

The Ashmore Foundation

(A company limited by guarantee)

Annual Report and Financial Statements

For the Year Ended 31 December 2017

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	(appointed 01 October 2017)
Chris Mader	(appointed 11 January 2018)
Christoph Hofmann	(resigned 01 October 2017)
David Muller	(appointed 02 January 2018)
Elaine Cheung	
Ibrahim Assem	
James Carleton	
John Gregory [Chair of Trustees]	
Mythili Orton	(resigned 11 January 2017)
Paul Pak Shing Ng	(appointed 01 October 2017)
Petre Adrian Petreanu	
Romain Bocket	
Victoria Rogova	

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 2017

The trustees present the annual report and financial statements of The Ashmore Foundation (the "Foundation") for the year ended 31 December 2017. 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.

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 focus on the provision of grants and other social investments to social impact initiatives in Emerging Market countries, defined 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 key 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 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.

Grant making policy

The Foundation has established its grant making policy to achieve its objectives for the public benefit. The Foundation's aim is to improve opportunities and tackle inequality and social injustice

for vulnerable and marginalised communities in Emerging Market countries. It 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, ranging from the development of education and skills, access to finance, to 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. In 2016, the Trustees reviewed the list of priority countries. From 2017, no further partnership grants would be awarded to organisations operating in Turkey, all existing commitments would be fulfilled as agreed. The priority locations are Colombia, Ghana, India, Indonesia, Peru, and the Philippines.

In 2016, the Trustees decided to make programme-related investments in order to generate social benefit from a small 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 proactively identifying and developing 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 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 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 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 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 15 organisations (2016: 6 organisations) in accordance with its grant making policy as outlined above. Commitments for 2017 totalled US \$841 thousand (2016: \$500 thousand) which include multi-year grant commitments not due for payment until 2018, 2019 and 2020. Since its inception in 2008, the Foundation has committed over \$6.5 million to support social causes throughout the Emerging Markets.

The Foundation is actively seeking to develop a core of approximately three to five partnerships in each of its priority countries (Colombia, Ghana, India, Indonesia, Peru, and the Philippines) targeting positive outcomes relating to economic empowerment. Summaries of the Foundation's 2017 partnership grant commitments are provided below.

Organisation: CRRECENT

Country: Ghana

Established in 2004, the Child Research and Resource Centre (CRRECENT) develops and implements programmes that promote the rights of children and young people across Ghana. Since 2010, the organisation has been engaged in activities to improve the juvenile justice system. In partnership with the Prison Service of Ghana and Ghana's Department of Social Welfare they have been implementing a rehabilitation and reintegration programme for children and young people as they are discharged from Juvenile Correctional Centres. Through this partnership, they will work with children and young people as they are discharged to help them reintegrate into mainstream society. They will support them to return to their families and communities where possible and help them to enrol into apprenticeship programmes or formal education. Through their schools programme they will also work with children at risk of entering the juvenile justice system.

Organisation: Fair Trade USA

Country: Philippines

Fair Trade is a market-based approach that connects producers, businesses and consumers to create shared value across the supply chain. Fair Trade USA's goal is to advance income sustainability, well-being, empowerment and environmental stewardship in communities. This is done through 1) Certifying farming, fishing and manufacturing communities; 2) Enrolling businesses to source in a more responsible and ethical manner; and 3) Educating consumers to

shop with their values. In the Philippines, 41 per cent of the 3.5 million coconut farmers live below the poverty line (average household earns \$355 annually). Yet coconut products are one of the country's top exports with growing consumer interest in coconut water, oil, and beauty products. Global demand is rising at over 10 per cent per annum while regional supply is increasing at 2 per cent per annum. Fair Trade USA began certifying coconut farmers in the Philippines in 2013, and to date have certified eight producer groups comprised of over 5,700. Through this grant they will scale the programme to an additional producer group (over 1,000 farmers), support current farmers to maximise the impact of the programme, and increase sourcing commitments from processors, buyers manufacturers and distributors.

Organisation: Fundación Las Golondrinas

Country: Colombia

Fundación las Golondrinas was established 25 years ago in Llanaditas, Medellin to improve the quality of life, development, and economic opportunity to support social transformation for communities. In Colombia, the conflict has resulted in the increased movement of people from rural to urban areas, seeking safety and opportunity. One such area is Villa Hermosa which lies in close proximity to downtown Medellin on a hillside. It has a population of 136,000 with almost 60 per cent of the population between 16 and 46 years old. Unemployment is one of the biggest issues; it currently stands at 12.2 per cent. Fundacion Las Golondrinas have been working with the municipal authorities to address unemployment levels. They are establishing a centre for technical training and entrepreneurship to enable people to prepare enter the employment market. They will develop and deliver four skills training programmes, set up job placements with local companies and support students to set up and grow their own small businesses.

Organisation: Genç Engelliler Gençlik ye Spor Kulübü Derneği

Country: Turkey

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. In 2017, with land donated by the municipal authority, they began construction of 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. Genç Engelliler Gençlik ye Spor Kulübü Derneği have completed the construction of an AstroTurf facility. A small additional grant was provided to enable them to develop their organisation capacity as they operationalise the centre.

Organisation: Minga Perú

Country: Peru

Minga Perú work with communities in Peru's Loreto region, spread across 37 million hectares in the Peruvian Amazon. Most of the region is remote with access limited to boats. Its isolation and lack of access to basic services has resulted in half the population living in extreme poverty. A quarter of all children under five are malnourished and 70 per cent of the population are unable to access adequate sanitation. Domestic violence, teen pregnancy, and gender-based and sexual violence are widespread. In response, Minga Peru has developed and aired radio programmes addressing critical social issues. Through this grant, Minga Peru will produce and broadcast 58 new programmes dealing with issues raised by listeners. They will run educational workshop and support communities to develop income-generating activities.

Organisation: Nneka Youth Foundation

Country: Ghana

Nneka Youth Foundation seek to address the issue of educational attainment of children in Ghana. Young people face multiple issues and have few opportunities that resulted in them

discontinuing formal education beyond primary school. Currently, a third of all students enrolled in junior high school dropout. Nneka works with young people to remove the obstacles that stop them from progressing, providing learning opportunities that building skills and resilience. They do this through the provision of educational and life-skills, building opportunities for young people who might be underserved, overlooked or otherwise at risk of falling behind in school. Nneka runs a series of programmes including summer camps, mentoring, teacher training, and financial literacy in Hohoe district.

Organisation: Salva Terra

Country: Colombia

Salva Terra work to ensure food security and livelihood development for smallholder famers and their families. They do this by providing farmers with technical knowledge and skills and raising environmental conservation awareness. The conflict in Colombia has played a key role in the levels of poverty and inequality. Rapid gains have been made in reducing poverty in urban areas. However, approximately 42 per cent of the rural population continue to live below the poverty line. Working through government education centres, Salva Terra will provide rural families with improved knowledge and understanding of nutrition, crop production and entrepreneurship. They will work with smallholder farmers to increase their yields and will connect them to markets enabling them to get a better price for their produce.

Organisation: Visayan Forum

Country: Philippines

Established in 1991, Visayan forum works to address modern day slavery and works with victims of human trafficking and sexual exploitation. In the Philippines, 60,000 - 100,000 children are involved in prostitution; 80 per cent of which are girls under 18 years old. The country has become a global hotspot for cybersex and online sexual exploitation of children and young women. There are approximately 2.1 million child labourers, 60 per cent of which work in hazardous conditions, suffering physical, sexual and psychological abuse. Trafficked from rural areas, they remain invisible, falling through government mechanisms. For the last 26 years, Visayan Forum has been at the forefront of action against human trafficking and child labour in the Philippines. Through partnerships with government, Visayan Forum has rescued and sheltered almost 20,000 survivors and at risk young girls. Support from the Ashmore Foundation will enable them to continue operations, rescuing survivors and providing them with comprehensive support as well as pursuing legal action against abusers and perpetrators.

Further analysis of the Foundation's 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 Group 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 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.

Voluntary donation income for 2017 was \$145 thousand (2016: \$422 thousand) from Ashmore employee bonus waivers, direct donations to the Foundation via the payroll giving scheme and fundraising activities.

The Foundation's reserves are invested with the aim of preserving the capital value of funds as far as possible whilst maintaining pursuit of its charitable activities. Investment income during the year grew to \$214 thousand (2016: \$163 thousand) due to a change in the type of investments held. However, stock market volatility over the last year resulted in an unrealised capital loss on investments for the year of \$104 thousand (2016: \$238 thousand gain).

Expenses in support of charitable activities (excluding grant making) remained low and stable at \$107 thousand (2016: \$102 thousand).

The Foundation's grant making activity during the year increased at \$841 thousand (2016: \$500 thousand) due to the successful sourcing of a number of new partnerships. Further details are provided in "Achievements and Performance" and in note 4 to the Financial Statements.

Reserves reduced to \$8,710 thousand (2016: \$9,307 thousand), due to the additional grant allocations and the impact of foreign exchange fluctuations and re-presentation of the financial information from Pound Sterling to US Dollar.

Significant Events during the Reporting Year

In 2017, the trustees decided to change the Foundation's reporting currency. The principal factors for the change is that Foundation's reserves are US Dollar denominated and, at the request of grantees, the Foundation has predominantly 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. As such, from this year going forward the reporting currency has changed from Pound Sterling to US Dollars.

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 minimum of \$500 thousand working capital reserve and \$5.5 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 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.

In 2017, in order to reduce management costs and in line with the Foundation's low risk policy, the Trustees decided to progressively move the reserves into exchange-traded funds. Northern Trust agreed to maintain custody of the funds on a pro bono basis as part of their wider relationship with Ashmore.

Investments have performed in line with the expectations, considering market volatility, with a 0.99 per cent loss in total value which included a low risk income generated of \$214 thousand during the year (2016: \$163 thousand).

Public Benefit

The Trustees confirm that during the year ended 31 December 2017 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 \$8,710 thousand (2016: \$9,307 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 \$6 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.

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 in Colombia and India and to increase the number of grant partnerships in Indonesia, Ghana, Peru and the Philippines.

Structure, Governance and Management

Governing Document

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

Appointment of trustees

The directors of the company are also charity trustees for the purposes of charity law. Under the requirements of the Articles of Association, the trustees may appoint a person who is willing to serve, for such term as they see fit, either to fill a vacancy or as an additional trustee. Trustees of the Foundation typically serve a term of up to three consecutive years. The Articles of

Association provide for a minimum of two Trustees with no maximum number. A retiring trustee may be reappointed and there is no limit to the number of times a trustee may be reappointed.

Trustee training and induction

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

Organisation

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

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

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

Related parties

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

Risk Management

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

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

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 have 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 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.

Approved by the Trustees on 28 June 2018 and signed on their behalf by:


John Gregory
Chair of Trustees



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

Opinion

We have audited the financial statements of The Ashmore Foundation ("the charitable company") for the year ended 31 December 2017 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 2017 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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

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

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

- we have not identified material misstatements in the other information;

- in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted

by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.



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

2 August 2018

The Ashmore Foundation
Statement of Financial Activities
(including Income & Expenditure Account)
for the year ended 31 December 2017

	Note	Total Funds 2017 \$000's	Total Funds 2016 \$000's
Income			*Re-presented
Donations and legacies	2	145	422
Investment income	3	214	163
Total income		359	585
Expenditure on			
Charitable activities	4	(841)	(500)
Support of charitable activities	5	(107)	(102)
Total expenditure		(948)	(602)
Net expenditure for the year		(589)	(17)
Other recognised gains and losses			
Realised and unrealised gain/(loss) on investments		(104)	238
Foreign currency translation gain/(loss)		96	(104)
Net movement in funds		(597)	117
Reconciliation of funds			
Total funds brought forward		9,307	9,190
Total funds carried forward		8,710	9,307

* Comparatives have been re-presented as a result of the change in functional and presentation currencies (note 1(c)).

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

All income and expenditure derived from continuing activities.

The notes on pages 19 to 29 form part of these financial statements.

The Ashmore Foundation
Balance Sheet
as at 31 December 2017

	Note	2017 \$000's	2016 \$000's
			*Re-presented
Current Assets			
Programme related investments	6	202	101
Investments	7	8,196	8,308
Cash at bank and in hand		1,060	1,700
Current assets		9,458	10,109
Current Liabilities			
Creditors amounts falling due within one year	8	(537)	(607)
Net current assets		8,921	9,502
Creditors falling due after more than one year	8	(211)	(195)
Total net assets		8,710	9,307
The funds of the Charity			
Unrestricted funds		8,710	9,307
Total charity funds		8,710	9,307

* Comparatives have been re-presented as a result of the change in functional and presentation currencies (note 1(c)).

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 29 form part of these financial statements.

Approved by the Trustees on 28 June 2018 and signed on their behalf by:


John Gregory
Chair of Trustees

The Ashmore Foundation
Statement of Cash Flows
for the year ended 31 December 2017

	Note	2017 \$000's	2016 \$000's
			*Re-presented
Operating activities			
Net expenditure for the year		(589)	(17)
Adjustments for:			
Dividends and interest from investments		(214)	(163)
Increase/(decrease) in creditors		(54)	160
Net cash used in operating activities		(857)	(20)
Investing activities			
Interest received		1	-
Proceeds from disposal of investments		220	526
Purchase of investments		(100)	-
Net cash from investing activities		121	526
Net increase/(decrease) in cash and cash equivalents		(736)	506
Net cash and cash equivalents at beginning of the year		1,700	1,298
Effect of exchange rate translation		96	(104)
Cash and cash equivalents at end of the year		1,060	1,700

* Comparatives have been re-presented as a result of the change in functional and presentation currencies (note 1(c)).

Notes forming part of the Financial Statements for the year ended 31 December 2017

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 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) 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.

(c) Change in functional currency and presentation currency

With effect from 1 January 2017, as a result of a change in underlying transactions, events and conditions relevant to the Foundation, the functional currency of the Foundation was changed from Pound Sterling (GBP) to US\$. The principal factors for the change is that Foundation's reserves are denominated in US\$ at the request of grantees, the Foundation has predominantly made commitments in US\$. 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 US\$:GBP exchange rate. In line with the change in functional currency, the presentation currency was changed from GBP to US\$. The comparative information has been re-presented to conform to current year's presentation.

(d) Foreign currency translation

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

Notes forming part of the Financial Statement for the year ended 31 December 2017
(continued)

(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 is included when it becomes receivable.

(f) 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.

(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 2017
(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

	2017 \$000's	2016 \$000's
Income from donations	134	375
Ashmore matching	11	47
	145	422

3. Income from Investments

	2017 \$000's	2016 \$000's
Dividend and similar income	214	161
Bank deposit interest	-	2
	214	163

Notes forming part of the Financial Statements for the year ended 31 December 2017
(continued)

4. Charitable activities - Details of Partnership Grantees

Ashoka Turkey (Turkey) – Ashoka builds and cultivates a community of change makers who see that the world now requires everyone to be a changemaker. They collaborate to transform institutions and cultures worldwide so they support changemaking for the good of society.
shokaturkiye.org

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

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

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

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

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

Notes forming part of the Financial Statements for the year ended 31 December 2017
(continued)

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

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

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

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

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

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

Notes forming part of the Financial Statements for the year ended 31 December 2017
(continued)

Pragya (India) – Pragya is an Indian non-governmental organisation that 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

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

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

Shivia (India) – Shivia works in West Bengal to give families living in rural villages the tools and training to start an enterprise to generate income. They empower people most in need, particularly women, to work their own way out of poverty and provide brighter futures for their children.

www.shivia.com

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

Visayan Forum (Philippines) – Visayan Forum 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

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

Notes forming part of the Financial Statements for the year ended 31 December 2017
(continued)

Charitable activities - Details of Disaster Relief grantees

British Red Cross (Yemen) – The British Red Cross have been providing lifesaving relief supplies, food, clean water and medical supplies to those affected by the conflict.
www.redcross.org.uk

Friendship (Bangladesh) – Friendship delivery immediate emergency relief to communities affected by floods and are also working with Rohingya refugees in camps along the Myanmar border.
www.friendship.ngo

Yayasan IDEP (Indonesia) – IDEP have supported communities displaced due to the volcanic activity of Mount Agung in Bali.
www.idepfoundation.org

International Committee of the Red Cross (Horn of Africa) – ICRC provides emergency support to communities affected by conflict and drought.
www.icrc.org

Manav Seva Sansthan (MSS) (India) – MSS provided emergency relief to flood affected communities in Uttar Pradesh
www.manavsevaindia.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 2017
(continued)

Charitable activities - Summary of grant making activity

2017 Grants	Opening commitments \$000's	New commitments \$000's	Cash paid \$000's	FX \$000's	Closing commitments \$000's
Ashoka Turkey	-	5	(5)	-	-
British Red Cross	-	13	(13)	-	-
CRRECENT	-	70	(35)	-	35
Children Change Colombia	62	-	(54)	(2)	6
Fair Trade USA	-	100	(50)	-	50
Friendship BD	-	25	(25)	-	-
Futbol con Corazon	58	-	(52)	-	6
Fundación IED VITAL	70	-	(65)	-	5
Fundación Las Golondrinas	-	165	(82)	-	82
Genç Engelliler Gençlik ye Spor					
Kulübü Demeği	65	15	(81)	-	-
IDEP Foundation	46	20	(45)	-	21
International Committee of the Red Cross	-	20	-	-	20
Jan Sahas	91	-	(46)	-	46
KEDV	56	-	(40)	(1)	15
Lend a Hand	113	-	(38)	(1)	74
Manav Seva Sansthan (MSS)	-	15	(15)	-	-
Minga Peru	-	60	-	-	60
Mosintuwu Institute	10	-	(10)	-	-
Nneka Youth Foundation	-	49	(26)	-	23
Pragya	16	-	(11)	-	5
Red Futbol y Paz	96	-	(100)	4	-
Salva Terra	-	184	(37)	-	147
Shivia	-	3	(3)	-	-
Unltd Indonesia	23	-	(20)	2	5
Visayan Forum	-	50	-	-	50
Yayasan Torajamelo	41	-	(20)	(1)	20
Yunus Social Business	6	-	(7)	-	-
Yuva	-	48	(28)	-	20
	753	841	(905)	1	690

Notes forming part of the Financial Statements for the year ended 31 December 2017
(continued)

5. Support of charitable activities expenditure

	2017 \$000's	2016 \$000's
Staff costs	84	81
Pension	9	9
Travel expenses	7	2
Audit	4	5
Fundraising	-	5
Other	3	-
Total expenditure	107	102

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

6. Programme related Investments

	2017 \$000's	2016 \$000's
Market value at 1 January	101	-
Additions	100	100
Interest income	2	1
Distributions	(1)	-
Market value at 31 December	202	101

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.

Notes forming part of the Financial Statements for the year ended 31 December 2017
(continued)

7. Investments

	2017 \$000's	2016 \$000's
Market value at 1 January	8,308	8,420
Additions	-	-
Investment income	212	176
Redemptions	(220)	(526)
Fair value gain/(loss)	(104)	238
Market value at 31 December	8,196	8,308

8. Creditors

	2017 \$000's	2016 \$000's
Creditors: amounts falling due within one year		
Grants approved but not yet made	479	558
Accruals	58	49
	537	607
Creditors: amounts falling due after one year		
Grants approved but not yet made	211	195
Total creditors	748	802

All creditors in 2016 and 2017 related to unrestricted funds.

9. Trustee Remuneration

No Trustee received any remuneration or expenses during the year for services performed for the Foundation (2016: nil). No Trustee received reimbursement for travel or accommodation expenses during the year (2016: nil). The total amount donated by Trustees to the Foundation during the year was nil (2016: nil). The Trustees were covered by trustee indemnity insurance during both 2017 and 2016.

Notes forming part of the Financial Statements for the year ended 31 December 2017
(continued)

10. Volunteers

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

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

11. Related Party Transactions

The Foundation is an independent charitable company set up by Ashmore which is funded by donations made by both Ashmore and its employees. During the year Ashmore donated \$11 thousand (2016: \$51 thousand) to the Foundation. The Foundation's Board of Trustees is comprised of 11 Trustees, 10 of whom are employed by Ashmore and 1 of whom is external (see page 2 for a list of all board members and trustees). Neither the Trustees nor any other persons related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2016: nil).

12. 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 2017.