

The Ashmore Foundation

(A company limited by guarantee)

Annual Report and Financial Statements
For the Year Ended 31 December 2016

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

Ibrahim Assem	(appointed 13 April 2016)
Marlon Balroop	(resigned 13 April 2016)
Romain Bocket	
James Carleton	
Sek Ern Esther Chan	(resigned 7 November 2016)
Elaine Cheung	(appointed 13 April 2016)
Nadine Cottrell	(resigned 30 November 2016)
John Gregory [Chairman]	
Christoph Hofmann	
Mythili Orton	(resigned 11 January 2017)
Helen Mackay	(resigned 23 March 2016)
Petre Adrian Petreanu	(appointed 21 December 2016)
Samuel Rickard	(resigned 13 April 2016)
Victoria Rogova	(appointed 13 April 2016)

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 Manager

UBS AG, 3 Finsbury Avenue, London EC2M 2AN

Trustees' Annual Report

The Trustees present the Annual Report and Financial Statements of the Ashmore Foundation (the "Foundation") for the year ended 31 December 2016. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts, and comply with the charity'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 applicable in the UK and Republic of Ireland (FRS 102) as issued on 16 July 2014.

Structure, Governance and Management

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.

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 work in providing grants to civil society organisations.

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 by the Trustees and there is no limit to the number of times a Trustee may be reappointed.

Before being formally appointed to the board, new Trustees are invited to observe a trustee 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.

At the time of writing, the Board of Trustees is made up of seven 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 of differing departments and levels to serve. All Trustees give their time voluntarily and receive no 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.

The Board of Trustees meets on a quarterly basis. At these meetings the Trustees agree the strategy and activities of the Foundation, including grant making, investment activities, management of reserves, risk management policies and assessment of performance. 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 Investment Committee, and Investment Committee.

The Trustees delegate the day to day management of the Foundation 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. The Executive Director is responsible for the management of all Foundation activities, including; the identification of new partners, the processing of proposals prior to their consideration by the Board of Trustees, the administration of grants, and communications with all stakeholders, including Ashmore.

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 Foundation is focused on supporting charitable causes in Emerging Market countries, defined as any low or middle income country. This is because, despite strong economic growth in many Emerging Market countries, inequality is increasing and disadvantaged groups continue to lack the skills and resources to fully participate in their countries development. Rapid development can also threaten the natural resources on which communities are dependent for their livelihoods.

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 networks of Ashmore employees to deliver the social goals of the Foundation; and
- provides support for a thriving and diverse civil society, essential to democratic development in transitional and emerging nations.

Operating in Emerging Markets poses challenges, principally, the scale of need versus the resources available; and, language, distance and cultural issues particularly 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.

The Foundation works to address inequality and social injustice in Emerging Market countries by enhancing the capabilities, resources and opportunities of disadvantaged communities, primarily in key locations within which Ashmore operates and invests. The Foundation provides grants to, and makes social investments in, local non-profit organisations that enable disadvantaged and marginalised communities, particularly women and young people to improve their futures.

The Foundation has established its grant making policy to achieve its objective of providing public benefit, 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, ranging from the development of education and skills, to access to finance and small and medium sized enterprise development.

Geographically, grants are made to appropriate initiatives within Emerging Market countries, focussing 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. In 2016, the Trustees reviewed the list of priority countries with a view to expanding to an additional three countries. The priority locations are now: Colombia, Ghana, India, Indonesia, Peru, the Philippines and Turkey.

In 2016, in addition to the social impact achieved through grants and philanthropic activities, the Trustees developed an approach to social investing in order to generate social benefit from a small proportion of its reserves. Through this approach the Trustees hope to be able to recycle funds.

The Foundation will seek to identify investment opportunities that generate a financial as well as social return. These social 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 livelihood opportunities.

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

The Foundation does not accept unsolicited applications for grants, instead proactively identifying and developing relationships with civil society organisations. The Foundation seeks out organisations that are accountable, have a strong track record of delivery and that can demonstrate the 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 with 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, matching 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 religious in nature;
- Animal charities; and,
- Retrospective funding.

Once identified, potential partners undergo an assessment which covers good governance, accountability, financial management, sustainability, contextual understanding and needs analysis, robust 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 Ashmore Foundation Grants including a requirement for regular reporting.

The ongoing monitoring process 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 per cent of the Foundation's income.

Achievements and Performance

During the year, in furtherance of its charitable objectives, the Foundation successfully made funding commitments to 6 grantees (2015: 16 grantees) in accordance with its grant making policy as outlined above. 2016 commitments totalled £405 thousand (2015: £505 thousand) which includes multi-year grant commitments not due for payment until 2017, 2018 and 2019. Since its inception in 2008, the Foundation has committed over £3.7 million to support civil society organisations 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, the Philippines and Turkey) targeting positive outcomes relating to economic empowerment. During a project monitoring visit to Colombia in August 2016, the Executive Director was introduced to a range of non-governmental organisations; these meetings resulted in a number of new funding partnerships being established in Colombia. A summary of the Foundation's 2016 partnership grant commitments is provided below.

Organisation: Children Change Colombia	Country: Colombia
Summary: This year the Foundation agreed to support Children Change Colombia (CCC) to pilot two new initiatives. The initiatives will work with children at risk of sexual exploitation and sexual violence in two different contexts.	
One will focus on communities in Putumayo, which has often been described as the 'epicentre' of the conflict. There are high levels of poverty, chronic malnutrition, and often no access to clean water for over half the population. Indigenous populations experience high levels of violence, displacement, and forced recruitment. Children and young people are particularly targeted to act as messengers, informants, combatants, sex slaves or drug mules. With their partner Corporacion Casa Amazonia, CCC will make children and young people aware of how they may be affected by sexual violence and what they can do to protect themselves. They will equip them with the skills to participate in and use local political structures, so that they can demand protection. They will work with children to develop life goal plans, help them to understand what they want from their future. They will work with both parents and teachers to enable them to understand child rights and their responsibility for safeguarding these rights and protecting children.	
In Bogota, CCC will be working with Asociación Cristiana de Jóvenes to support children at risk of or engaged in sexually exploitative activities. It is estimated that over 35,000 children are exposed to sexual exploitation, targeted on the way to and from school, but the majority of cases go unreported. The programme will teach children about sexual exploitation, their rights and what they should do if they feel at risk. CCC will work with families to improve emotional and practical support provided to children as well as providing vocational training so families are able to find alternative sources of employment. Young people already engaged in sex work or being sexually exploited will be given the confidence to leave, provided with vocational training and alternative sources of income.	
Organisation: Jan Sahas	Country: India
Summary: Socially excluded communities face inequality, discrimination, untouchability and exclusion at every step. They live in segregated settlements; have specified occupations and less access to public resources. Government programmes aimed empowering these communities are not implemented effectively. Institutional discrimination, from applications being rejected to delays in issuing cards, and refusal of school admission, leaves communities unable to access	

social security schemes such as Mid-Day Meals and primary health services. Economic empowerment and access to decent and sustainable livelihoods is extremely important for women and girls from these communities to enable them to live lives with dignity and self-reliance. Through this partnership Jan Sahas will provide training and skills development to enable women and girls from the most excluded social groups to develop their entrepreneurship skills so that they are able to set up their own businesses and generate sustainable incomes.

Organisation: IED-Vital

Country: Colombia

Summary: Rural communities in Colombia have been disproportionately affected by the conflict. IED-Vital works with displaced families, ethnic minorities, and victims of the armed conflict through financial education programmes. They invest in local, village-level capacity for the management of savings, credits and solidarity funds through savings and loans groups. Once established the savings groups co-create micro-franchises and collective purchasing models that seek to generate income for rural communities, while at the same time increasing access to basic goods and services at more affordable prices. The model is based on the strengthening of the social fabric, the capabilities of the groups and their participation in identifying gaps between supply and demand for basic goods and services. Through this partnership IED-Vital will increase coverage of their micro-franchise model, working with communities to establish 800 new micro-franchises. This will enable at least 8,000 low-income families to have permanent access to basic goods and services at a fair and reasonable price.

Organisation: Mosintuwu Institute

Country: Indonesia

Summary: Between 1998 and 2007, in Poso, Central Sulawesi, communal violence ensued, initially for political purposes but then spread along religious lines. Today people still bear the scars of this conflict, with mistrust and prejudice towards other religions common. Women have been disproportionately affected by the conflict and displacement, but have limited participation in the formal peace making process. Traditionally, gender roles have been defined by culture and religion; women are seen as second-class citizens with no place in public life. This project seeks to support women's leadership through the development of income generating activities by establishing rural enterprises and garbage banks. The basic premise of the garbage bank is that villagers will deposit recyclable refuse to a central point in exchange for basic food staples. The refuse will be recycled into a range of products that will be sold locally and nationally.

Organisation: Genç Engelliler Gençlik ye Spor Kulübü Derneği

Country: Turkey

Summary: Genç Engelliler Gençlik ye Spor Kulübü Derneği seeks to change attitudes towards and perceptions of people with disabilities and their contribution to civic life through participation in sports. They have been given land by the municipal authority on which they intend to build a youth and rehabilitation centre. The centre will provide a range of services, including, sports facilities, health and rehabilitation, education and training, as well as a recreational space for both abled-bodied and disabled young people to socialise. Through this partnership Genç Engelliler Gençlik ye Spor Kulübü Derneği will construct an AstroTurf facility which they will rent out to local football clubs, enabling them to generate an annual income and over time construct the youth and rehabilitation centre.

Organisation: Red Futbol y Paz

Country: Colombia

Summary: Football as a tool for family and community-based non-violence and reconciliation has been used successfully by a number of organisations in the Red Futbol y Paz (Football and Peace Network). In 2015, they piloted a programme extending their methodology to ex-combatants. As Colombia enters its post-conflict era, they are seeking to refine this pilot and extend the programme to an additional six communities, working with 96 ex-combatants. Through a Train-Of-Trainers program, a total of 96 "Peace Leader" coaches (former combatants and civilian victims

of the civil war) from local communities will be trained in "Football for Peace and Reconciliation" in six different locations, by the three implementing organizations. Once the training is completed the participants will return to their communities to teach children affected by the conflict about resilience, tolerance and forgiveness using the methodology.

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

Financial Review

Voluntary donation income for 2016 was £342 thousand (2015: £502 thousand) from Ashmore employee bonus waivers, direct donations to the Foundation via the payroll giving scheme and fundraising activities.

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 Ashmore employee per year and Ashmore employee group fundraising donations (for example through Ashmore Challenge events) of up to £50 thousand per year. The Foundation matches donations made directly to Foundation grantees of up to £500 per Ashmore employee per year.

Investment income during the year grew to £132 thousand (2015: £71 thousand) due to a change in the type of investments held; plus recent stock market volatility which resulted in an unrealised capital gain on investments for the year of £28 thousand (2015: £120 thousand loss).

Expenses (excluding grant making) remained low and stable at £83 thousand (2015: £78 thousand).

The Foundation's grant making activity during the year remained stable at £405 thousand (2015: £505 thousand) including the successful sourcing of a number of new partnerships. Further detail is provided in "Achievements and Performance" and in note 4 to the Financial Statements.

Reserves increased to £7,562 thousand (2015: £6,476 thousand), largely due to the positive impact of FX from the US dollar strengthening against Sterling, as further discussed below.

Risk Management

The Board of Trustees identifies the major risks to which the Foundation is exposed and maintains a risk register which is updated and reviewed at least annually.

A principle risk is the legitimacy of potential grant partners and their 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. For the majority of grants the Trustees and/or Executive Director will meet with the staff and/or Trustees of the potential grantee. The Executive Director aims to undertake at least one site visit during the period of the grant.

The Ashmore Foundation is funded entirely through donations from Ashmore and its employees; this results in significant variation in income from year to year. This instability poses a risk in terms of the Foundation being able to meet its charitable objectives. The Trustees aim to mitigate this risk through careful management of the Foundation's reserves through the reserves policy and

investment policy as further detailed below, including the designation of £1 million as a working capital reserve and a further £4 million as a reserve for future operations. The Trustees together with the Executive Director put in place an annual fundraising plan to provide Ashmore and its employees with a range of activities and opportunities through which they can donate to the Foundation. The Trustees regularly review the fundraising plan to identify new fundraising opportunities.

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

Public benefit

The Trustees confirm that during the year ended 31 December 2016 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 use of the going concern basis of accounting is deemed appropriate because there are no material uncertainties related to events or conditions that cast significant doubt about the ability of the Foundation to continue as a going concern.

Reserves Policy

The current level of free reserves held is £7,562 thousand (2016: £6,476 thousand). These free reserves represent the Foundation's unrestricted funds. The Trustees have given careful consideration to the level of reserves that should be maintained by the Foundation. The Trustees wish to maintain flexibility in order to be able to respond to new opportunities and to provide stability until funding sources become more secure and/or a funding formula is agreed with Ashmore. The reserve level has been set at £5 million to ensure that adequate funds remain for an envisaged growth in charitable grant making and in order to further develop the Foundation's grant making policies. 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.

In recent years, at the request of grantees, the Foundation has increasingly made commitments in US dollars. These commitments expose the Foundation to foreign exchange risk as the value of the commitments may rise or fall in line with movements in the USD:GBP exchange rate.

Investment Policy

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. The Trustees have decided to designate £1 million as a working capital reserve and £4 million as a reserve for future operations. The Trustees maintain a low risk investment policy for the Foundation whereby a portion of the reserves may be invested in cash deposits or short-term bonds to maximize investment income. At the time of writing the Trustees had not explicitly defined any social, environmental or ethical considerations to be taken into account when selecting investments. Trustees review this on a regular basis.

The Investment Policy allows the Trustees to delegate investment management to a financial expert. To that end, in 2015 the Trustees delegated the management of £5.6 million of the Foundation's reserves to UBS AG. In line with the Foundation's low risk Investment Policy, UBS

were instructed to invest in short-term investment grade bonds only. To date, considering the extreme volatility of the stock markets, the investments have performed in line with the expectations of the above policy, with a 1.87 per cent gain in total value including low risk income generated of £132 thousand during the year (2015: £71 thousand).

Plans for Future Periods

In the coming years, the Trustees anticipate the continued involvement of the Foundation with its charitable partners in support of their goals; increased opportunities for Ashmore employees to engage and volunteer with the Foundation through Board and Committee membership; greater connections between grantees and Ashmore employees via the regular showcasing of grantee work at Ashmore's offices; and, for Ashmore offices located in Emerging Markets, direct involvement with grantees on the ground.

Subject to sourcing suitable grant partners, the Foundation plans to maintain the level of grant partnerships in Colombia and India and to increase the number of grant partnerships in Indonesia and Turkey and develop new partnerships in Ghana, Peru and the Philippines.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors are deemed to be reappointed and KPMG LLP will therefore continue in office.

The audit report has been prepared in accordance with the Statement of Recommended Practice and Reporting by Charities (issued in July 2014) and in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small entities.

Statement of Trustees' responsibilities in respect of the Annual Report and Financial Statements

The Trustees (who are also directors of The Ashmore Foundation Limited for the purposes of company law) are responsible for preparing the Trustee' Annual Report and 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 expenditure over income for that period. In preparing these Financial Statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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

- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

The Trustees are responsible for keeping adequate accounting records that; are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company, and that enable them to ensure that the financial statements comply with the Companies Act 2006. They 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 United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees on 17th May 2017 and signed on their behalf by:



John Gregory
Chairman of the Trustees



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

We have audited the Financial Statements of The Ashmore Foundation Limited for the year ended 31 December 2016 set out on pages 14 to 24. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 - *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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.

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities 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.

Our responsibility is to audit, and express an opinion on, the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the Financial Statements

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 2016 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 Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information in the Trustees' Annual Report for the financial year for which the financial statements are prepared, is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Trustees' Report:

- we have not identified material misstatements in that report; 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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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 have not been made; or
- we have not received all the information and explanations we require for our audit.



Kevin Clark (Senior Statutory Auditor)
for and on behalf of:

KPMG LLP
Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

2 JUNE 2017

The Ashmore Foundation

Statement of Financial Activities (including Income &
Expenditure Account) for the year ended 31 December 2016

	<i>Note</i>	Total Funds 2016 £000's	Total Funds 2015 £000's
Income and Endowments from			
Donations and legacies	2	342	502
Income from Investments	3	132	71
		<hr/>	<hr/>
Total income and endowments		474	573
 Expenditure on			
Charitable activities	4	(405)	(505)
Support of charitable activities	5	(79)	(71)
Fundraising	5	(4)	(7)
		<hr/>	<hr/>
Total resources expended		(488)	(583)
		<hr/>	<hr/>
Net expenditure for the year		(14)	(10)
 Other recognised gains and losses			
Realised and unrealised gain/(loss on) investments		28	(120)
Effects of foreign exchange		1,072	309
		<hr/>	<hr/>
Net movement in funds		1,086	179
 Reconciliation of funds			
Total funds brought forward		6,476	6,297
		<hr/>	<hr/>
Total funds carried forward		7,562	6,476

The outgoing resources and resulting net movement in funds arise from continuing operations.

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

The accounting policies and notes on pages 18 to 24 form part of these Financial Statements.

The Ashmore Foundation

Balance Sheet
as at 31 December 2016

	<i>Note</i>	2016 £000's	2015 £000's
Current Assets:			
Programme related investments	6	81	-
Cash at bank and in hand		1,378	1,052
Investments	7	6,753	5,850
		8,212	6,902
Current Liabilities:			
Creditors: amounts falling due within one year	8	(492)	(273)
		7,720	6,629
Creditors: amounts falling due in more than one year	8	(158)	(153)
		7,562	6,476
		7,562	6,476
The funds of the Charity:			
Unrestricted funds		7,562	6,476
		7,562	6,476

The accounting policies and notes on pages 18 to 24 form part of these Financial Statements.

Approved by the Trustees on 17th May 2017 and signed on their behalf by:


John Gregory
Chairman of the Trustees

The Ashmore Foundation

**Cash flow statement
for the year ended 31 December 2016**

	<i>Note</i>	2016 £000's	2015 £000's
Cash flows from operating activities:			
<i>Net cash provided by/ (used in) operating activities</i>	9	29	81
Cash flows from investing activities:			
Dividends and interest from investments		132	71
Proceeds from the sale of investments		369	5,897
Purchase of investments		(204)	(5,681)
<i>Net cash provided by investing activities</i>		297	287
Increase / (Decrease) in cash in the year		326	368
Net cash resources at the beginning of the year		1,052	684
Net cash resources at the end of the year		1,378	1,052

The accounting policies and notes on pages 18 to 24 form part of these Financial Statements.

Notes forming part of the Financial Statements for the year ended 31 December 2016

1. Accounting Policies

(a) Basis of accounting

The Foundation constitutes a public benefit entity as defined by 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 applicable in the UK and Republic of Ireland (FRS 102) as issued on 16 July 2014. The accounting policies have been applied consistently throughout the year.

(b) Unrestricted and restricted funds

Unrestricted funds are available for use at the discretion of the Trustees in the furtherance of the Foundation's general objectives. Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal. Restricted funds relate to fund raising and matched donations for specific grantees.

(c) 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 is included when it becomes receivable.

(d) Fixed assets - 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.

Other than investments, the Foundation held no fixed assets in either the reporting or the preceding year.

Notes forming part of the Financial Statement for the year ended 31 December 2016 (continued)

(e) 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.

(g) 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.

(h) 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.

(i) 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.

Notes forming part of the Financial Statements for the year ended 31 December 2016 (continued)

2. Donations and legacies

	2016 Total £000's	2015 Total £000's
Income from donations	304	442
Ashmore matching	38	60
	342	502

3. Income from Investments

	2016 Total £000's	2015 Total £000's
Dividend and similar income	130	68
Bank deposit interest	2	3
	132	71

4. Charitable activities - Details of Partnership Grantees

Centre for the Adolescents of San Miguel de Allende (CASA) (Mexico) – CASA is a non-profit organisation that serves the poor; particularly adolescents, rural women and their families, through provision of health services, social services, education and environmental outreach programmes.
www.casa.org.mx

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.childrenchangecolombia.org

Fútbol con Corazón (Colombia) – Fútbol con Corazón is a grassroots charity which utilises football and values-based workshops to provide new life opportunities to underprivileged children in Colombia's Caribbean coast.
www.futbolconcorazon.org

Genç Engelliler Gençlik ve Spor Kulübü Derneği (formally Adana Youth and Young Disabled Sports Club) (Turkey) – They seek to transform the lives of people living with disabilities by changing negative public attitudes and enabling people with disabilities to actively participate in social and economic life.

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 2016 (continued)

Foundation for the Support of Women's Work (KEDV) (Turkey) – KEDV works to improve the quality of life of women and children in low income areas of Turkey through local women's groups, collective capacity building, economic empowerment and early childhood education.

www.kedv.org.tr

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

Jan Sahas (India) – Jan Sahas seeks to protect the rights of socially excluded communities with a special focus on girls and women 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) – There are 36 million unemployed youths in India. Of these, 24 million live in villages and a substantial number move to cities each year in search of employment. 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

Mosintuwu Institute (Indonesia) – Mosintuwu Institute is a local organization welcoming women of all religious backgrounds in Poso to come together and learn the important role that they play in creating and maintaining peace and preventing violence in their communities. They focus on conflict resolution and community development by engaging women and using interfaith dialogue to heal, build trust and ultimately rebuild communities.

www.perempuanposo.com

NESsT (Brazil) – NESsT helps to develop sustainable social enterprises that solve critical social problems in Emerging Market countries by providing a combination of financial capital, training, mentoring, and access to markets and networks.

www.nesst.org

PATH Foundation Philippines (Philippines) – PATH works to improve health, conserve biodiversity and promote sustainable development in the Asia-Pacific region, particularly in under-served areas of the Philippines.

www.pfpi.org

Pragya (India) – Pragya is an Indian non-governmental organisation which works toward the appropriate development of some of the most vulnerable communities and sensitive ecosystems of the world, focusing on the most remote and hard to reach regions.

www.pragya.org

Notes forming part of the Financial Statements for the year ended 31 December 2016 (continued)

Red Futbol y Paz (Colombia) – Red Futbol y Paz is a network of nine public and private organisations in Colombia that use sport as a tool to address social issues including forced recruitment, social exclusion, violence, poverty and inequality.

www.redfutbolypaz.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

Yayasan TORAJAMELO (Indonesia) – Half of Indonesia’s population lives on less than US \$2 a day and 70 percent of this population are women. A key source of income for many poor rural women is back-strap weaving. Cheap, factory made replicas mean that women are unable generate an income resulting in migration, with many returning abused and with unwanted pregnancies. TORAJAMELO aims to stop this cycle of poverty and violence using weaving as the entry point.

www.torajamelo.com

Yunus Social Business (Colombia) - YSB helps entrepreneurs in Emerging Markets to solve problems associated with poverty through business. It is active in several countries where local country teams source, coach and mentor entrepreneurs through tailored accelerator programs. YSB subsequently finances the most promising social businesses and also provides long-term support to maximize impact.

www.yunusb.com

Charitable activities - Details of Disaster Relief grantees

Çocuklar Aynı Çatı Altında (ÇAÇA) (Turkey) - ÇAÇA works with street children in Diyarbakir who have been displaced from rural areas in south eastern Anatolia. They provide psycho-social support for victims of violence and skills training including communication, self-expression, and problem solving in order to help children develop self-confidence, self-esteem and socialization.

www.insanhaklarisavunuculari.org

Yuva (Turkey) – Yuva provide support to Syrian refugees through their community centres. They provide case management, social counselling, legal aid, language and skills training to enable people to rebuild their lives.

www.yuva.org.tr

Notes forming part of the Financial Statements for the year ended 31 December 2016 (continued)

Charitable activities - Summary of grant making activity

2016 Grants	Opening commitments £000's	New commitments £000's	Cash paid £000's	FX £000's	Closing commitments £000's
Genç Engelliler Gençlik ve Spor Kulübü Derneği	11	54	(13)	1	53
CACA*	6	(2)	(4)	-	-
CASA	17	-	(17)	-	-
Children Change Colombia	21	46	(19)	2	50
Futbol con Corazon	79	-	(46)	14	47
IED VITAL	-	108	(56)	5	57
IDEP Foundation	31	-	-	6	37
Jan Sahas	-	106	(41)	9	74
KEDV	37	-	-	8	45
Lend a Hand	76	-	-	15	91
Mosintuwu Institute	-	15	(8)	1	8
NESsT	3	-	(4)	1	-
PATH Foundation	6	-	(6)	-	-
Pragya	22	-	(11)	2	13
Red Futbol y Paz	-	78	-	-	78
Unltd Indonesia	18	-	-	1	19
Yayasan Torajamelo	29	-	-	4	33
Yunus Social Business	44	-	(40)	1	5
Yuva	17	-	(18)	1	-
	417	405	(283)	71	610

*Note: £2,000 of the commitment could not be paid as contact with the organisation ceased

5. **Other expenses**

	2016 Total £000's	2015 Total £000's
Audit fees	(4)	(3)
Staff costs	(66)	(57)
Pension costs	(7)	(5)
Other	(2)	(6)
Total expenditure on support of charitable activities	(79)	(71)
Expenditure on fundraising	(4)	(7)

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. During the year, the Foundation employed 1 full time employee.

Notes forming part of the Financial Statements for the year ended 31 December 2016 (continued)

6. Programme related Investments

	2016 Total £000's	2015 Total £000's
Market value brought forward at 1 January	-	-
Additions to investments at cost	74	-
Disposals at carrying value	-	-
Net gain/(loss) on revaluation	7	-
Impairment	-	-
Market value carried forward at 31 December	<u>81</u>	<u>-</u>

Programme Related Investments are stated at cost less any provisions for impairment or amounts repaid. The carrying values of investments are reviewed based on the assessed amount recoverable.

7. Investments

	2016 Total £000's	2015 Total £000's
Market value brought forward at 1 January	<u>5,850</u>	<u>5,861</u>
Additions to investments at cost	130	5,681
Disposals at carrying value	(369)	(5,897)
Net gain/(loss) on revaluation	1,142	205
Market value carried forward at 31 December	<u>6,753</u>	<u>5,850</u>

8. Creditors

	2016 Total £000's	2015 Total £000's
Creditors: amounts falling due within one year		
Grants approved but not yet made	(452)	(264)
Accruals	(40)	(9)
	<u>(492)</u>	<u>(273)</u>
Creditors: amounts falling due after one year		
Grants approved but not yet made	(158)	(153)
Total creditors	<u>(650)</u>	<u>(426)</u>

All creditors in 2015 and 2016 related to unrestricted funds.

Notes forming part of the Financial Statements for the year ended 31 December 2016 *(continued)*

9. **Net cash provided by / (used in) operating activities**

	2016 Total £000's	2015 Total £000's
<i>Net expenditure for the reporting period (as per the statement of financial activities)</i>	(14)	(10)
Adjustments for:		
Dividends and interest from investments	(132)	(71)
Decrease/(increase) in debtors	-	-
Increase/(Decrease) in creditors	224	178
Effects of foreign exchange on creditors	(49)	(16)
<i>Net cash provided by / (used in) operating activities</i>	29	81

10. **Trustee Remuneration**

No Trustee received any remuneration or expenses during the year for services performed for the Foundation (2015: £nil). No Trustee received reimbursement for travel or accommodation expenses during the year (2015: £nil). The total amount donated by Trustees to the Foundation during the year was nil (2015: £340 thousand). The Trustees were covered by trustee indemnity insurance during both 2016 and 2015.

11. **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.

12. **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. The Foundation's Board of Trustees is comprised of 8 Trustees, 7 of whom are employed by Ashmore and 1 of whom is external. 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 (2015: none).

13. **Subsequent Events**

There were no events subsequent to the year end that require adjustment of or disclosure in the Financial Statements for the year ended 31 December 2016.

