work in water began with emergency relief in Somaliland, and we remain committed to providing that support when needed. Since then, we have built and rehabilitated infrastructure, and are now focused on understanding how these systems perform and how to scale impact. Together with our academic partners, we are mapping existing dams, assessing performance, and generating the evidence to guide investment. In parallel, we are broadening our approach across short, medium, and long-term horizons, including urban water systems and landscape resilience."

Ken Lee

Chief Impact Officer

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

In 2025, in Somaliland, we were once again the first to respond to the Government's request for support in the face of a severe drought. As in previous crises, our teams demonstrated the best of a private-sector approach to philanthropy: We negotiated hard with water trucking companies, pushed for efficiency and scale, and then went out into the field ourselves. Teams accompanied trucks into remote areas, slept in tents, dug storage pits, and lined them with plastic. At the same time, our Research and Evaluation team rapidly built and deployed a simple but effective monitoring system to track delivery and impact in real time. It was one of those moments where you feel immense pride in our team. Equally, a deep sense of gratitude to our colleagues at Pharo Management and to our Trustees, whose support allows us to act decisively in moments like this. Without that backing, this kind of response simply would not be possible.

Alongside this emergency response, 2025 also saw us continue to invest in large-scale water infrastructure, in Somaliland and Ethiopia, increasing the total installed storage capacity and access.

A key part of this work has been increasingly integrating technology and data into how we design and deploy our interventions. Through the use of satellite imagery, machine learning, and on-the-ground monitoring systems, we are building a more precise understanding of water availability, storage capacity, and system performance. This allows us to better assess how much water a given system can sustain, where investments will have the greatest impact, and how to optimise infrastructure over time.

2025 was the year when we began to evolve our Water Strategy into three interconnected horizons. In the short term, we respond rapidly to shocks, ensuring access to water during periods of acute scarcity. In the medium term, we invest in infrastructure such as boreholes, storage systems, and distribution networks, improving reliability and reducing the burden of access. In the long term, we focus on building climate resilience through groundwater recharge, improved water management, and land-use systems that support sustainable livelihoods. This progression reflects a shift from reacting to water scarcity towards systematically reducing its impact.

By combining immediate response, long-term infrastructure, and data-driven system design, we aim to stabilise communities, protect livelihoods, and enable economic activity even in the face of climate change.

Mission reports

Water Mission - Country Specific

Somaliland

Emergency relief:

In response to the Government of Somaliland's drought emergency declaration, Pharo Foundation independently delivered a large-scale emergency water response in 2025. The Foundation donated 1,000 water tanks and supported equitable distribution across the most severely affected regions.

During the drought response, our research and evaluation team supported real-time monitoring for the emergency water trucking operations. Over the course of the response, the programme delivered 1,000 trucks of water, serving 66,563 households across 388 villages facing acute shortages. The team deployed monitoring tools to track delivery volumes, frequency, and geographic coverage, improving visibility and coordination during a rapidly evolving crisis. It also reinforced a clear reality: emergency trucking is critical in times of acute shortage, but it is a temporary and costly measure. Long-term resilience depends on strengthening rural and urban water systems so that fewer communities require emergency support in the first place.

Indicator	Phase 1	Phase 2	Phase 3	Cumulative
Coverage				
# of villages served	46	187	155	388
Total # of households	11,651	21,707	33,205	66,563
# of households served*	–	9,739	11,155	–
% of households served*	–	44.9	33.6	–
Water Delivery				
# of water barrels delivered	4,860	19,890	20,250	45,000
# of trucks deployed	108	442	450	1000
Avg barrels per village	106	106	131	116
Water expected to last (days)	4	4	20	12
Livestock Support				
# of livestock owned	933,537	2,697,349	1,218,624	4,849,510
# of livestock served*	–	130,242	630,895	–
% of livestock served*	–	4.8	51.8	–
% of livestock lost	25.4	17.2	37.8	25.0
# of livestock at risk	587,382	1,257,660	701,954	2,546,996
% of livestock at risk	62.9	46.6	57.6	52.5
Water Access				
Avg. distance to alternative source (km)	6.0	13.7	48.2	32.1
Avg. local water price (USD/jerrican)	0.2	0.5	0.7	0.6
Water price increase (times higher)	1.6x	1.5x	2.1x	1.9x
Impact and Support				
HHs experienced health impact (%)	62.8	61.0	70.1	66.4
Received support from other orgs (%)	55.8	5.2	14.6	18.4

*] These indicators were collected partially in Phase 2 and fully in Phase 3; no data are available for Phase

Note that the cumulative column does not always represent a simple sum across phases. Depending on the indicator, values are calculated as totals, weighted averages, or directly reported figures based on data availability.

Reported by the Research and Evaluation team.

Existing and new water infrastructure:

Beyond this emergency relief, Pharo Foundation continued expanding its network of hafir dams in Somaliland - designed to ensure that local communities have access to a safe and affordable source of water.

Throughout 2025, hafir dams constructed and financed by Pharo Foundation for the benefit of the local communities remained fully operational and served as critical water sources during periods of severe drought. The dams at Illinta, Ijaara, Wado-Makahil, and Biyo-Fadhiisiiga continued to supply water to households, livestock, and neighbouring communities at times when traditional water points had dried up.

These structures functioned as long-term climate adaptation assets, reducing exposure to climate-induced water scarcity, stabilising livelihoods, and limiting distress migration during peak dry seasons. See details on each below:

Illinta Dam

Households served: 247

Livestock served: 11,856

Dam Capacity m^3: 17,460

Volume Rainfall (April-Nov 2025)m^3: 15,769

Current Volume m^3 (As of March 2026 – rainy season is April to November): 0

Notes on work throughout the 2025 at each dam and dam performance:

- Illinta Hafir Dam continued to demonstrate strong performance under climate stress. Regular monitoring confirmed high structural integrity and responsible water use, even during periods of increased demand driven by drought-related population movement.
- The Foundation-established WASH Committee maintained equitable access, enforced by-laws, and prevented disputes, demonstrating the importance of combining durable infrastructure with strong community governance mechanisms.

Ijaara Dam

Households served: 368

Livestock served: 15,144

Dam Capacity m^3: 57,863

Volume Rainfall (April-Nov 2025)m^3: 23,323

Current Volume m^3 (As of March 2026 – rainy season is April to November): 4,291

Notes on work throughout the 2025 at each dam and dam performance:

- Ijaara Hafir Dam served as the primary water source for five villages during extended dry periods in 2025. While water levels declined due to exceptional demand, access remained orderly and conflict-free due to governance systems introduced through the Foundation's engagement model.
- Repair works undertaken during the defect liability period enhanced the dam's durability and operational readiness, ensuring that the infrastructure remains prepared to capture future rainfall events.

Wadomakahil

Households served: 405

Livestock served: 22,275

Dam Capacity m^3: 57,863

Volume Rainfall (April-Nov 2025)m^3: 14,390

Current Volume m^3 (As of March 2026 – rainy season is April to November): 0

Notes on work throughout the 2025 at each dam and dam performance:

- Pharo Foundation independently piloted climate-informed monitoring technologies at Wado-Makahil Hafir Dam. Weather stations and piezometers installed and managed by the Foundation enabled real-time tracking of rainfall, evaporation, and water levels.
- This data strengthened operational decision-making, supported early warning for water stress, and informed improved design standards for future climate-resilient water infrastructure.

Biyo-Fadhiisiga Dam

Households served: 430

Livestock served: 42,190

Dam Capacity m³: 41,425

Volume Rainfall (April-Nov 2025)m³: 30,205

Current Volume m³ (As of March 2026 – rainy season is April to November): 5825

Notes on work throughout the 2025 at each dam and dam performance:

- Completed ahead of schedule by Pharo Foundation, Biyo-Fadhiisiga Hafir Dam delivered immediate resilience benefits in 2025. The dam successfully harvested rainfall during the construction phase and became the sole water source within a wide radius during prolonged drought.
- The infrastructure reduced water collection time, eased pressure on pastoral livelihoods, and demonstrated the tangible impact of well-timed, self-funded water investments.

Shanshacade

Households served: 900

Livestock served: 129, 600

Dam Capacity m³: 66,414

Volume Rainfall (April-Nov 2025)m³: 0

Current Volume m³ (As of March 2026 – rainy season is April to November): 0

Notes on work throughout the 2025 at each dam and dam performance:

- Although Shanshacade Hafir Dam constructed by Pharo Foundation in 2024 remained unfilled due to consecutive rainfall failures, the infrastructure was carefully maintained throughout 2025. Community protection measures ensured that embankments, fencing, and spillways remained intact.
- This proactive stewardship safeguarded the Foundation's investment and ensured full readiness to capture rainfall when climatic conditions improve.

In addition to this existing infrastructure, Pharo Foundation advanced two major hafir dam projects in 2025 using its own financial and technical resources. Higlada Hafir Dam reached completion well ahead of schedule, with civil works and geomembrane installation finalised, while Taalo-Buur Hafir Dam progressed steadily and both were complete before the year's end.

Early delivery strengthens regional drought preparedness and increases water storage capacity ahead of future rainy seasons, reducing vulnerability to climate variability.

Dam Name	Households served	Livestock served	Capacity	Completed
Higlada	330	63,251	41,425m3	NOV-2025
Taalobuur	360	83,030	41,425m3	DEC-2025
Total	690	146,281	82,850m3	

By harvesting the rain, we bring life to our communities, ensuring safe water for every family and every animal and building resilience against drought in changing climate.

Mohamoud Mohamed Abdi - Head of Wash

All site selection, feasibility studies, and engineering designs were led and financed by Pharo Foundation, drawing on technical surveys, geospatial validation, and soil testing. Designs incorporated climate-responsive features to reduce seepage, evaporation losses, and long-term maintenance risks.

Alongside the ongoing construction and maintenance work, our research team was also performing an analysis of rural water systems to better understand what drives dam performance and how this should guide investment decisions. Using satellite imagery (e.g., NDWI) and rainfall data, the team developed new metrics to estimate dam surface area and “Rainfall Efficiency” (water retained per mm of rainfall), enabling performance comparisons across dams and over time.

The analysis confirmed wide variation in outcomes and highlighted that design and management features matter. Dams with geomembranes, silt traps, and security infrastructure (associated with stronger site management) were more efficient. Dams located near villages appeared less efficient, likely reflecting higher water extraction in more densely populated areas. The next phase of work will translate these findings into clearer investment guidance by estimating performance gains relative to costs and informing future dam design and rehabilitation decisions.

The research team also examined catchment favourability to assess whether underlying landscape characteristics help explain differences in dam inflow and retention. Using topography and runoff modelling, the analysis examined whether dams in more hydrologically favourable catchments consistently outperform those in less favourable catchments.

While the results were not conclusive, they revealed substantial variation across sites and highlighted the complexity of isolating environmental drivers from design and extraction effects. This work has strengthened the analytical framework and informed refinements to the site selection criteria, with further modelling planned to incorporate catchment dynamics into future investment decisions better.

Mission reports

Water Mission

Ethiopia

Pharo Foundation advanced the implementation of two major rural water supply investments, Kudiyu and Tumet Jebero sub-district Rural Water Supply Projects as part of its commitment to improving access to safe, reliable, and sustainable water services in underserved communities. Both projects were designed to deliver integrated water supply systems, combining civil works, pipeline networks, storage reservoirs, solar system-powered communal water points, and sanitation-related infrastructure.

Project Scope and Implementation Overview

Construction activities for both projects commenced on 1st August 2025, with an original planned completion period of 150 calendar days and a tentative completion date of 31 December 2025.

These projects represent a significant investment by the Foundation in rural water infrastructure in Ethiopia. The total investment in water programmes in Ethiopia during the year amounted to US$ 1.9 million, including these projects and associated programme costs.

The works include pressure and distribution pipeline systems, reinforced concrete reservoirs, water points fitted with multiple faucets, pit latrines, and guard houses to support system operation and security.

Once fully completed and commissioned, Kudiyu and Tumet Jebero sub-districts Rural Water Supply Projects are expected to deliver transformative benefits to more than 11,600 people across the target communities. The systems are designed not only to serve households through communal water points, but also to ensure reliable water access for schools, health centres, and other critical social service institutions.

At the community level, the water points will significantly reduce the burden of long-distance water collection, improve public health outcomes, and contribute to overall well-being and productivity. By integrating water supply infrastructure with basic sanitation facilities and system management structures, the projects are designed to deliver sustainable, long-term impact rather than short-term relief.

Overall Progress Achieved in 2025

By the end of the 2025 reporting period, both projects recorded substantial physical and financial progress despite operating under challenging conditions.

The Kudiyu Rural Water Supply Project achieved an overall progress rate of 45.62% (as of December).

The Tumet Jebero Rural Water Supply Project reached an overall progress level of 60.05% (as of December).

Across both sites, construction of water points, pit latrines, and guard houses progressed steadily and largely in line with the original schedule. These components were substantially completed or nearing completion by the end of December 2025, ensuring early availability of critical community-level services even as larger system components continued.

Key Achievements

Significant advancement of pressure and distribution pipeline networks, laying the foundation for long-term system functionality.

Near-completion of communal water points, enhancing immediate access to safe water at the community level.

Continued integration of sanitation-support infrastructure, including pit latrines and guard houses, to strengthen system sustainability and management.

Strengthened coordination between contractors, consultants, and Pharo Foundation to address emerging risks and maintain construction momentum.

Challenges Encountered

Progress during 2025 was affected by several external and technical challenges common to both projects:

- Prolonged heavy rainfall during August significantly disrupted trench excavation and pipe-laying activities, resulting in work stoppages of up to one and a half months.
- Extended laboratory testing timelines for High-density polyethylene (HDPE) pipes, with testing processes taking nearly two months, delayed the installation and commissioning of pipeline systems.
- Material supply constraints, including shortages of key construction inputs such as gravel in specific locations, slowed progress on reservoir construction.
- Technical and contractual issues, particularly at Tumet Jebero sub-district reservoir site, required additional assessments and testing to ensure structural integrity before works could resume.

While these challenges affected the original completion schedules, they were actively managed through supervision directives, increased site mobilisation, and technical decision-making aimed at safeguarding quality and long-term system performance.

Revised Completion Outlook

Given the cumulative impact of weather-related disruptions, testing delays, and material and technical constraints, the original end-of-December 2025 completion target for both projects was revised:

- Tumet Jeberona sub-district Rural Water Supply Project is projected to reach completion by the end of quarter 1 2026, subject to satisfactory technical test results.
- Kudiyu sub-district Rural Water Supply Project is expected to be completed by the end of quarter 1 2026, reflecting additional time required for reservoir construction and full system commissioning around May 2026.

These revised timelines are considered realistic and achievable, provided that favourable weather conditions continue and material supply chains stabilise.

The way forward for our water mission:

As the two Ethiopian projects transition into 2026, focus will shift toward completion of the remaining pipeline and reservoir works, system testing, commissioning, and handover. Once finalised, Kudiyu and Tumet Jebero sub-district water supply systems are expected to deliver lasting improvements in water access, public health, and community resilience, reinforcing Pharo Foundation's long-term commitment to sustainable rural development.

In Somaliland, additional work for our research and evaluation team showed that rural water reliability is closely linked to urban pressure. During droughts, when rural systems underperform or dry up, households increasingly move to urban centres as a last resort, intensifying demand on city water systems. In response, the research and evaluation team initiated an urban water workstream in Hargeisa. Building on analytical collaboration with academic partners and early engagement with the Hargeisa Water Agency (HWA), the team explored the role of rooftop rainwater harvesting as a potential resilience mechanism for the city.

This preliminary work informed the design of Hargeisa's first comprehensive urban water-use and rainwater-harvesting survey, launched in Q4 in partnership with HWA. The survey instrument includes modules on water access, costs, quality, storage, rainwater harvesting feasibility, investment and maintenance practices, coping behaviours, and willingness to pay. Once complete, it will provide representative, city-wide evidence to guide urban water planning and resilience investments. This may well inform our water strategy in Somaliland and beyond in the future.

Further to this, our satellite work in Somaliland has shown 5× more water structures than official records. Indeed, analysis of satellite images found over 1,000 hafir dams and 1,200 berkeds. However, many structures show limited or no water retention, underscoring that quality and maintenance matter as much as quantity. Given this, we are considering a change in methodology in 2026 and shifting towards rehabilitation of dams and berkeds. The theory is that this would be more cost-efficient and timely than building from scratch, but as of the end of 2025, we have only begun to scope out initial water infrastructure candidates for rehabilitation.

Mission reports
Productivity Mission

"Our opportunity is to turn ambition into execution: We are building profitable businesses that create real jobs and economic value, while constantly learning, adapting, and growing without losing sight of our purpose."

Tim Kasperidus

Chief Operating Officer (COO)

Our Mission: To enable productive participation in the economy by removing constraints and creating jobs

In 2025, we recognised that this mission represents the most direct link between our development work and long-term economic outcomes, through investment in creating alternative career pathways and removing the barriers that translate into jobs, income, and sustainable growth. To date, we have a small but growing portfolio of initiatives: a technical vocational educational training centre (i.e. masonry, plumbing, electrics, carpentry) in Somaliland, a non-communicable diseases program in Ethiopia, a Diagnostics Laboratory social venture in Ethiopia, and an out-grower program affiliated to our Edible Oil Venture in Somaliland. We have recently presented a case to our trustees to explore the possibility of starting a school in Nairobi for the creative sector, and are exploring a ventures laboratory in Kigali, both initiatives focused on helping propel people into entrepreneurship or employment.

A great success story comes from our clinic in Assosa Ethiopia, where what started as a more philanthropic health service quickly became a combination of a fee-paying laboratory with lower cost services still being provided to referrals from the local national hospital. It's a tiny lighthouse that has taught us the power of sustainable philanthropy. We are taking these learnings from this work in the health sector and will soon launch a for-profit Diagnostic Facility in Addis Ababa, the capital city, next year. 2025 has shown us the need for sustainable philanthropy, and similarly, all our programmes are being reevaluated through this lens. Are our programmes able to stand if we ever needed to step away?

In 2025, we also recognised the central role of Pharo Ventures in our productivity mission. Through building and scaling commercially viable businesses, we expand productive capacity, create jobs and training opportunities, and develop local supply chains. Our focus in ventures has been on sectors that strengthen the economic base, (such as our concrete business), including areas where local production can substitute imports (such as our edible oil business), deepen value chains (such as our fisheries business), and improve resilience (such as our new Diagnostics business in Addis Ababa). Many of these investments are long-term and require patient capital, a hands-on approach to overcome many obstacles, reflecting the realities of building industries in emerging markets.

Mission reports

Productivity Mission

Somaliland

In Somaliland, our Productivity mission focuses on our Technical and Vocational Education and Training (TVET) Centre and our Non-Communicable Diseases (NCD) Programme. This section will update on both these productivity programmes and our active Venture businesses in Somaliland.

TVET programme:

Pharo's TVET Centre offers comprehensive and industry-focused courses to adults aged 18-30. These are designed to equip students with practical skills and knowledge for successful careers in the trades sector, such as plumbing and pipe fitting, Painting and Decorating, Electrical Installation, and Renewable Energy. With experienced instructors and hands-on training, we are committed to empowering students to achieve professional excellence and meet the evolving needs of today's workforce. Our programmes are designed to bridge the skills gap in various industries, offering specialised training and certification programmes that align with current market demands.

In 2025, cohort 4 of the TVET programme achieved excellent results. 82 out of 84 trainees completed seven months of training and progressed into internships across 22 companies. Ultimately, 82 trainees graduated from nine-month programmes in Electrical and Solar Installation, Plumbing, and Painting and Decoration, including a two-month internship. All graduates received starter kits during a graduation ceremony held on 17 July 2025.

NCD Programme:

In 2025, the NCD Programme made strong progress in expanding community-based screening for diabetes and hypertension across Hargeisa. A total of 6,611 individuals were screened over four quarters, with coverage increasing steadily throughout the year, particularly in the second half. This expansion reflects improved outreach planning, community engagement, and operational efficiency. The programme delivered integrated NCD services through dedicated centres, recording 12,353 patient visits for diagnosis, treatment, and follow-up care. These services ensured continuity of care for individuals living with chronic conditions, particularly diabetes and hypertension.

These efforts represent a meaningful contribution towards the programme's two-year target of 14,820 individuals screened. By strengthening early detection, the programme supported timely referral, reduced the risk of complications, and increased community awareness of non-communicable diseases and preventive health behaviours.

Since inception, the programme has recorded

19,597

outpatient visits and served

9,643

unique patients

During 2025, the programme strengthened health system capacity through the training of 264 health professionals, including 19 trainers of trainers and 218 nurses and midwives and 27 GP doctors. The training focused on the prevention, diagnosis, and clinical management of diabetes and hypertension, promoting standardised and high-quality care. This achievement represents over half of the programme's two-year target of 500 trained health workers. By developing both frontline providers and master trainers, the programme enhanced service sustainability and improved the ability of primary healthcare facilities to respond effectively to the growing burden of NCDs.

In parallel, mass awareness campaigns reached 79,301 people through media-based outreach, significantly expanding public understanding of NCD risk factors, symptoms, and prevention. Together, strengthened service delivery and large-scale awareness efforts contributed to improved health-seeking behaviour and reinforced prevention as a central pillar of NCD control.

In 2025, we are anchoring our mission in quality NCD prevention and equitable access, building a sustainable healthcare model that fuels economic productivity and eradicates premature mortality for Somalilanders, the African continent, and the global community.

Mohamed Da'Ud Guleid – NCD Manager

In 2025, the Research and Evaluation team consolidated and analysed programme data from the NCD Centre and community screenings to assess performance, reach, and sustainability. The analysis showed that since inception, the programme has recorded 19,597 outpatient visits and served 9,643 unique patients, with nearly one-third of those patients newly diagnosed, indicating substantial unmet need. Screening data from 96 community camps (15,000+ adults screened) provided Somaliland's first large-scale prevalence estimates for hypertension and diabetes, confirming sharply rising risk with age. The team also assessed capacity-building outcomes and found strong knowledge retention among the 545 trained health workers, alongside high reported application in practice. Patient satisfaction data showed consistently positive service experience, though medicine availability and follow-up affordability remain constraints. Together, this evidence is informing decisions on programme refinement, financial sustainability, and potential scale or transition pathways.

Pharo Ventures in Somaliland:

During 2025, Pharo Ventures continued its activities in Somaliland through Pharo Construction Limited, with operations focused on Ready-Mix Concrete (RMC). The business remained active in supplying concrete to a range of construction projects and supporting selected internal developments.

Ready-Mix Concrete (RMC) Operations

The RMC division was the primary operating activity during the year. Total volume delivered was approximately 14,800 m^3, with sales of US$ 1.77 million (2024: US$ 2.19 million).

Concrete was supplied across a range of projects, including:

- Commercial developments
- Residential construction
- Educational facilities

The division also supported internal construction requirements linked to the Pharo education programme. During the year, activity was concentrated on a smaller number of projects.

- The number of active customers reduced compared to prior years.
- Average volume per customer increased, reflecting a shift towards larger projects.

Workforce, Assets and Operational Position

- Pharo Construction employed approximately 50 staff during the year, including permanent, temporary, and casual workers, contributing to local employment and operational delivery.
- During the year, the Group reviewed the utilisation of construction equipment to ensure alignment with operational priorities.
- Operations continued throughout the year and are being monitored in line with market conditions and operational considerations.

Mission reports

Productivity Mission

Ethiopia

In Ethiopia, our Productivity work is centred on our health intervention at the Pharo Diagnostic and Clinical Services (PDCS) Centre in Assosa. Whilst our Ventures work is yet to take off, we are in the process of launching our Edible Oil business. These are summarised below:

PDCS overview:

As of June 2022, Pharo Foundation established a diagnostic centre and started to provide life-saving advanced diagnostic laboratory services for patients. The services provided in the centre include haematology, chemistry, hormonal, parasitology and microbiology tests with advanced automated machines and qualified laboratory professionals.

This year, the PDCS centre generated USD 112k revenue and served 12,985 patients, maintaining a strong 84–85% gross margin.

Patient & Service figures:

Inside patients: **5,625**

Lab referral patients: **7,428**

Total services delivered: **98,199**

Lab tests: **87,794**

Clinical services: **9,964**

Imaging: **334**

Key Trends:

June & October: High volume driven by strong lab referrals

Nov–Dec: Lower volumes but higher revenue per patient due to more clinical & imaging services

New Service Expansion:

Introduced advanced imaging services such as 4D ultrasound, digital X-ray, and specialised internal medicine modalities, establishing PDCS as the region's first fully integrated diagnostic and Internal Medicine Specialty clinic.

Pharo Ventures in Ethiopia

Edible Oil Plant Project Progress Update:

Following the completion of major construction and operational preparations, our Edible Oil Factory has reached several important milestones toward full operational readiness.

- The production line has been fully commissioned and has officially begun oil production. However, commercial sales have not yet started.
- All civil construction work has been completed, and the project has been formally handed over.
- Construction of the compound asphalt road began in 2025 and has been completed in April 2026.
- Acquired EFDA (Ethiopian Food and Drug Administration).
- In the process of acquiring FSSC 22000 certification.

Staff Capacity Building and Training

To ensure compliance with international standards and environmental best practices, the following training has been provided to the factory team:

- FSSC 22000 Food Safety Management System training.
- FSSC 22000 Food Safety Audit training.
- Environmental management and compliance training.

Raw Material Sourcing and Farmer Engagement

- Sesame seed has been collected from contracted farmers in Dima district, Gambella Region.
- In 2025, the project partnered with more than 250 farmers in Dima district. These farmers received:
    - Training on good agricultural practices,
    - Improved sesame seed variety, and
    - Support to trace their produce using the FarmForce technology platform to ensure organic compliance and traceability.
- In addition to direct farmer sourcing, sesame seed has also been procured from Dima through licensed traders.

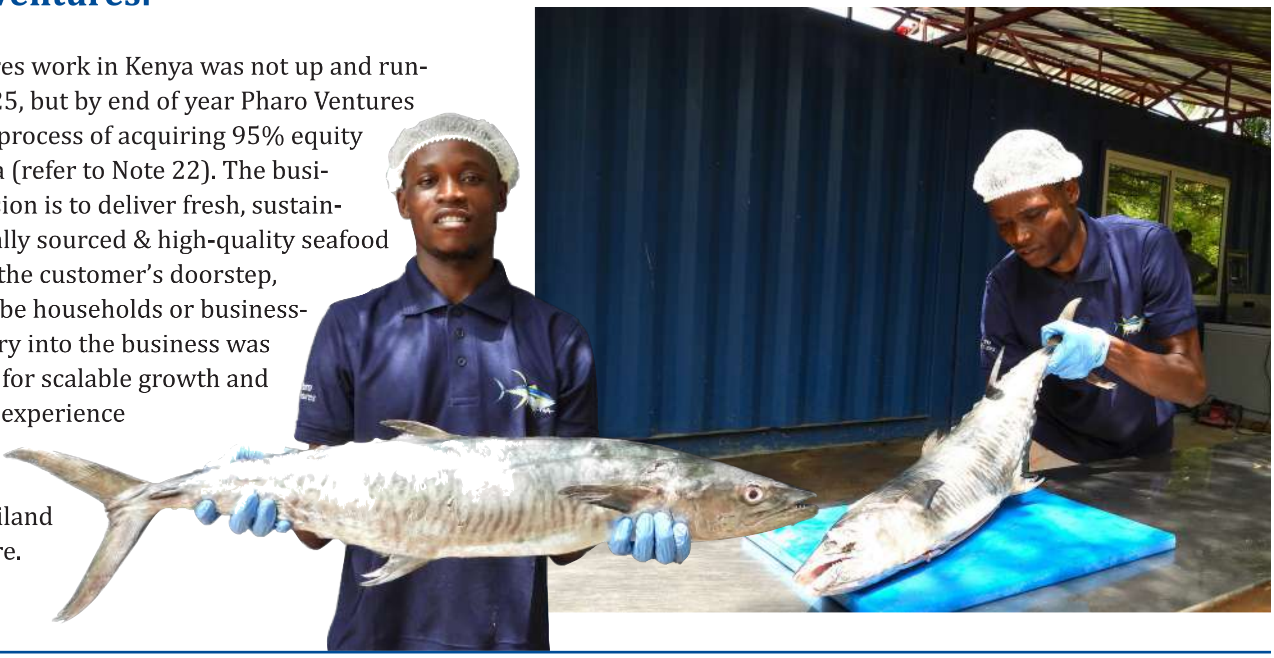
Mission reports

Productivity Mission

Kenya & Rwanda

Kenya Ventures:

Our Ventures work in Kenya was not up and running in 2025, but by end of year Pharo Ventures was in the process of acquiring 95% equity of KenTuna (refer to Note 22). The business's mission is to deliver fresh, sustainable, ethically sourced & high-quality seafood directly to the customer's doorstep, whether it be households or businesses. Our entry into the business was positioned for scalable growth and to take the experience from this Venture into Somaliland in the future.

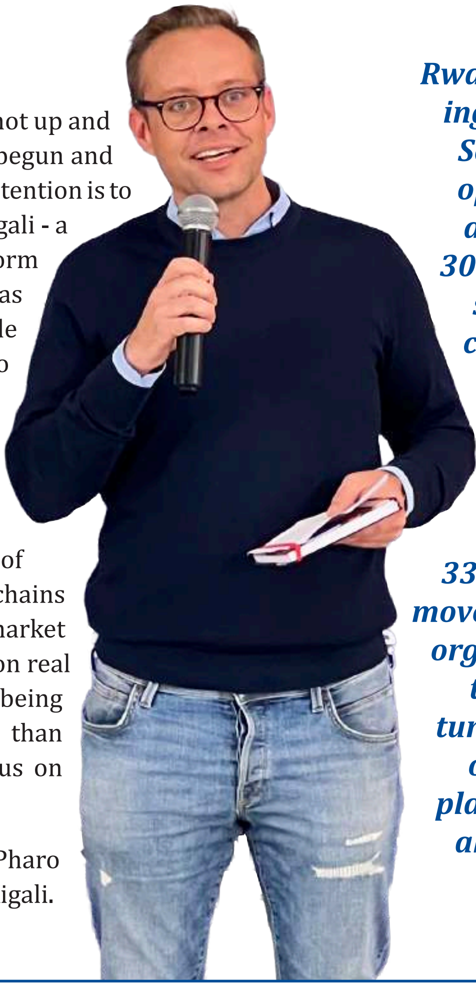


Rwanda Ventures:

Our Ventures work in Rwanda was not up and running in 2025, but planning had begun and is swiftly being set up in 2026. The intention is to set up the Pharo Ventures Studio Kigali - a founder-led venture creation platform designed to reliably convert ideas into prototypes, and into investable companies, leveraging talent, Pharo Foundation's operational strength and a comprehensive set of pillars of support.

The vision is to unlock Africa's potential by launching a series of ventures that unlock local value chains and bridge critical production-to-market failures through ventures focusing on real assets and real markets, the reality being that Africa lacks integration, more than it lacks technology. We set our focus on creating value, jobs, and resilience.

Our Studio will be located at our Pharo Foundation offices in Kimihurura, Kigali.



During 2025, Pharo Foundation in Rwanda made significant strides, growing its presence in Rwanda. The Pharo School Kigali entered its third year of operations and added more than 100 additional learners, reaching almost 300 learners in total. The foundation's support program for the public education system in Rwanda, the 'Teacher Capacity Building Program', was serving 31 schools, impacting more than 22'000 learners and preparing its growth in 2026 to 42 schools, impacting more than 33'000 learners. The Foundation team moved to new offices to allow for further organisational growth and in anticipation of its introduction of Pharo Ventures to Rwanda, preparing the launch of its Pharo Ventures Studio Kigali, a platform for growing ideas into investable companies with a social purpose together with talented founders.

Jannek Hagen - Country Director, Rwanda

Financial Review and Governance

Financial Review

"We focused on setting out our strategic capital allocation that defined where and how much we invest; and building a strong financial core for the Foundation. In tune with Pharo 3.0 we deployed enterprise-grade financial systems, operating processes and governance standards; all which have positioned the whole organisation to deliver impact at pace and efficiently."

Kudzai Munyavi

Chief Financial Officer

Financial Overview and Resource Allocation

2025 marked the first full year of Pharo Foundation's updated operating approach under Pharo 3.0, with a continued focus on disciplined programme delivery, capital allocation, and strengthening operational effectiveness across the Group.

The Foundation recorded total income of US$ 7.3 million in 2025 (2024: US$ 52.1 million). The reduction compared to the prior year reflects the higher level of donation funding received in 2024. The Foundation continues to operate with sufficient reserves, and funding in 2025 was aligned with operational needs, with reserves used to support programme delivery across its mission areas.

Donations totalled US$ 0.06 million (2024: US$ 37.7 million), reflecting a lower level of donation funding compared to the prior year. Income from charitable activities increased to US$ 3.4 million (2024: US$ 2.7 million), driven by increased student enrolment across Ethiopia, Somaliland and Rwanda.

Social ventures generated income of US$ 1.9 million (2024: US$ 2.2 million), reflecting a slight reduction in construction activity during the year. Investment income totalled US$ 1.9 million (2024: US$ 9.5 million), primarily reflecting a lower profit share from Pharo Management (UK) LLP during the year.

Total expenditure increased to US$ 21.8 million (2024: US$ 20.2 million), reflecting continued programme delivery and investment aligned with the Foundation's strategic priorities. Expenditure across the Foundation's core mission areas remained focused on delivery and expansion.

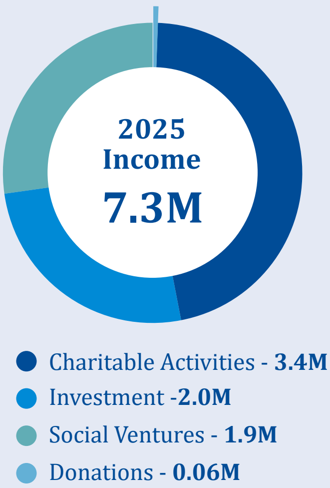
Education expenditure increased to US$ 13.2 million (2024: US$ 11.1 million), driven by the expansion of school operations, increased student enrolment, and continued investment in staffing and infrastructure to support delivery quality.

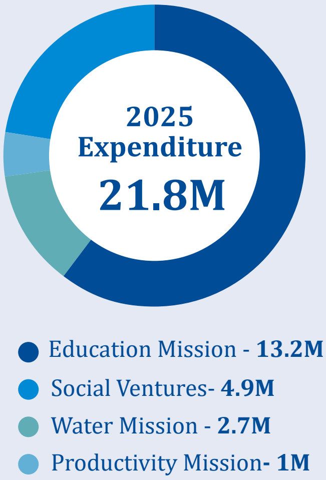
Water expenditure increased to US$ 2.7 million (2024: US$ 2.1 million), reflecting a combination of emergency response activities, including water trucking in Somaliland, and ongoing infrastructure development. In Ethiopia, rural water projects progressed during the year, including the Kudiyu and Tumet Jeberona schemes, representing a combined investment of approximately US$ 1.9 million.

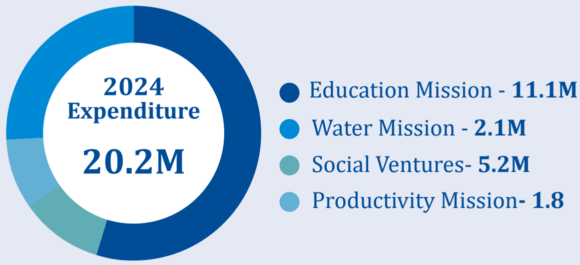
Productivity expenditure was US$ 1.0 million (2024: US$ 1.8 million), reflecting a more focused delivery approach following the completion of certain activities in the prior year.

Expenditure on social ventures decreased to US$ 4.9 million (2024: US$ 5.2 million), reflecting the wind-down of construction activities in Somaliland and a shift in focus towards ready-mix concrete operations during the year. Activities remained focused on supporting core operations and advancing key projects. During the year, Pharo Construction Somaliland continued its ready-mix concrete operations. In Ethiopia, the edible oil production facility reached commissioning stage, with initial production completed and focus being now on securing raw materials sourcing and export market. During the year, the Foundation recognised an impairment in relation to Pharo Farm Somaliland, reflecting a prudent reassessment of the project in light of external factors and updated expectations. Further detail is provided in Note 11 to the financial statements.

During 2025, the Foundation continued to strengthen its financial management processes and systems. The implementation of Microsoft Dynamics 365 Business Central (BC) as the Group's core ERP system, together with the rollout of Planful for financial planning and analysis, has improved budgeting, reporting, and financial visibility across countries and entities. These systems support more consistent financial processes and enhance monitoring of performance at both country and Group levels.







The Foundation continues to manage its resources in a way that supports both ongoing programme delivery and longer-term sustainability. Overall, 2025 reflects a year of continued investment in mission delivery, supported by available reserves and strengthened financial management systems.

Investment policy

Pharo Foundation (the Group) had an investment portfolio valued at US$ 1.8 million as of 31 December 2025 (2024: US$ 1.8 million). In the charity's standalone financial statements, total investments were recorded at US$ 19.5 million (2024: US$ 16.2 million), the majority of which represents investments in subsidiaries. The movement during the year reflects additional capital contributions to support the development of social ventures, partially offset by an impairment of US$ 0.9 million recognised in relation to a subsidiary investment. During the year, the Foundation recognised an impairment in relation to Pharo Farm Somaliland. This reflects a prudent assessment of the recoverability of the investment, taking into account external factors and updated expectations regarding the project.

The Foundation's investment objective is to develop social ventures and invest in businesses that create jobs and economic value. These investments also provide practical insight into operating environments across Africa, supporting the delivery of the Foundation's charitable objectives when profits are generated.

The Trustees and the management team bring relevant investment experience and apply a structured approach to investment decisions. Each opportunity is assessed through appropriate due diligence, considering both financial viability and alignment with the Foundation's mission. Investment performance is monitored periodically by the Trustees. Over the past 12 months, the value of the unlisted impact investment portfolio has remained unchanged. The increase in investments in subsidiaries to US$ 19.5 million in 2025 (2024: US$ 16.2 million) reflects additional capital contributions made during the year to support the development and expansion of the Foundation's social ventures.

Reserves policy

Pharo Foundation has ongoing commitments across its charitable programmes, projects, social ventures, and grant-making activities. The Trustees therefore monitor the level of reserves throughout the year to ensure that the Foundation can meet its financial commitments and maintain operational continuity.

At Group level, total reserves stood at US$ 49.8 million as at 31 December 2025 (2024: US$ 65.2 million). Of this, US$ 49.3 million (2024: US$ 48.1 million) has been designated for future programme delivery, committed investments, and operational requirements. The remaining balance represents free reserves available for future use.

The Foundation maintains an operational reserve of US$ 5 million, representing approximately six months of operating costs and working capital commitments. Based on the above, the level of free reserves is in excess of the Foundation's operational reserve policy of US$ 5 million, and the Trustees are satisfied that this provides sufficient financial resilience to support ongoing commitments and planned activities. The Trustees consider the level of free reserves to be appropriate and sufficient to support the Foundation's planned activities and commitments.

In the event that the Foundation requires more funding to meet its operational commitments beyond the operational reserve, the Foundation will draw on the designated programme funds which funds are not contractually committed but may be called upon to fund approved programmes within the next 1 to 3 years.

Further detail is provided in Note 17 to the financial statements.

Grant Making Policy

Pharo Foundation makes grants and awards scholarships in support of its charitable objectives. Grants are provided in line with approved programmes and initiatives, while scholarships are awarded based on defined eligibility criteria. All grants and scholarships are subject to appropriate review and approval processes to ensure funds are applied in line with the Foundation's objectives.

Environment, Social and Governance

"At Pharo Foundation, our mission is brought to life through the talent and dedication of our people. Guided by this belief, we continue to invest in an employee experience that supports growth, wellbeing, and purpose—strengthening capabilities, nurturing our culture, and ensuring our teams feel supported, engaged, and aligned as we work toward our strategic goals."

Faith Mbutu

Director of People & Culture

The Environment and its importance at Pharo

Pharo Foundation continues to strengthen its commitment to environmental sustainability through practical investments and education-led initiatives. A key milestone has been the transition to renewable energy across our operations.

In Somaliland, we first introduced solar power at our secondary school in Sheikh, and have since expanded installations to Pharo Kindergarten and Pharo Primary School. Building on this progress, our main Pharo Foundation office in Hargeisa is now fully powered by solar energy, reducing reliance on non-renewable sources and contributing to a cleaner and more sustainable operating model.

Alongside our energy transition, we have invested in creating environmentally conscious learning environments across our schools. Recent improvements to school compounds have included landscaping and the introduction of greenery, enhancing both the aesthetic and ecological quality of our campuses. These efforts support biodiversity, improve the school environment, and help foster environmental awareness among students. In addition, we integrate experiential learning into our education approach by organising field visits for students, such as trips to the Kuwaiti Greenhouse Farm. These visits provide practical exposure to agricultural systems, plant growth, and sustainable practices, reinforcing classroom learning through real-world application. At Pharo Sheikh Secondary School, environmental awareness is further strengthened through the ECO Club, where students actively engage in initiatives that promote sustainability, environmental stewardship, and community awareness.

Our commitment to sustainability is also reflected in our approach to food systems within our schools. At Pharo School Homosha, a small-scale school farm has developed into a productive and sustainable source of fresh, organic food for students, teachers, and staff. By growing a portion of the food consumed on campus, the school reduces dependency on external supply chains while providing students with direct exposure to agricultural practices. This initiative not only enhances food quality and nutrition but also builds practical knowledge, responsibility, and a deeper appreciation for sustainable living among students.

Education remains central to our environmental strategy. In Somaliland, we have introduced waste management awareness sessions across our Government Public Schools, focusing on the importance of proper waste disposal and environmentally responsible behaviour from an early age. These lessons are supported by practical measures, including the provision of waste bins and the implementation of daily waste management practices within schools. Furthermore, environmental education is embedded within our TVET programmes, where students gain both theoretical understanding and hands-on experience in sustainable practices, equipping them with skills that are relevant to the evolving green economy.

Furthermore, our broader water programmes in Ethiopia incorporate renewable energy solutions, where solar-powered systems are used to support access to clean and reliable water in off-grid communities. Solar energy powers water pumps and distribution systems across multiple project sites, ensuring consistent access to safe water while reducing reliance on fuel-based alternatives. This approach enhances sustainability by combining clean energy with essential service delivery, contributing to long-term resilience for the communities we serve.

Through these interconnected initiatives, renewable energy adoption, sustainable campus development, experiential learning, student-led environmental clubs, school-based agriculture, and integrated environmental education, Pharo Foundation continues to embed sustainability across its operations and educational programmes, ensuring long-term environmental responsibility and impact.

Pharo Foundation qualifies for an exemption from mandatory reporting under the Streamlined Energy and Carbon Reporting (SECR) regulations, as its UK energy consumption during the year remained below the 40,000 kWh threshold during the year. While exempt, the Foundation remains committed to environmental responsibility and continues to implement sustainable practices to reduce its carbon footprint across its operations.

Our People, Culture and Volunteering

Pharo Foundation recorded steady workforce growth of 10% in 2025, with headcount increasing from 706 in January to 785 in December. The largest expansions occurred in Rwanda, driven by the Teacher Capacity Building Programme and annual primary school enrolment, and in Ethiopia, following the launch of the new Assosa Primary School campus. Workforce levels in Kenya and Somaliland remained broadly stable during the year.

To strengthen organisational alignment, the Foundation consolidated its Somaliland teams under a unified structure, enhancing efficiency, collaboration, and cohesion between Pharo Development and Pharo Ventures.

Several strategic senior appointments were made in 2025, including the Country Director for Rwanda, the Managing Director of Pharo Schools, and the General Manager of Pharo Edible Oil. Leadership transitions occurred in Ethiopia and Somaliland, with the Ethiopia Country Director role successfully filled through internal succession, underscoring the strength of our leadership pipeline.

The People & Culture team also advanced key initiatives to enhance organisational effectiveness and employee experience. These included the launch of the Foundation's confidential whistleblowing platform to support safe reporting of unethical conduct; the wider rollout of the HR Management System, enabling goal setting for improved performance assessments, online compliance training, and streamlined hiring; and facilitation of key training and development programs and the introduction of 360degree feedback for line managers to strengthen performance reviews.

In partnership with the Communications team, People & Culture contributed to stronger internal engagement by supporting quarterly town halls, EPIIIC Hour sessions, and the Pharo Side Chat internal newsletter, which showcases employee stories and organisation-wide updates.

The Foundation is committed to providing equal opportunities for all employees, including individuals with disabilities. We ensure fair consideration in recruitment, and where employees become disabled during their employment, we provide appropriate support, reasonable workplace adjustments, and opportunities for continued training and career development, in line with the Equality Act 2010.

In addition to this, we are proud to work closely with Pharo Management on our Volunteering Programme:

Pharo Foundation's volunteer programme is delivered in partnership with Pharo Management, the global hedge fund that funds the Foundation. Through this programme, employees from Pharo Management offices in London, New York, Abu Dhabi and Hong Kong are given the opportunity to spend time in Pharo Foundation schools across East Africa, particularly in our prestigious boarding schools in Ethiopia and Somaliland.

In 2025, we hosted 5 volunteers in 3 cohorts in Homosha, Ethiopia and 6 volunteers in 3 cohorts in Sheikh, Somaliland, as well as a volunteer engineer with our WASH team in Hargeisa, Somaliland.

The Volunteer visits on campus are typically one to two weeks, and we are particularly excited by family visits, where employees of Pharo Management decide to share the experience with their loved on es, such as their children or spouse - we had fantastic experiences hosting couples, colleagues and mother-daughter duos. Once the volunteers arrive at one of our campuses, they become fully immersed in school life. They begin their experience co-teaching and getting to know the school staff and students and soon they are leading subject lessons, mentoring students, teaching specialty subjects in line with their interests and participating in clubs and sports.

Our volunteers focus on teaching English conversation enrichment, environmental conservation and economics. However, given the background of our visitors, other impactful programmes emerge, such as first aid classes, dance, first class on-campus IT support and even some football and volleyball coaching. Our volunteers have helped us host career fairs, coding workshops and sports days throughout the year, and they have really enriched the students' learning experience. We were lucky to have lined up 4 volunteer cohorts at Pharo Secondary School Sheikh, and 4 cohorts at Pharo School Homosha, in 2026.

What makes this programme distinctive is its emphasis on exchange rather than one-way support. Volunteers bring global perspectives, professional experience, and new ways of thinking into the classroom, while also gaining first-hand insight into the Foundation's work and the communities it serves. This creates a dynamic learning environment where students are exposed to new things, and volunteers deepen their understanding of development in practice. Ultimately, we have seen that this programme is rewarding both for Pharo Foundation and Pharo Management. We look forward to expanding the programme to include more campuses and locations, and are grateful for all the friendship and mentor-mentee relationships that have already emerged.

Structure, Governance and Management

Pharo Foundation is constituted as a company limited by guarantee (Company No. 07678862) and operates under the terms of its Articles of Association. It is registered with the Charity Commission (No. 1143152).

Organisational structure

Pharo Foundation is a growing organisation, with its Trustees providing regular oversight of its work. The group ownership and control of various entities are outlined in the financial statements. The Foundation consists of two arms: the non-profit Pharo Development, commonly and externally known as Pharo Foundation in the countries of operation and the for-profit Pharo Ventures. Both are committed to achieving the Foundation's mission, albeit through different approaches. Pharo Development focuses on delivering public goods and implementing not-for-profit projects, while Pharo Ventures invests in private sector initiatives and commercially viable enterprises. Pharo Ventures was established by the Foundation in 2019 to support its vision of a self-reliant Africa through sustainable social enterprises. These ventures contribute to economic growth by creating jobs, generating long-term economic value, and generating profits over time.

Trustees are appointed through an ordinary resolution and serve for a term of three years, with the option to seek reappointment. Current Trustees have been selected for their skills, experience, and alignment with the Foundation's mission. All Trustees receive an induction pack outlining their legal responsibilities and including key governance and policy documents.

The Trustees who held office during the period ending 31 December 2025 and up to the date of approval of these financial statements were:

Mr Guillaume Fonkenell – Chairman

Mr Matthieu Baumgartner

Mrs Farah Jirdeh Fonkenell

Mr Nicolas Sagna

Mr Folorunso Allu

No Trustee received any remuneration for their services, nor held any beneficial interest in contracts with the Foundation during the year. Trustee expenses are disclosed in the financial statements.

Day-to-day management of the Foundation's operations and implementation of its policies is delegated to the Chief Executive Officer (CEO). In January 2025, Thomas Mason was hired as the new CEO, taking over from Guillaume Fonkenell who was acting as interim CEO. The key management personnel responsible for directing, controlling, running, and operating the charity on a day-to-day basis include the CEO, who is guided by the Trustees. The Executive Team is comprised of the CEO and four senior officers who oversee core operational and strategic functions. These are:

Chief Executive Officer: Thomas Mason *(appointed in January 2025)*

Chief Financial Officer: Kudzai Munyavi

Director of People & Culture: Faith Mbutu

Chief Operating Officer: Tim Kasperidus

Chief Impact Officer: Ken Lee

Governance Sub-Committees

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

Investment Committees

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

- **Mandate:** Evaluate strategic fit, budget justification, and potential impact of proposals.
- **Meeting Frequency:** Convened as needed prior to each quarterly Trustees' meeting.
- **Membership Composition:** Two Trustees as voting members; non-voting members include project sponsors and members of the Executive.

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

Finance and Audit Committee

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

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

Talent and Compensation Committee

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

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

Statement of Trustees responsibilities

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

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

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

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

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

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

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

Risk management

The Trustees continue to assess the major risks to which the charity is exposed. As part of this process, the risk management matrix was reviewed and updated in November 2025, with support from external advisors, to ensure it reflects the evolving internal and external environment in which the Foundation operates.

The Foundation operates across multiple jurisdictions and programme areas, which increases the complexity of its risk environment and requires a structured and proactive approach to risk management.

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

During the year, the Foundation further strengthened its approach to risk management by enhancing oversight at Executive Team level and engaging external advisors to support the development of a formal enterprise risk management (ERM) framework. This work remains ongoing and is expected to continue into 2026, with the aim of embedding a more structured and consistent approach to risk identification, monitoring, and mitigation across the organisation.

The following remain among the principal risks identified, with appropriate controls in place:

Risk Category	Risk Description	Potential Consequences	Mitigation Measures
Legal and Regulatory Compliance	Non-compliance with laws and regulations across jurisdictions	Fines, legal proceedings, reputational damage, or suspension of activities	Annual legal reviews; country-specific legal advice; internal and external audit reviews; independent compliance audits where appropriate.
Security and Stability	Political or social instability in operating countries	Programme disruption, staff safety risks, asset loss	Regular country-level risk assessments and security plans; comprehensive staff insurance; local emergency protocols
Financial Mismanagement or Fraud	Fraud, financial errors, or weak internal controls	Financial loss, regulatory scrutiny, reputational damage	Internal controls; monthly financial reporting and variance analysis; annual external audits; internal audit function in place; system-based controls embedded within the ERP environment
Operational / Procurement	Weak contract management and supplier oversight	Cost overruns, delays, poor quality delivery, fraud risk	Vendor prequalification processes; ERP-based approval workflows; contract monitoring tools; performance reviews and escalation protocols
Reputational	Misalignment with stakeholder expectations or poor brand management	Loss of stakeholder trust, negative publicity, reduced influence	Oversight by the Finance and Audit Committee; country-level communications support and brand guidance; consistent stakeholder engagement
Data Security and IT Systems	Data breaches, cyber threats, or failure of digital systems	Loss of sensitive data, service disruption, legal exposure	Multi-factor authentication; data encryption; regular IT security reviews; staff training; oversight by the Global IT team

Risk Category	Risk Description	Potential Consequences	Mitigation Measures
Global Political and Economic Environ-ment	Changes in the global political and economic environment affecting operating regions, including funding flows, supply chains, and operating conditions	Disruption to programme delivery, increased costs, delays in implementation, and pressure on operational planning	Ongoing monitoring by management and Trustees; diversified operating model across countries and sectors; flexible planning and phased project implementation; regular review of priorities and resource allocation

In addition to our day-to-day operational risk management, we also had to manage risk in some unique circumstances this year:

In 2025 we hosted a trip for our funders at the Pharo Management (UK) LLP. On this trip the majority of our senior management team plus our funding backbone, was on the road together, demonstrating a key operational risk. We mitigated this risk by putting in place professional security services from a partner specialised in protective services, crisis management and end-to-end duty of care across East Africa and beyond.

Fundraising

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

Public benefit

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

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

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

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

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

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

Approved by the Trustees and signed on their behalf by:

G. Fonkenell

Mr Guillaume Fonkenell,
Trustee
Approved by the Trustees on 26th May 2026

Financial Statements

Independent Auditor's Report For the year ended 31 December 2025

Independent auditor's report to the member of Pharo Foundation

Opinion

We have audited the financial statements of Pharo Foundation (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which the comprise the group statement of financial activities, the group and charitable parent company balance sheets and consolidated statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 December 2025 and of the group's income and expenditure for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

legal and compliance procedures and a review of minutes of Trustees' meetings.

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

- Making enquiries of management and representatives of those charged with governance as to where they considered there was susceptibility to fraud,
- Making enquiries of management and representatives of those charged with governance as to their knowledge of actual, suspected and alleged fraud;
- Making enquiries of auditors of overseas components as to their knowledge of actual, suspected and alleged fraud and where they considered there was susceptibility to fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Identifying and testing journal entries, particularly any journal entries posted with unusual characteristics.
- Tested the authorisation of expenditure.
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

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

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of Trustees;
- Enquiring of management and representatives of those charged with governance as to actual and potential litigation and claims; and
- Enquiring of auditors of overseas components as to actual and potential non-compliance with significant laws and regulations.

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

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

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

Use of our report

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

Buzzacott Audit LLP

Peter Mackereth (Senior Statutory Auditor)
For and on behalf of Buzzacott Audit LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL
Date: 26 May 2026

Consolidated Statement of Financial Activities (For the year ended 31 December 2025)

	Notes	Group 1 Jan 2025 to 31 Dec 2025 US$	Group 1 Jan 2024 to31 Dec 2024 US$
Income from:			
Donations and legacies	**1**	58,795	37,742,689
Charitable activities	**2**	3,419,806	2,710,749
Social ventures trading	**3**	1,936,076	2,192,583
Investment	**4**	1,906,776	9,459,471
Total income		**7,321,453**	**52,105,492**
Expenditure on:			
Social ventures trading	**5**	4,900,117	5,220,543
Charitable activities	**6**	16,895,188	15,002,118
Total expenditure		**21,795,305**	**20,222,661**
Minority interests		85	243
Net income before investment gains		(14,473,767)	31,883,074
Net income		(14,473,767)	**31,883,074**
Other recognised gains/losses			
(Losses) on foreign exchange		(866,378)	(4,389,687)
Net movement in funds	**7**	(15,340,145)	27,493,387
Total funds brought forward		65,220,675	37,727,288
Total funds carried forward		**49,880,530**	**65,220,675**

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

Statement of Financial Position (As of 31 December 2025)

	Notes	Group 2025 US$	Group 2024 US$	Foundation 2025 US$	Foundation 2024 US$
Fixed assets					
Tangible assets	**9**	13,123,773	10,323,748	8,521,049	6,712,191
Intangible assets	**10**	1,205,399	1,135,033	1,205,188	1,135,033
Investments	**11**	1,805,766	1,804,766	19,570,321	16,187,518
Debtors due after one year	**12**	437,937	205,504	437,937	205,504
		16,572,875	**13,469,051**	**29,734,495**	**24,240,246**
Current assets					
Inventory	**13**	777,297	76,878	167,839	44,632
Debtors due within one year	**14**	1,145,581	4,677,021	696,732	3,626,412
Cash at bank and in hand		34,579,832	49,343,874	33,831,282	48,777,378
		36,502,710	**54,097,773**	**34,695,853**	**52,448,422**
Creditors: amounts falling due					
within one year	**15**	(2,813,164)	(2,173,566)	(2,126,632)	(1,580,205)
Net current assets		**33,689,546**	**51,924,207**	**32,569,221**	**50,868,217**
Non current liabilities					
Creditors: amounts falling due					
after one year	**16**	(381,404)	(172,252)	-	-
Total net assets		**49,881,017**	**65,221,006**	**62,303,716**	**75,108,463**
Minority interests		(487)	(330)	-	-
Net assets attributable to Group		**49,880,530**	**65,220,676**	**62,303,716**	**75,108,463**
Funds of the charity:					
Unrestricted Funds					
- General funds		442,539	17,035,708	5,089,967	16,826,732
- Designated funds	**17**	49,437,991	48,184,968	57,213,749	58,281,731
		49,880,530	**65,220,676**	**62,303,716**	**75,108,463**

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

G. Fonkenell

Mr Guillaume Fonkenell,
Trustee
Approved on 26 May 2026

Consolidated statement of cash flows (As of 31 December 2025)

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

	Group 1 Jan 2025 to 31 Dec 2025 US$	Group 1 Jan 2024 to 31 Dec 2024 US$
Cash flows from operating activities:		
Net cash (used in) operating activities	(12,194,240)	20,340,464
Cash flows from investing activities:		
Income from investments	1,906,776	9,459,471
Purchase of tangible fixed assets	(4,917,713)	(4,322,368)
Purchase of intangible fixed assets	(216,508)	(286,653)
Net cash provided by investing activities	**(3,227,445)**	**4,850,450**
Cash flows from financing activities:		
Cash inflows from new borrowing	378,598	279,799
Net cash provided by / (used in) financing activities	**378,598**	279,799
Change in cash and cash equivalents in the		
reporting period	**(15,043,086)**	**25,470,713**
Cash and cash equivalents at 01 January 2025	49,343,874	24,398,460
Change in cash and cash equivalents due to		
exchange rate movements	279,044	(525,299)
Cash and cash equivalents at 31 December 2025	**34,579,832**	**49,343,874**

Analysis of changes in net debt

	Group 01 Jan 2025 US$	Cash flows US$	Foreing exchange movements US$	Group 31 Dec 2025 US$
Cash at bank and in hand	49,343,874	**(15,043,086)**	164,054	34,579,832
	49,343,874	**(15,043,086)**	**164,054**	**34,579,832**
Loans falling due within one year	(107,547)	(189,758)	20,312	(276,993)
Loans falling due after more than one year	(172,252)	(241,684)	32,532	(381,404)
Total	**49,064,075**	**(15,474,528)**	**331,888**	**33,921,434**

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

	Group 1 Jan 2025 to 31 Dec 2025 US$	Group 1 Jan 2024 to 31 Dec 2024 US$
Net income for the reporting period (as		
per the statement of financial activities)	(14,473,767)	31,883,074
Adjustments for:		
Finance cost / Interest expense	49,663	2,930
Depreciation charges	920,582	1,154,008
Amortisation of Intangible assets	147,319	106,786
Income from investments	(1,906,776)	(9,459,471)
Decrease (Increase) in Inventory	(700,419)	28,223
(Increase) in debtors	3,299,007	(3,014,299)
Increase in creditors	470,152	(360,787)
Net cash used in operating activities	**(12,194,240)**	**20,340,464**

Pharo
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