

The Ashmore Foundation

(A company limited by guarantee)

Annual Report and Financial Statements

For the Year Ended 31 December 2019

Charity Number: 1122351
Company Number: 06444943

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Reference and Administrative Information

Charity Name The Ashmore Foundation

Charity registration number 1122351

Company registration number 06444943

Registered Office

5th Floor, 61 Aldwych, London, WC2B 4AE

Trustees

Alexandra Autrey (Chair of Trustee)

Andrew Brudenell

(appointed 9 October 2019)

Chris Mader

David Muller

Elaine Cheung

(resigned 28 June 2019)

Elizabeth Brown

(appointed 9 October 2019)

Ibrahim Assem

(resigned 15 April 2019)

James Carleton

Jennifer Bingham

(appointed 7 May 2019)

John Gregory

(resigned 28 June 2019)

Mark Coombs

Matthew Hill

(appointed 18 December 2019)

Paul Pak Shing Ng

Petre Adrian Petreanu

(resigned 5 December 2019)

Romain Bocket

(resigned 29 March 2019)

Victoria Rogova

(resigned 15 April 2019)

Executive Director

Rupal Mistry

Company Secretary

Rupal Mistry

Auditors

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

Bankers

Barclays Bank plc, 1 Churchill Place, London, E14 5HP

Solicitors

Withers LLP, 16 Old Bailey, London, EC4M 7EG

Investment Custodian

Northern Trust, 50 Bank St, Canary Wharf, London E14 5NT

Report of the Trustees for the year ended 31 December 2019

The Trustees present the annual report and financial statements of The Ashmore Foundation (the “Foundation”) for the year ended 31 December 2019. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Foundation’s governing documents, the Companies Act 2006, the Charities Act 2011, and the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard 102 applicable in the UK and Republic of Ireland (FRS 102).

Objectives and activities

The objectives of the Foundation, as set out in the Foundation’s articles of association are such exclusively charitable purposes as the Trustees of the Foundation may in their absolute discretion determine. The Trustees confirm that they have referred to the Charity Commission’s guidance on public benefit when reviewing the Trust’s aims and objectives, in planning future activities, and setting the grantmaking policy.

The Foundation was established using an initial gift received from the Emerging Market asset manager Ashmore Group plc (“Ashmore”), comprised of bonuses waived by employees. This initial capital has been supplemented by further donations and contributions from both Ashmore and its employees in support of the Foundation’s charitable objectives.

The Foundation furthers its charitable purposes through its grantmaking policy, which focuses on the provision of grants and other social investments to social impact initiatives in Emerging Market countries, defined by the OECD as any low or middle-income country.

The Foundation works to address inequality and social injustice by enhancing the capabilities, resources and opportunities of disadvantaged communities, primarily in the locations within which Ashmore operates and invests. An Emerging Market focus:

- reflects a desire to give back to the countries and communities that have contributed to Ashmore’s profitability, particularly through the enhancement of skills and resources for disadvantaged and low income groups;
- allows for increased leverage of the skills, knowledge, expertise and network of Ashmore employees to deliver the social impact goals of the Foundation; and
- provides support for a thriving and diverse civil society, essential to democratic development in transitional and emerging nations.

For the Foundation, operating in Emerging Markets poses challenges. Principally, the scale of need versus the resources available, language, distance from local operations, and cultural issues, pose particular challenges in carrying out due diligence and in performing ongoing monitoring of the application of charitable funds. Awareness of these challenges informs the Foundation’s grant strategy.

Grantmaking policy

The Foundation has established its grant making policy to achieve its objectives for the public benefit. Its aim is to improve opportunities and tackle inequality and social injustice for vulnerable and marginalised communities in Emerging Market countries. The Foundation does this by focusing its resources on economic empowerment, equipping communities with the skills and resources required to meet their livelihood needs. Within this area, outcomes remain broad, encompassing the development of education and skills, access to finance, and small and medium sized enterprise development.

Geographically, grants are awarded to initiatives within Emerging Market countries, with a focus on countries where Ashmore has a presence or invests, and where there is a clearly defined need and a strong civil society. The Foundation regularly reviews and adapts its priority funding geographies to meet these requirements. The priority locations are Colombia, Ghana, India, Indonesia, Peru, and the Philippines.

In 2016, the Trustees decided to make programme-related investments in order to generate social benefit from a proportion of its reserves. The Foundation will continue to identify investment opportunities that generate a financial as well as social return. These investments must align with the Foundation's strategic funding priorities. Opportunities will be restricted to the Emerging Markets, as defined above, and will focus on economic empowerment and equipping communities with the skills and resources they need to meet their basic needs.

In the case of natural disasters and humanitarian emergencies, at the discretion of the Trustees, the Foundation may donate to organisations operating in the wider Emerging Markets.

The Foundation does not accept unsolicited applications for grants, instead it proactively identifies and develops relationships with social impact organisations. The Foundation seeks out organisations that are accountable and that can demonstrate an ability to achieve tangible outcomes in areas of social need. The Foundation provides flexible funding, often over a number of years.

The Foundation will establish partnerships with organisations that are meeting a clearly defined social need for disadvantaged and low-income groups. They must be able to demonstrate clarity of purpose, grassroots engagement and empowerment of communities, tangible positive outcomes, cost-effectiveness, accountability and a sustainable approach to the social and economic development of communities. The Foundation will provide project, general/core, overheads, matched funding or other types of grants, depending on the needs of the organisation.

The Foundation will not make grants to organisations that:

- Fail to meet eligibility requirements;
- Fail to provide sufficient information to enable adequate assessment;
- Have paid staff related to Ashmore's employees;
- Personal appeals;
- Organisations that are overtly political or pursue political agenda;
- Organisations that are religious and seek to evangelise or proselytise;
- Animal charities; and,

- Applications for retrospective funding.

Once identified, potential partners undergo an assessment, which covers governance, accountability, financial management, sustainability, contextual understanding, monitoring and evaluation frameworks, and positive impact and effectiveness. All due diligence and assessment measures are proportionate to the scale of funding under consideration. All grantees must adhere to the Conditions of Grants including a requirement for regular reporting.

The ongoing monitoring includes a combination of annual narrative and financial reports, telephone updates and monitoring visits. The Foundation endeavours to visit each partner and the communities they are working with at least once during the life of the partnership. Progress reports are submitted at six monthly intervals and wherever possible grantees are invited to present their work to Ashmore employees at Ashmore's offices globally.

The total value of grants to be made each year is expected to be a minimum of 50 percent of the Foundation's income.

Achievements and Performance

During the year, in furtherance of its charitable objectives, the Foundation successfully made funding commitments to 5 organisations (2018: 5 organisations) in accordance with its grantmaking policy as outlined above. Commitments for 2019 totalled \$316 thousand (2018: \$202 thousand) which include multi-year grant commitments not due for payment until 2020 and 2021. Since its inception in 2008, the Foundation has committed over \$6.7 million to support social causes throughout the Emerging Markets.

The Foundation is actively seeking to develop a core of approximately three to five partnerships in each of its priority countries (Colombia, Ghana, India, Indonesia, Peru, and the Philippines) targeting positive outcomes relating to economic empowerment. A summary of the Foundation's grant commitments made in 2019 are provided below.

Organisation: Aangan Trust

Country: India

Studies have found that exclusionary practices cause children from socially and economically disadvantaged groups to drop out of school. Those who manage to remain in school experience discrimination and exploitation. Girls are at particular risk of dropping out of formal education, adolescence is particularly risky for girls, caught between family and community pressures. Through this partnership, Aangan seeks to address the safety of school aged children through the establishment of school safety hubs in 124 schools in West Bengal. These hubs will work at the intersection of the school and the community, working with staff, families, adolescents and government officials in a coordinated effort to ensure children's safety both in the school and in the community, transiting between home and school. Aangan hope to extend the programme to reach over 400 schools over the course of the next three years.

Organisation: Children Change Colombia

Country: Colombia

Twenty percent of all young people in the Colombian penal system are located in Bogotá. The vast majority are from the most marginalised neighbourhoods, with a lack of support networks and experiencing intra-familial violence. While Social Services guidelines stipulate that psychosocial support should be provided to young people during their time in detention, there is

no specific programme in place for delivering this support. There are no guidelines to help young people access follow-up support after release. In practice, neither state institutions nor the centre operators offer this type of accompaniment. This twelve month project implemented in Bogotá in partnership with a local organisation Tiempo de Juego aims to address the lack of psychosocial support for young people leaving detention centres by equipping them with socio-emotional skills, confidence, knowledge and the support networks they require in order to build a safe, crime and drug-free future for themselves in society.

Organisation: Nneka Youth Foundation

Country: Ghana

Hohoe is one of 25 municipal districts in the Volta region of Ghana. It has a population of 167,000, 39.5% of which are under 15 years old. Young people in Hohoe face multiple issues; poverty, lack of opportunity and lack of self-belief or ambition, making them less likely to continue formal education beyond primary school. Teenage pregnancy is a particular issue in the region, recording 15% of the national figure making it the second ranked region in teenage pregnancy prevalence. Teenage pregnancy not only leads to young women dropping out of school, it also renders them economic burdens on their poor families and their communities. The Vocational Entrepreneurial Pathway programme aims to address this by training and mentoring out-of-school teenage mothers from rural, deprived communities. Young women are provided vocational skills and business management training, life skills development, and psychosocial support.

Organisation: Unltd Indonesia

Country: Indonesia

Unltd Indonesia provide financial and technical assistance to social enterprises across Indonesia. They do this through an incubation programme where they work with early stage enterprises to help them to develop their business models, and put in places strategies and structures necessary to grow the organisation. Alongside this they will provide the most promising organisations with short term loans for working capital. They will also introduce social enterprises to potential investors and donors. Unltd Indonesia are also engaged in developing the social enterprise eco-system across the country and the Southeast Asia region.

Organisation: Voice of the Free

Country: Philippines

Voice of the Free forum works to address modern day slavery and works with victims of human trafficking and sexual exploitation. For the last 26 years, Voice of the Free has been at the forefront of action against human trafficking and child labour in the Philippines. Through partnerships with government, Voice of the Free has rescued and sheltered almost 20,000 survivors and at risk young girls. Support from the Ashmore Foundation will enable them to continue operations, rescuing survivors and providing them with comprehensive support as well as pursuing legal action against abusers and perpetrators.

Further analysis of the Foundation's grantmaking activity is provided in note 4 to the Financial Statements.

In response, to the COVID-19 pandemic, in April 2020, Trustees approved a \$100 thousand ring-fenced fund to support former and current grant partners manage the impact of the virus on the communities they support. Requests for support will be considered by Trustees on a case by case basis.

Financial Review

The Foundation's work is entirely reliant on income from Ashmore and its employees and investment returns from its reserves. Income to the Foundation is supported by a matched giving scheme, whereby Ashmore will match individual donations to the Foundation of up to £2 thousand per employee per year and up to £50 thousand per year for employee group fundraising donations. The Foundation matches donations made directly to Foundation grantees of up to £500 per Ashmore employee per year.

Voluntary donation income for 2019 was \$201 thousand (2018: \$461 thousand) from Ashmore employee bonus waivers, direct donations to the Foundation via the payroll giving scheme and fundraising activities. During the year, 33 Ashmore employees took part in two challenge events in benefit of the Foundation, and raised in excess of \$140 thousand inclusive of a matched gift from Ashmore.

The Foundation's reserves are invested with the aim of preserving the capital value of funds whilst pursuing its charitable activities. Investment income during the year amounted to \$238 thousand (2018: \$207 thousand) driven by interest income. Realised and unrealised investment gains for the year increased to \$264 thousand (2018: \$78 thousand unrealised investment losses). This was driven by gains realised on investment securities during the year.

Expenses to support charitable activities (excluding grantmaking) reduced to \$57 thousand (2018: \$101 thousand). This was due to Ashmore Group pledging to cover the Foundation's employee expenses for the foreseeable future. This took effect from October 2018.

The Foundation's grantmaking activity during the year increased to \$316 thousand (2018: \$202 thousand). The reason for the increase relates to new commitments approved by the Trustees during the year. Further details are provided in "Achievements and Performance" and in note 4 to the Financial Statements.

Reserves increased to \$9,314 thousand (2018: \$8,974 thousand). This was largely due to investment gains in the year.

Investment Policy

Trustees reviewed the reserves and investment policy with a view to ensuring financial sustainability over the long-term. The Trustees maintain a low risk approach to the management of the Foundation's assets, carefully considering the suitability and diversification of investments. The Trustees invest the free cash reserve to maximize investment income. In line with this, the Trustees are progressively moving the reserves into exchange-traded funds.

In terms of ethical considerations, Trustees reserve the right to exclude investments in any companies that directly undermine or contravene the organisation's charitable objectives. Direct investments into any company or entity whose core business activity involves the production, assembly, direct sale, distribution, operation, or marketing of alcohol, tobacco, adult entertainment, weapons and gambling should be avoided.

Investments have performed in line with the expectations, considering market volatility, with a 2.13 per cent gain in total value which included an investment income generated of \$240

thousand during the year (2018: \$203 thousand). Investment income was driven by positive performance on a fixed income investment that was sold during the year.

At the end of 2019, Trustees, requested that the Investment Committee review the investment strategy with a view to increasing investment income over the next two to three years. This work was completed and approved by trustees in mid-February 2020. At the height of market volatility in March 2020, the majority of the Foundations cash reserves were held in money market instruments. The Investment Committee took the decision to begin adding equities to the investment portfolio. This process began at the end of March, following the market downturn. This decision resulted in minimal losses as the equity funds recovered in April and May 2020. As per the latest available valuation report on 2 July 2020, the portfolio was valued at \$9,420 thousand, which represents a gain of 3.50% (compared to \$9,102 thousand as at 31 December 2019). The Investment Committee continues to monitor markets and update the Trustees accordingly.

Public Benefit

The Trustees confirm that during the year ended 31 December 2019 they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

Going Concern Disclosure

In assessing going concern in light of the COVID-19 pandemic, the Trustees have considered the available resources, the primary sources of funding and whether those sources will continue for the foreseeable future. The Trustees have assessed this against current grant commitments. Based on their assessment, and despite the uncertainties surrounding COVID-19, the Trustees concluded that the use of the going concern basis of accounting is deemed appropriate because the Foundation has sufficient resources that enable it to carry on its operations in the foreseeable future.

Reserves Policy

The current level of free reserves held is \$9,314 thousand (2018: \$8,974 thousand). These free reserves represent the Foundation's unrestricted funds.

Trustees reviewed the reserves and investment policy with a view to ensuring financial sustainability over the long-term. The Trustees aim to preserve the capital value of the Foundation's funds as far as possible to enable it to carry out its future grant-making activities effectively. In consideration of the fact that the Foundation's income will remain in GBP, while expenditure will be in USD, as well as the reduction in support expenses, the trustees will maintain working capital reserves at £10 thousand.

In consideration of the volatility of the GBP:USD exchange rate any income in excess of £10 thousand shall be promptly converted into US dollars, maintaining the minimum working capital level of £10 thousand. A cash flow forecast is used in order to model the likely spend-down of assets. This policy will be reviewed at least annually as plans develop.

Plans for Future Periods

Trustees will continue to monitor the impact of COVID-19 on the charities and purpose driven organisations it supports. In April 2020, trustees approved a ring fenced sum of \$100 thousand to support former and current grantees as they are impacted and respond to COVID-19. Trustees will continue to assess the impact of COVID-19 on plans for future periods. The trustees anticipate

the continued involvement of the Foundation with charitable organisations in support of their goals, continued opportunities for Ashmore employees to engage and volunteer through Board and Committee membership, connections between grantees and Ashmore employees via the showcasing of grantee work at Ashmore's offices, and, for direct involvement with grantees of Ashmore offices located in Emerging Markets.

Subject to sourcing suitable grant partners, the Foundation plans to maintain the level of grant partnerships across all priority geographies.

Structure, Governance and Management

Governing Document

The Foundation is a charitable company limited by guarantee and constitutes a public benefit entity as defined by FRS 102. It was incorporated as company number 6444943 on 4 December 2007, and registered as charity number 1122351 on 17 January 2008. The company was established under a Memorandum of Association which set out its objects and powers and it is governed in accordance with its Articles of Association.

Appointment of trustees

The directors of the company are also charity trustees for the purposes of charity law. Under the requirements of the Articles of Association, the trustees may appoint a person who is willing to serve, for such term as they see fit, either to fill a vacancy or as an additional trustee. Trustees of the Foundation typically serve a term of up to three consecutive years. The Articles of Association provide for a minimum of two Trustees with no maximum number. A retiring trustee may be reappointed and there is no limit to the number of times a trustee may be reappointed.

Trustee training and induction

Before being formally appointed to the board, new trustees are invited to observe a board meeting. So as to ensure that all trustees have an appropriate understanding of their responsibilities and the current strategic direction, new trustees are provided with information on the Foundation's history and strategy, the role and responsibilities of trustees, the governing documents, key policies and the minutes of recent Board meetings.

Organisation

The board of trustees administers the Foundation and meets on a quarterly basis. Where appropriate, the Foundation establishes smaller committees whose membership is made up of at least one trustee together with Ashmore staff volunteers. There are currently two committees each of which has been delegated authority over a particular area by the Board. The current committees are; Grants and Social Investments, and Investment Committee.

At the time of writing, the board of trustees is made up of ten Ashmore employees and one external trustee, all of whom have been selected on the basis of their skills, knowledge, experience and commitment, as well as a desire to allow a range of Ashmore employees to serve.

Trustees delegate day-to-day management to the Executive Director, who is appointed on the basis of their knowledge, skills and experience within the social development sector in the Emerging Markets. To facilitate effective operations the Executive Director is responsible for all activities, including all grant related activities and communications with all stakeholders, including Ashmore.

Related parties

All trustees give their time voluntarily and do not receive remuneration or other benefits from the Foundation. Trustees are required to disclose any relevant interests and register them with the Executive Director. In accordance with the Foundation's policy, a trustee must withdraw from decisions in the event a conflict of interest arises.

Risk Management

The board of trustees identifies the major risks to which the Foundation is exposed and maintains a risk register, which is reviewed and updated annually.

The Foundation is dependent on donations from Ashmore and its employees for income. This varies substantially from year to year and poses a significant risk for the Foundation's ability to meet its charitable objectives. The trustees aim to mitigate this risk through careful management of the Foundation's reserves through the reserves and investment policy.

The trustees together with the Executive Director put in place an annual fundraising plan to provide Ashmore and its employees with a range of opportunities through which to donate to the Foundation. The trustees regularly review the fundraising plan to identify new fundraising opportunities.

The principle operational risk lies in awarding grants to organisations that are ineffective use of grants for public benefit. The trustees are satisfied that adequate systems and procedures are in place to mitigate this exposure.

Due diligence is carried out prior to the approval of any grant, the nature of which is linked to the size of the grant proposed and an assessment of the governance and management, social impact and reputation of the proposed grantee. Ongoing monitoring mechanisms ensure the Executive Director is able to work with organisations to ensure they are meeting the objectives set out at the beginning of the grants.

Trustees have assessed the risk posed to the Foundation as a going concern as a result of the COVID-19 pandemic. The decision by Ashmore to cover the Foundation's staff costs has greatly reduced the Foundations overhead burden. The investment review and subsequent investment approach taken by the Investment Committee has in large part shielded the Foundation from market losses. Trustees are aware that the Foundation's income may be impacted as a result of COVID-19. Trustees had not planned to organise a fundraising event for 2020 as are assessing how social distancing rules, may impact the ability to organise an event in 2021 and beyond. Furthermore, as the annual grant budget is set based on income in the previous year, Trustees believe the Foundation will continue to be able to meet its charitable objectives for the foreseeable future. Trustees continue to monitor the impact of COVID-19 on charities operations.

Ultimately, the trustees are satisfied that overall, risks to the Foundation are mitigated to an acceptable level.

Brexit

On 23 June 2016, the British electorate voted to leave the European Union, or Brexit as it has become known. The Trustees accept that while the full implications of this decision remain unclear, they continue to monitor the developments as negotiations continue. Based on their

assessment of the current situation they do not foresee any material impact to the Foundation's daily operational activities or its grant making and the pursuit of its charitable objectives.

Over the medium to long term the Trustees have identified income as the greatest risk to the sustainability and growth of the Foundation. The Foundation is supported by Ashmore Group and its employees, the final agreement and departure from the European Union could have an impact on Ashmore's operations that may inhibit its ability, or the ability of its staff, to continue to support the Foundation. Trustees will continue to monitor developments.

Statement of Trustees' responsibilities in respect of the trustees' annual report and the financial statements

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

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

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

Approved by the Trustees on 9 July 2020 and signed on their behalf by:



Alexandra Autrey
Chair of Trustees



Independent Auditor's report to the members of The Ashmore Foundation

Opinion

We have audited the financial statements of The Ashmore Foundation ("the charitable company") for the year ended 31 December 2019 which comprise the statement of financial activities, balance sheet, statement of cash flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the trustees' conclusions, we considered the inherent risks to the charitable company's business model and analysed how those risks might affect the charitable company's financial resources or ability to

continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charitable company will continue in operation.

Other information

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

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

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Report of the Trustees is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting

unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

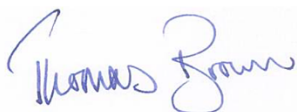
Auditor's responsibilities

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

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

The purpose of our audit work and to whom we owe our responsibilities

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



Thomas Brown (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
22 July 2020

The Ashmore Foundation
Statement of Financial Activities
(including Income & Expenditure Account)
for the year ended 31 December 2019

	Note	Total Funds 2019 \$000's	Total Funds 2018 \$000's
Income			
Donations and legacies	2	201	461
Investment income	3	238	207
Total income		439	668
Expenditure on			
Charitable activities	4	(316)	(202)
Support of charitable activities	5	(57)	(101)
Total expenditure		(373)	(303)
Net income (expenditure) for the year		66	365
Other recognised gains and losses			
Realised and unrealised gain/(loss) on investments		265	(78)
Foreign currency translation gain/(loss)		9	(23)
Net movement in funds		340	264
Total funds brought forward		8,974	8,710
Total funds carried forward		9,314	8,974

The Statement of Financial Activities includes all gains and losses in the year.

All income and expenditure derived from continuing activities.

The notes on pages 17 to 26 form part of these financial statements.

The Ashmore Foundation
Balance Sheet
as at 31 December 2019

	Note	2019 \$000's	2018 \$000's
Current Assets			
Programme related investments	6	277	252
Investments	7	9,102	8,912
Cash at bank and in hand		126	222
Current assets		9,505	9,386
Current Liabilities			
Creditors amounts falling due within one year	8	(175)	(331)
Net current assets		9,330	9,055
Creditors falling due after more than one year	8	(16)	(81)
Total net assets		9,314	8,974
The funds of the Charity			
Unrestricted funds		9,314	8,974
Total charity funds		9,314	8,974

The trustees have prepared the accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011.

The notes on pages 17 to 26 form part of these financial statements.

Approved by the Trustees on 9 July 2020 and signed on their behalf by:



Alexandra Autrey
Chair of Trustees

The Ashmore Foundation
Statement of Cash Flows
for the year ended 31 December 2019

	2019 \$000's	2018 \$000's
Operating activities		
Net income for the year	66	365
Adjustments for:		
Dividends and interest from investments	(238)	(207)
Decrease in creditors	(221)	(336)
Net cash used in operating activities	(393)	(178)
Investing activities		
Interest received	6	4
Proceeds from disposal of investments	307	-
Purchase of investments	(25)	(641)
Net cash from investing activities	288	(637)
Net decrease in cash and cash equivalents	(105)	(815)
Net cash and cash equivalents at beginning of the year	222	1,060
Effect of exchange rate translation	9	(23)
Cash and cash equivalents at end of the year	126	222

The notes on pages 17 to 26 form part of these financial statements.

Notes forming part of the Financial Statements for the year ended 31 December 2019

1. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements.

(a) Basis of preparation

The Foundation constitutes a public benefit entity as defined by Financial Reporting Standard (FRS 102). The Financial Statements have been prepared under the historical cost convention modified by the fair valuation of investments with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The Financial Statements have been prepared in accordance with the Companies Act 2006, the Charities Act 2011, and the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard 102 applicable in the UK and Republic of Ireland (FRS 102). The accounting policies have been applied consistently throughout the year.

(b) Going Concern

These financial statements have been prepared in consideration of the Foundation as a going concern in the context of the emerging COVID-19 pandemic. The Trustee's assessment of going concern is outlined in the Report of the Trustees on page 7.

(c) Functional and presentation currency

These financial statements are presented in United States Dollar (US\$), which is the Foundation's functional currency. All information presented in US Dollar has been rounded to the nearest thousand, except when otherwise indicated.

(d) Foreign currency translation

Transactions in foreign currencies are translated to the US Dollar at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting date are retranslated to the US Dollar at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the US Dollar at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in the Statement of Financial Activities within other recognised gains and losses.

(e) Incoming resources

All incoming resources are included in the Statement of Financial Activities on a receivable basis in accordance with the SORP. Income is recognised when the Foundation is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Notes forming part of the Financial Statement for the year ended 31 December 2019
(continued)

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when it becomes receivable.
- The value of services provided by volunteers has not been included in these accounts because it cannot be reliably measured
- Investment income, comprising interest and dividends, is included when it becomes receivable.

(f) Investments

Investments are a form of basic financial instrument. They are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date, using the closing market price. The statement of financial activities includes net gains and losses on investments, including those resulting from movements in foreign exchange rates. Cash held for investment purposes is included within investments.

(g) Realised and unrealised gains and losses

All gains and losses including those resulting from movements in foreign exchange rates are taken to the Statement of Financial Activities as they arise. Realised gains and losses on the disposal of assets are calculated as the difference between the sales proceeds received and the opening carrying value (or the purchase value if acquired subsequent to the first day of the financial year). Unrealised gains and losses on investments are calculated as the difference between the fair value of investments at the year end and their opening carrying value (or their purchase value if acquired subsequent to the first day of the financial year). Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

(h) Liabilities

Liabilities are recognised in the period in which they are incurred, or in the case of grants, in the period in which the grants are awarded by the Trustees. Liabilities are recognised when either a legal or constructive obligation exists. Grants payable over a period longer than one year are recognised in full in the period in which the grant is approved by the Trustees.

(i) Resources expended

Expenditure is recognised on an accruals basis as liabilities are incurred. Expenditure includes any VAT which cannot be fully recovered, which is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the Foundation in the delivery of activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature which are necessary to support them.

Notes forming part of the Financial Statements for the year ended 31 December 2019
(continued)

Fundraising expenditure includes costs incurred in the organisation and running of fundraising events including Ashmore Challenge events.

No costs are recharged to the Foundation by Ashmore for the use of its premises or office supplies. These amounts are not material and have not been disclosed.

(j) Taxation

The Foundation is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and as such, it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Foundation is potentially exempt from taxation in respect of income or capital gains received within the categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively for charitable purposes.

2. Donations and legacies

	2019	2018
	\$000's	\$000's
Income from donations	185	369
Ashmore matching	16	92
	201	461

3. Income from Investments

	2019	2018
	\$000's	\$000's
Dividend and similar income	238	207
	238	207

4. Charitable activities - Details of Partnership Grantees

Aangan Trust (India) – Aangan Trust works to strengthen India's child protection systems so that even the most vulnerable children can have a safe childhood.
www.aanganindia.org

CRRECENT (Ghana) – Child Research and Resource Centre (CRRECENT) is a civil society institution that focuses on evidence-based programmes to promote child and youth rights and development as a direct function of national development.
www.crrecent.org

Notes forming part of the Financial Statements for the year ended 31 December 2019
(continued)

Children Change Colombia (CCC) (Colombia) - CCC works to keep children safe, defend their rights in the long term, and strengthen children's organisations in Colombia. CCC provides education, healthcare and specialist support for children in Colombia who face daily challenges including poverty and violence.
www.childrenchange colombia.org

Fair Trade USA (Philippines) - Fair Trade USA enables sustainable development and community empowerment by cultivating a more equitable global trade model that benefits farmers, workers, fishermen, consumers, industry, and the earth. They achieve our mission by certifying and promoting Fair Trade products.
www.fairtradecertified.org

Fundación IED-VITAL (Colombia) – IED-Vital aims to improve the quality of life of low-income, rural and vulnerable populations through collective organization and access to financial and non-financial products in a sustainable way. They develop partnerships with private companies to generate new local businesses with a high probability of success, replicability and sharing skills, assets and knowledge between companies and local communities.
www.iedmicrofinanzas.com

Fundación Las Golondrinas (Colombia) – Fundación Las Golondrinas work with vulnerable and displaced communities in Medellín. They advocate for and implement education, social development, and community-based projects that promote healthy lifestyles and income generation.
www.fundacionlasgolondrinas.org

Yayasan IDEP (Indonesia) - IDEP develops and delivers practical training, community programmes and public education about sustainable development through permaculture. It also provides community-based disaster relief to communities in need all over Indonesia.
www.idepfoundation.org

Jan Sahas (India) – Jan Sahas seeks to protect the rights of socially excluded communities, with a special focus on girls and women. They do this through eradication of all forms of bondage including manual scavenging and caste based prostitution; to end violence and seek gender justice, develop skills for dignified livelihoods and social entrepreneurship; and provide legal aid and reform the criminal justice system.
www.jansahasindia.org

Lend a Hand India (India) – Lend a Hand India creates employment and entrepreneurship opportunities for India's rural youth by providing practical and relevant education including; job/life skills training, aptitude testing, career counselling, and bridge loans for micro-enterprises.
www.lend-a-hand-india.org

Minga Peru (Peru) – Minga Peru is a non-profit organization promoting sustainable change for indigenous women and their communities throughout the Peruvian Amazon. They strengthen leaders, organizations, and social networks representing the most marginalized communities to

collaboratively build social justice with gender equity, environmental stewardship and cultural identity.

www.mingaperu.org

Nneka Youth Foundation (Ghana) – Nneka works with young people to remove the obstacles that stop them from progressing and provide learning opportunities that building skills and resilience. They do this through the provision of educational and life skill building opportunities for young people. www.nnekayouthfoundation.org

Salva Terra (Colombia) – Salva Terra is committed to the sustainable development of communities, facilitating and strengthening processes in the rural development, through the learning scenarios, the promoting of capacities building and food security.

www.fundacionsalvaterra.org

Unltd Indonesia (Indonesia) – Unltd Indonesia’s mission is to develop a support eco-system that enables social enterprises in Indonesia to flourish. They identify and nurture early stage social enterprises and aspiring social entrepreneurs by providing relevant information, financial assistance, consultancy and mentoring.

www.unltd-indonesia.org

Voice of the Free (Philippines) – Formerly the Visayan Forum, Voice of the Free implements innovations aimed at addressing modern-day slavery, especially human trafficking and domestic servitude. They prevent trafficking through community watch mechanisms, protect victims and potential victims in transit areas and transform the lives of survivors through holistic shelter-based services. They influence policy and conduct solution-based research, and we mobilise the youth to reduce their vulnerability to trafficking.

www.visayanforum.org

Notes forming part of the Financial Statements for the year ended 31 December 2019
(continued)

Charitable activities - Summary of grant making activity

2019 Grants	Opening commitments \$000's	New commitments \$000's	Cash paid \$000's	FX \$000's	Closing commitments \$000's
Aangan Trust	5	102	(54)	-	53
CRRECENT	5	-	-	-	-
Children Change Colombia	7	42	(7)	-	42
Fair Trade USA	50	-	(45)	-	5
Fundación IED VITAL	60	-	(55)	-	5
Fundación Las Golondrinas	42	-	(37)	-	5
IDEP Foundation	6	-	(6)	-	-
Jan Sahas	5	-	(5)	-	-
Lend a Hand	74	-	(74)	-	-
Minga Peru	30	-	(25)	-	5
Nneka Youth Foundation	-	60	(60)	-	-
Salva Terra	109	-	(48)	-	61
Unltd Indonesia	5	38	(43)	-	-
Voice for the Free	5	75	(75)	-	5
Yayasan Torajamelo	5	-	(5)	-	-
Total	408	316	(538)	-	186

5. Support of charitable activities expenditure

	2019 \$000's	2018 \$000's
Staff costs	-	(67)
Pension	-	(7)
Governance	(24)	-
Audit	(5)	(5)
Fundraising	(27)	(20)
Other	(1)	(2)
Total expenditure	(57)	(101)

Notes forming part of the Financial Statements for the year ended 31 December 2019
(continued)

During the year, the Foundation employed 1 full time employee, with all employee time involved in providing wither support to the governance of the charity or support services to charitable activities. Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds. Other costs include bank charges, travel, subscriptions and other sundry expenses.

In 2018, the Ashmore Group pledged to cover the Foundation's employee expenses for the foreseeable future. This took effect from October 2018. As a result the Foundation's support costs reduced considerably in 2019.

6. Programme related investments

	2019	2018
	\$000's	\$000's
Market value at 1 January	252	202
Additions	25	50
Interest income	6	4
Interest received	(6)	(4)
Market value at 31 December	277	252

As at 31 December 2019 programme related investments comprised of short term loans to two non-profit organisations. The loans are provided on concessionary interest terms and have fixed maturities ending in 2022 and 2023. The loans are stated at amortised costs less any provisions for impairment. The carrying values are regularly reviewed and assessed for recoverability and at year end provision was required.

7. Investments

	2019	2018
	\$000's	\$000's
Market value at 1 January	8,912	8,196
Additions	-	591
Investment income	232	203
Redemptions	(307)	-
Realised and unrealised fair value gains / (losses)	265	(78)
Market value at 31 December	9,102	8,912

Investments held as at 31 December 2019 comprise fixed income investments in government bonds, corporate bonds and a short term investment in Ashmore SICAV Global Liquidity Fund.

Notes forming part of the Financial Statements for the year ended 31 December 2019
(continued)

8. Creditors

	2018 \$000's	2018 \$000's
Creditors: amounts falling due within one year		
Grants approved but not yet made	(170)	(327)
Accruals	(5)	(4)
	(175)	(331)
Creditors: amounts falling due after one year		
Grants approved but not yet made	(16)	(81)
Total creditors	(191)	(412)

All creditors in 2017 and 2018 related to unrestricted funds.

9. Trustee Remuneration

No Trustee received any remuneration or expenses during the year for services performed for the Foundation (2018: nil). No Trustee received reimbursement for travel or accommodation expenses during the year (2018: nil). The total amount donated by Trustees to the Foundation during the year was nil (2018: nil). The Trustees were covered by trustee indemnity insurance during both 2019 and 2018.

10. Volunteers

Where appropriate, the Foundation establishes small committees whose membership is made up of at least one Trustee together with Ashmore staff volunteers. There are currently two committees each of which has been delegated authority over a particular area by the Board. The current committees are: Grants and Social Investments, and Investments.

Volunteers donate their time and expertise to further the objectives of the Foundation. They may be involved in fund raising activities, reviewing potential grantees including carrying out due diligence, communicating the objectives of the Foundation and information about the work that it carries out, or they may lend their legal, financial or other expertise on an ad hoc basis.

11. Related Party Transactions

The Foundation is an independent charitable company set up by Ashmore which is funded by donations made by both Ashmore and its employees. During the year Ashmore donated \$16 thousand (2018: \$92 thousand) to the Foundation. The Foundation's Board of Trustees is comprised of 10 Trustees, 9 of whom are employed by Ashmore and 1 of whom is external (see page 2 for a list of all board members and trustees). Neither the Trustees nor any other persons related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2018: nil).

Notes forming part of the Financial Statements for the year ended 31 December 2019
(continued)

12. Subsequent Events

The existence of the novel coronavirus (Covid-19) was confirmed in early 2020 and has spread across the globe causing disruptions to businesses and economic activity. The Foundation considers this outbreak to be a non-adjusting post balance sheet event. As the situation is fast evolving, the effect of the outbreak is subject to significant levels of uncertainty, with the full range of possible effects unknown.