

The Ashmore Foundation

(A company limited by guarantee)

Annual Report and Financial Statements

For the Year Ended 31 December 2020

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 Trustees)

Andrew Brudenell

Cemil Urganci

(appointed 7 December 2020)

Chris Mader

(resigned 8 December 2020)

David Muller

(resigned 8 December 2020)

Elizabeth Brown

James Carleton

Jennifer Bingham

Mark Coombs

Matthew Hill

Patrick Cadell

(appointed 8 December 2020)

Paul Pak Shing Ng

(resigned 14 October 2020)

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 2020

The trustees present the annual report and financial statements of The Ashmore Foundation (the “Foundation”) for the year ended 31 December 2020. 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 grant making 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 grant making 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.

Grant making 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, India, Indonesia and Peru.

The Ashmore Foundation makes 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 donation income.

Achievements and Performance

During the year, in furtherance of its charitable objectives, the Foundation successfully made funding commitments to nine organisations (2019: five organisations) in accordance with its grant making policy as outlined above. Commitments for 2020 totalled \$208 thousand (2019: \$316 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 \$6.9 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, India, Indonesia and Peru) targeting positive outcomes relating to economic empowerment. A summary of the Foundation's grant commitments made in 2020 are provided below:

Organisation: Lend a Hand India ("LAHI")

Country: India

LAHI aim to contribute to the acceleration of India's development through education and skills development. By partnering with grassroots non-profit organisations, community groups and local governments LAHI create better access to education, vocational training, career development, employment and entrepreneurial pathways. Project Pathways will help students gain practical experience before entering the employment market through an internship programme with local businesses aiming to increase post-education employability.

In 2020 the Ashmore Foundation worked in collaboration with Ashmore to set up a carbon offsetting grant programme. The value of the annual grant is based on Ashmore's emissions for the reporting year, supplemented by a contribution from the Ashmore Foundation determined by the trustees and based on the societal impact of the initiative. Under the carbon offsetting programme, The Ashmore Foundation made the following grant commitments in 2020:

Organisation: Yayasan IDEP

Country: Indonesia

IDEP focus on conservation and community resilience in areas where livelihoods are susceptible to the impacts of climate change and natural disasters. The project focuses on community-based agroforestry, with an approach that addresses both social and environmental outcomes by

ensuring the availability of food for communities while at the same time addressing national climate change targets.

Organisation: La Asociación de la Gestión Rural Económica y Social Country: Peru
(PROGRESO)

PROGRESO work in the Piura region of Peru to improve livelihoods for smallholder producers. The project focuses on providing alternative energy sources for irrigation systems used by rural farmers. PROGRESO will use this grant to grow a successful pilot project replacing diesel-fuelled pumps with solar-powered systems. This will enable farmers to access vital underground water reserves for crop irrigation whilst generating monetary and time savings for smallholder producers and reducing carbon emissions.

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 are considered by trustees on a case by case basis and throughout the year the following allocations were made:

Organisation: Minga Peru

Country: Peru

Minga Peru have worked alongside medical professionals and mental health volunteers to record episodes of the 'Bienvenida Salud' radio program in Spanish and native languages. Episodes have been broadcast to isolated Amazonian regions hardest hit by the COVID-19 pandemic to inform people about the dangers of the virus, how to protect themselves and slow the spread of the disease. Community gardens have also been set up using seeds and assistance provided by Minga.

Organisation: Voice of the Free

Country: the Philippines

Emergency funds were used to purchase medical supplies and ensure the basic needs of the 50 girls resident at the Centre of Hope when the pandemic first hit the Philippines, whilst also securing salaries for centre staff. The girls chose to sew face masks for front line workers and funds also helped purchase raw materials and equipment for this.

Organisation: Yaysan IDEP

Country: Indonesia

With a focus on raising awareness of disease prevention methods and reducing transmission of cases in rural areas, IDEP utilised local media to help inform communities. Emergency supplies were distributed to local communities at the outset of the pandemic.

Organisation: Aangan Trust

Country: India

When Cyclone Amphan hit West Bengal in May 2020, communities that were already hard-hit by the COVID-19 pandemic were devastated by the impact of the natural disaster. In response, Aangan distributed tarpaulins, dry ready to eat food and water to communities to assist with their immediate daily needs.

Organisation: Jan Sahas

Country: India

The speed at which lockdown was enforced in India when the COVID-19 pandemic hit left huge numbers of migrant workers, many of whom are daily wage earners, stranded in large cities with no income or means of transportation to return to their home communities. Jan Sahas distributed

emergency food supplies to workers and their families in Maharashtra and Madhya Pradesh to help with the immediate impacts.

Organisation: Children Change Colombia

Country: Colombia

Children Change Colombia worked alongside local partner ACJ in Bogotá to remotely support children at increased risk of exposure to commercial sex work. Food and care packages were distributed to locals, many of whom had lost incomes. ACJ also worked to respond to an increase in cases of gender-based violence.

Organisation: Fundación Casa Refugio Matilde

Country: Ecuador

Casa Matilde worked to make important improvements to the fabric of the building that forms the women's shelter, which has been at full capacity since the pandemic hit Ecuador. Funds also contributed to updating the children's play area and providing computing resources to allow residents to access online training.

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

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 2020 was \$244 thousand (2019: \$201 thousand) from Ashmore employee bonus waivers, direct donations to the Foundation via the payroll giving scheme and fundraising activities. No challenge events were able to take place in 2020 due to restrictions relating to the COVID-19 pandemic.

The Foundation's reserves are invested with the aim of incrementally growing the capital value of funds over an investment cycle. Investment income during the year amounted to \$226 thousand (2019: \$238 thousand) driven by interest income, mostly from pooled investment vehicles. Realised and unrealised investment gains for the year increased to \$931 thousand (2019: \$265 thousand). This was driven by gains realised on bonds and equities during the year.

Expenses to support charitable activities (excluding grant making) amounted to \$9 thousand (2019: \$57 thousand). The decrease in expenses was due to one off governance costs paid in 2019 and reduced fundraising activities in 2020 due to the COVID-19 pandemic.

The Foundation's grant making activity for the year amounted to \$208 thousand (2019: \$316 thousand). The decrease relates to fewer 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 amounted to \$10,491 thousand as at 31 December 2020 (2019: \$9,314 thousand), the increase was largely due to investment gains in the year.

Investment Policy

The Foundation's reserves have been managed with the sole aim of ensuring financial sustainability over the long term. At the end of 2019, trustees requested that the Investment Committee review this investment strategy with a view to also incrementally growing the capital value of funds over an investment cycle, to enable the Foundation to increase its charitable donations and grants over the long term. The review was completed in February 2020. Trustees still maintain a relatively low risk approach to the management of the Foundation's assets, carefully considering the suitability and diversification of investments. However, the newly agreed investment policy allows the Investment Committee to diversify funds into other asset classes, like equities, and take a longer-term view on returns. The trustees aim to invest the free cash reserve to maximize investment income and, in line with this, the IC moved these 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.

At the height of market volatility in March 2020, the vast majority of the Foundations cash reserves were held in money market instruments. At this point, and in light of the new investment policy, the Investment Committee took the decision to begin diversifying the funds, most notably adding equities to the investment portfolio. This process began at the end of March, following the market downturn, and equities were added to several times throughout 2020. In line with the Foundation's charitable objectives, the Investment Committee also added suitable social investment trusts, to further diversify the Foundation's funds. The Investment Committee continues to monitor markets and update the trustees accordingly.

Public Benefit

The trustees confirm that during the year ended 31 December 2020 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

The Trustees have considered the resilience of the Foundation, taking into account its current financial position, and the principal and emerging risks facing the Foundation including the impact of COVID-19 on global markets and potential implications on the Foundations financial resources. The Trustees have performed a going concern assessment, including considering the impact of COVID-19 by applying a stressed scenario, including severe but plausible downside assumptions, and the impact on its investments and unrestricted financial resources alongside known grant commitments for a period of 12 months from the date of approval of these financial statements. While there are significant wider market uncertainties that may impact the Foundation, the stressed scenario shows that the Foundation would continue to have sufficient financial resources to meet its liabilities as they fall due for a period of at least 12 months from the date of the release of this report. The financial statements have therefore been prepared on a going concern basis.

Reserves Policy

The current level of free reserves held is \$10,491 thousand (2019: \$9,314 thousand). These free reserves represent the Foundations 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. 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 registered in England on 4 December 2007, and registered as a charity in England and Wales (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 Ashmore Foundation 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.

As at 31 December 2020, the board of trustees was made up of eight 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 and, where the Executive Director is unavailable, day-to-day management is shared amongst the trustees and other personnel as required. 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. Ultimately, the trustees are satisfied that overall, risks to the Foundation are mitigated to an acceptable level.

Disclosure of information to auditors

The Trustees who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Trustee has taken the steps that they ought to have taken as Trustees to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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 7 July 2021 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 2020 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 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

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

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

Our conclusions based on this work:

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

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Our risk assessment procedures included:

- Enquiring of trustees as to the charitable company’s high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Trustee Board and Investment Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

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

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue is non-judgmental and straightforward, with limited opportunity for manipulation.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included all post year-end journals.

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

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

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

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

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

Secondly, the charitable company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery and certain aspects of company legislation recognising the nature of the charitable company activities and its legal form. Auditing standards limit the required audit procedures to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational

regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

Other information

The trustees are responsible for the other information, which comprises the 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 9, 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
7 July 2021

The Ashmore Foundation
Statement of Financial Activities
(including Income & Expenditure Account)
for the year ended 31 December 2020

	Note	Total Funds 2020 \$000's	Total Funds 2019 \$000's
Income			
Donations and legacies	2	244	201
Investment income	3	226	238
Total income		470	439
Expenditure on			
Charitable activities	4	(208)	(316)
Support of charitable activities	5	(9)	(57)
Total expenditure		(217)	(373)
Net income for the year		253	66
Other recognised gains and losses			
Realised and unrealised gain on investments		931	265
Foreign currency translation gain/(loss)		(7)	9
Net increase in funds		1,177	340
Total funds brought forward		9,314	8,974
Total funds carried forward		10,491	9,314

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

All income and expenditure is derived from continuing activities.

The notes on pages 19 to 26 form part of these financial statements.

The Ashmore Foundation
Balance Sheet
as at 31 December 2020

	Note	2020 \$000's	2019 \$000's
Current Assets			
Programme related investments	6	271	277
Investments	7	10,005	9,102
Cash at bank and in hand		254	126
Current assets		10,530	9,505
Current Liabilities			
Creditors falling due within one year	8	(34)	(175)
Net current assets		10,496	9,330
Creditors falling due after more than one year	8	(5)	(16)
Total net assets		10,491	9,314
The Funds of the Charity			
Unrestricted funds		10,491	9,314
Total charity funds		10,491	9,314

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 19 to 26 form part of these financial statements.

Approved by the Trustees on 7 July 2021 and signed on their behalf by:



Alexandra Autrey
Chair of Trustees

The Ashmore Foundation
Statement of Cash Flows
for the year ended 31 December 2020

	2020 \$000's	2019 \$000's
Operating activities		
Net income for the year	253	66
Adjustments for:		
Investment income	(226)	(238)
Decrease in creditors	(152)	(221)
Net cash used in operating activities	(125)	(393)
Investing activities		
Interest received	4	6
Proceeds on disposal of investments	250	307
Purchase of investments	-	(25)
Net cash from investing activities	254	288
Net increase/(decrease) in cash and cash equivalents	129	(105)
Net cash and cash equivalents at beginning of the year	126	222
Effect of exchange rate translation	(1)	9
Cash and cash equivalents at end of the year	254	126

The notes on pages 19 to 26 form part of these financial statements.

Notes forming part of the Financial Statements for the year ended 31 December 2020

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

The Trustees have considered the resilience of the Foundation, taking into account its current financial position, and the principal and emerging risks facing the Foundation including the impact of COVID-19 on global markets and potential implications on the Foundation's financial resources. The Trustees have performed a going concern assessment, including considering the impact of COVID-19 by applying stressed scenario, including severe but plausible downside assumptions, and the impact on its investments and unrestricted financial resources alongside known grant commitments for a period of 12 months from the date of approval of these financial statements. While there are significant wider market uncertainties that may impact the Foundation, the stressed scenario shows that the Foundation would continue to have sufficient financial resources to meet its liabilities as they fall due for a period of at least 12 months from the date of the release of this report. The financial statements have therefore been prepared on a going concern basis.

(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

Notes forming part of the Financial Statement for the year ended 31 December 2020
(continued)

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:

- 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.

Notes forming part of the Financial Statements for the year ended 31 December 2020
(continued)

(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.

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

	2020	2019
	\$000's	\$000's
Income from donations	87	185
Ashmore matching donations	157	16
	244	201

3. Income from investments

	2020	2019
	\$000's	\$000's
Dividend and similar income	226	239
	226	239

Notes forming part of the Financial Statements for the year ended 31 December 2020
(continued)

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

Fundación Casa de Refugio Matilde (Colombia) – Casa Matilde have been providing shelter and services to women since 1990 and are instrumental in advocating for women’s rights and access to basic services. They work closely with government authorities and local NGOs to develop holistic support programmes for women.

<https://fundacionmatilde.org>

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 Medellin. 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

Notes forming part of the Financial Statements for the year ended 31 December 2020
(continued)

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

PROGRESO (Peru) – PROGRESO works to improve the economic situation and livelihoods of producers in the Piura region of northern Peru by empowering communities. They help farmers access markets and improve value chains for crops, whilst focusing on nutritional food security, health and education for families, sustainable agriculture and climate change.

<https://www.progreso.org.pe>

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

Notes forming part of the Financial Statements for the year ended 31 December 2020
(continued)

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

Charitable activities - summary of grant making activity

2020 Grants	Opening commitments \$000's	New commitments \$000's	Cash paid \$000's	FX \$000's	Closing commitments \$000's
Aangan Trust	53	10	(58)	-	5
CRRECENT	5	-	(5)	-	-
Children Change Colombia	42	10	(47)	-	5
Fair Trade USA	5	-	(5)	-	-
Fundación Casa Matilde	-	10	(10)	-	-
Fundación IED VITAL	5	-	(5)	-	-
Fundación Las Golondrinas	5	-	-	-	5
IDEP Foundation	-	56	(56)	-	-
Jan Sahas	-	10	(10)	-	-
Lend a Hand	-	60	(55)	-	5
Minga Peru	5	10	(15)	-	-
Nneka Youth Foundation	-	33	(33)	-	-
Salva Terra	61	-	(55)	-	6
Voice for the Free	5	10	(10)	-	5
Total	186	208	(364)	-	31

5. Support of charitable activities expenditure

	2020 \$000's	2019 \$000's
Governance	-	(24)
Audit	(8)	(5)
Fundraising	-	(27)
Other	(1)	(1)
Total expenditure	(9)	(57)

Notes forming part of the Financial Statements for the year ended 31 December 2020

(continued)

Due to the COVID-19 pandemic expenditure in support of charitable activities was greatly reduced, specifically impacting funding events which accounted for \$27 thousand of expenditure (2020: nil). During the year governance costs were nil (2019: \$24 thousand) due to one off costs in the prior year relating to obtaining equivalency status in the US. Other costs include bank charges, travel, subscriptions and other sundry expenses which were static.

With effect from October 2018, the Ashmore Group pledged to cover the Foundation's employee expenses for the foreseeable future. As a result the Foundation does not have employee pension and salary costs.

6. Programme related investments

	2020	2019
	\$000's	\$000's
Market value at 1 January	277	252
Additions	-	25
Interest income	4	6
Interest received	(6)	(6)
Foreign exchange translation	(4)	-
Market value at 31 December	271	277

As at 31 December 2020 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 2024 and 2026. The loans are stated at amortised costs less any provisions for impairment. The carrying values are regularly reviewed and assessed for recoverability. As at 31 December 2020 no impairment provision was required and the expected credit losses on the loans were assessed to be immaterial.

7. Investments

	2020	2019
	\$000's	\$000's
Market value at 1 January	9,102	8,912
Additions	-	-
Investment income	222	232
Redemptions	(250)	(307)
Realised and unrealised fair value gains	931	265
Market value at 31 December	10,005	9,102

Investments held as at 31 December 2020 were comprised of fixed income investments in government bonds, corporate bonds, equities and a short term investment in Ashmore SICAV Global Liquidity Fund. These investments are measured at fair value and changes in fair value are reported in other recognised gains on the Statement of Financial Activities.

Notes forming part of the Financial Statements for the year ended 31 December 2020
(continued)

8. Creditors

	2020	2019
	\$000's	\$000's
Creditors: amounts falling due within one year		
Grants approved but not yet made	(26)	(170)
Accruals	(8)	(5)
	(34)	(175)
Creditors: amounts falling due after one year		
Grants approved but not yet made	(5)	(16)
Total creditors	(39)	(191)

All creditors in 2019 and 2020 related to unrestricted funds.

9. Trustee Remuneration

No trustee received any remuneration or expenses during the year for services performed for the Foundation (2019: nil). No trustee received reimbursement for travel or accommodation expenses during the year (2019: nil). The total amount donated by trustees to the Foundation during the year was nil (2019: nil). The trustees were covered by trustee indemnity insurance during both 2020 and 2019.

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, and is funded by donations made up by both Ashmore and its employees. During the year Ashmore donated \$157 thousand (2019: \$16 thousand) to the Foundation. As at 31 December 2020, the Foundation's Board of Trustees comprised of nine trustees, eight of whom are employed by Ashmore and one trustee is external (see page 2 for a list of all board members and trustees). Neither the trustees nor any other persons related to the Foundation had any personal interest in any contract or transaction entered into by the Foundation during the year (2019: none).