
Report of the Trustees and Financial Statements 2020

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About Shell Foundation

Shell Foundation (SF) is a registered charity, founded by Shell in 2000, that creates and scales business solutions to enhance access to energy and affordable transport. It exists to help low-income communities to escape poverty and hardship by accessing work, education and health services.

SF's enterprise-based model targets lasting social and environmental impact on a global scale. It deploys a blend of financial and non-financial resources to encourage transformative innovation and harnesses private markets to deliver public benefit at scale.

SF's Approach

SF works with a small number of entrepreneurial partners to identify underlying market challenges behind global development problems and co-create new social enterprises to address them. SF provides patient grant funding, strategic support and access to networks to help pioneers to validate new models, achieve financial independence and expand across geographies to reach as many people as possible.

SF then creates specialist intermediaries to facilitate growth and replication at an industry level and maximise the scale of its social impact. Through its working model, SF has entered several strategic partnerships to amplify its impact in multiple countries across Africa, Asia and Latin America.

www.shellfoundation.org

Trustees, Directors, Officers and Advisors

Trustees, Directors, Officers and Advisors

Trustees (who are also Directors)

The Trustees of the Foundation who were in office during the year and up to the date of signing the financial statements were:

Ms Gail Klintworth	Chair, Nominated Trustee	
Mr Malcolm Brinded, CBE	Nominated Trustee	Resigned 12 March 2020
Ms Diana Fox Carney	Nominated Trustee	
Ms Alice Chapple	Nominated Trustee	
Professor Maggie Kigozi	Nominated Trustee	
Ms Sinead Lynch		
Mr Wael Sawan		
Mr Maarten Wetselaar		

Principal Officers

Mr Sam Parker	Chief Executive Officer	
Shell Corporate Secretary Ltd	Secretary	
Ms Rachel Singh Davies	Joint Chief Financial Officer	
Ms Patricia Otero	Joint Chief Financial Officer	From 1 August 2020
Mr William Sumner	Joint Chief Financial Officer	To 31 July 2020

Registered Office

Shell Centre
York Road, London
SE1 7NA

Bankers

Lloyds Bank plc
25 Gresham Street
London EC2V 7HN

Independent

External Auditor

Ernst & Young LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Audit Risk

Committee Members

Ms Alice Chapple – Chair from 12 March 2020
Ms Sinead Lynch – Chair to 12 March 2020
Mr Michael Clark – Co-opted
Ms Gail Klintworth – Appointed 18 May 2020

Remuneration

Committee Members

Mr Malcolm Brinded – resigned 12 March 2020
Ms Gail Klintworth – Chair
Ms Alice Chapple
Ms Sinead Lynch

Investment

Manager

Shell Asset Management
Company
Lange Kleiweg 40
2288 GK
Rijswijk
The Netherlands

Independent

Investment Advisor

Cambridge Associates
80 Victoria Street
Cardinal Place
London SW1E 5JL
United Kingdom

Investment

Committee Members

Ms Gail Klintworth – Chair Appointed 12 March 2020
Mr Malcolm Brinded, CBE – Chair Resigned 12 March 2020
Mr Michael Clark – Co-opted
Ms Sinead Lynch
Mr Sam Parker
Ms Rachel Singh Davies

Message from the CEO



Along with the wider development sector, Shell Foundation (SF) wrestled with how to continue the momentum of our work in the energy access and mobility sectors during the Covid-19 pandemic, to protect the gains made, build resilience in organisations both within and outside our portfolio and help maintain momentum towards the UN's Sustainable Development Goals (SDGs).

We had to adapt our ways of working in order to provide effective support under challenging conditions so that the enterprises and institutions which are so critical to delivering universal access to energy and mobility could continue to serve low-income consumers in Africa and Asia. The situation in India, in particular, has seen the SF team create new solutions to protect our enterprise partners' employees and customers and respond with urgency to incredibly challenging circumstances.

From using customer service platforms to identify needs and provide key health products, to adjusting payment plans or delivery models, the entrepreneurs in our portfolio adapted to the ever-changing circumstances with ingenuity and invention, adjusting their models and leveraging additional resources in order to retain viability through the pandemic.

Our revised plans allowed us to deploy almost \$25m in grant funding in 2020. The grants came from SF's own funds and our co-funding energy partnerships with the UK's Foreign Commonwealth & Development Office (FCDO), USAID and Power Africa.

This funding and support meant that our work improved the lives of more than 193m people, the majority of whom are living below the poverty line and facing extreme hardships in their day-to-day lives.

We have worked in collaboration with some extraordinary partners who share our deep commitment to helping strive toward the SDGs. I owe huge thanks to our strategic partners, our portfolio of enterprises and institutions and SF's dedicated staff. And our work would not be possible without the unwavering support of our Board of Trustees;

As I write this in the early spring of 2021, I feel pride in SF's team who have demonstrated courage and persistence in maintaining operations and deployment of funding, as well as the creativity in helping our partners to deliver vital energy and transport access solutions to those that need it most; solutions that have been shown as vital in lifting them from poverty and hardship.

Looking forward to 2021, the SF team will continue to strive for greater impact and a faster route to the SDGs. We will need be creative and resilient and back the skills of our partners. On the evidence of this last year, I feel more confident than ever that we can achieve even more for those we serve.

Sam Parker

Message from the Chair of the Board of Trustees



The achievements in this report are all the more impressive for the well-known challenges brought on by Covid-19 in 2020.

The creativity of the SF team was challenged – how to continue deploying funding and providing support to the social enterprises within its portfolio despite travel restrictions and local lockdowns?

I commend the work Sam and his team have done to understand and tackle the challenges facing social enterprises and working with them to strengthen resilience, and ensure essential services of energy and transport are still able to reach low-income consumers across Africa and India, that are suffering and unable to access education, employment and health opportunities.

In particular, it is encouraging to see the role SF has played with other sector organisations to build collaborative solutions or adapt existing structures, including the Household Solar Funders Group and an Energy Access Relief Fund, that protect existing impact and will hopefully accelerate recovery.

This collaboration has been especially important in India, which has been dramatically impacted by Covid-19 in recent months. The work of the SF team to support the enterprises, the entrepreneurs, their employees and customers has been outstanding.

The challenge of attracting finance at scale into the energy and transport sectors remains a challenge, and I believe SF plays a critical role in sharing learnings and insights from its work and creating innovative mechanisms for the sector. These two workstreams provide information and opportunity to attract more and bigger social funders.

That SF goes into 2021, and beyond, resilient and committed to continue addressing global development challenges is testament to management, the team, the strategic partnerships, and the entrepreneurs working around the world.

Gail Klintworth



Shell Foundation Programmes



A network of more than 16,000 rural Dharma Life Entrepreneurs – mostly women – conduct innovative campaigns to educate rural populations and make social-impact products and services accessible and affordable. Products include solar lanterns and clean cooking equipment, which help improve health and wellbeing of the customers and provide energy in ways that reduce or eliminate harmful emissions compared to traditional methods.

SHELL FOUNDATION OUTCOME INDICATORS

Performance Analysis

In line with an ‘enterprise-based’ approach, SF focuses on measuring its own performance and its partners’ progress towards sustainability and large-scale impact.

Since 2010, SF has used four aggregate metrics to measure its overall developmental impact, with the intention to facilitate knowledge and learning rather than to use the KPIs as goals in themselves.

Tracking and measuring changes in performance against pre-defined milestones and impact targets allows SF to better allocate resources to deliver greater development outcomes.

Partner Performance

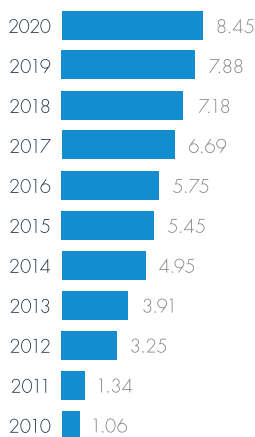
From the outset SF supports partners to define a few key metrics specific to their organisations. Wherever possible, SF draws upon independent monitoring and evaluation to validate reported data. SF’s partners track and measure a wide variety of development outcomes including:

- low-income customers served, e.g. through product sales or bus ridership;
- environmental benefit, e.g. reductions in emissions or water usage;
- economic benefit, e.g. jobs created, earnings increased, money saved; and
- social benefit, e.g. improved health or time saving.

SF’s partners also track progress to sustainability through financial reporting as well as performance ratios (such as subsidy per product sold). Regularly tracking performance against projected targets helps SF to better understand overall performance, respond quickly to unexpected challenges and improve the effectiveness and efficiency of its support over time.

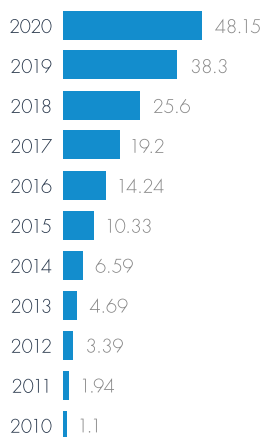
LEVERAGE

\$8.45 BN



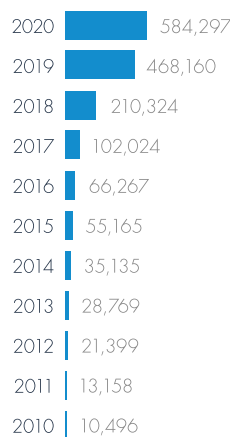
CARBON REDUCTIONS

48.15 M/TONNES



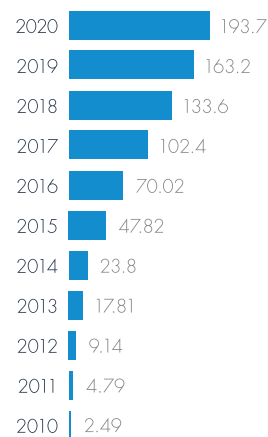
JOBS SUPPORTED

584,297



LIVELIHOODS IMPROVED

193.7 M



Cumulative figures as at end 2020 as supplied by SF’s partner portfolio



ACCESS TO ENERGY

By co-creating and supporting the scale-up of pioneering social enterprises and market enablers, SF is helping to increase the availability of modern energy services to low-income consumers in ways that are financially viable and scalable. These services provide energy in ways that reduce or eliminate harmful emissions and improve the lives of low-income populations by helping them access education, employment and health opportunities.

At a Glance: Strategic Report – Achievements and Performance

ACCESS TO ENERGY

Shell Foundation believes energy to be the key driver of social development. Access to affordable, appropriate energy benefits health, education and earning potential.

In order to increase the availability of modern energy services to low-income consumers in ways that are financially viable and scalable, we co-create and support the scale-up of pioneering social enterprises and market enablers (such as supply chain or financial intermediaries).

60 mini-grid projects financed by CrossBoundary Energy Access bringing power to

34,000

people in Tanzania



Over

13million

solar energy units sold by Greenlight Planet in over 50 countries bringing power to thousands



Over

52,000

farmers and family members in East Africa, South America and India impacted by the use of clean cooking fuel and organic fertiliser produced by Sistema.bio's biogas units



At a Glance: Strategic Report – Achievements and Performance

ACCESS TO ENERGY

Household energy

SF aims to improve access to affordable, reliable and modern energy products for low-income households in Africa and Asia in order to alleviate poverty, hardship, suffering and distress.

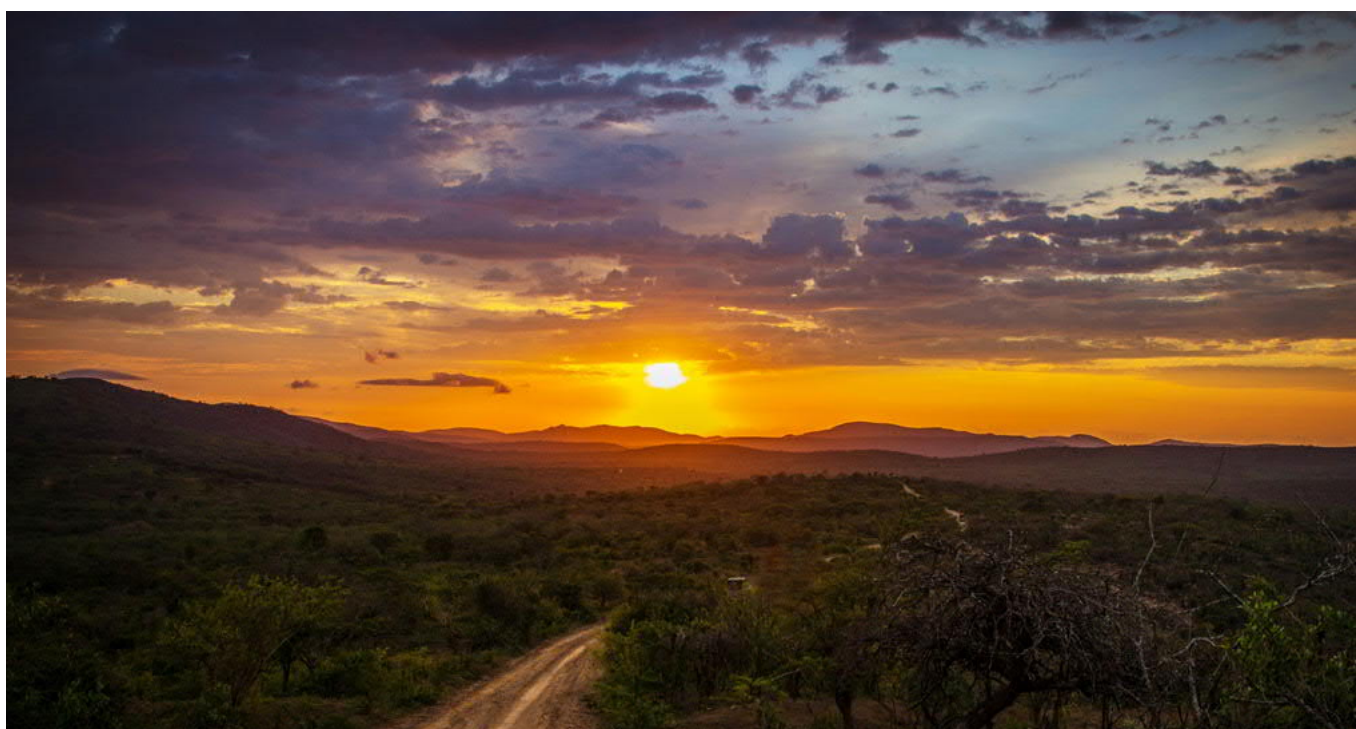
In 2020, with severe challenges brought on by Covid-19, SF focused on helping its portfolio to improve efficiency of operations and continue reaching low-income consumers, coordinated at sector level to address key challenges and supported new models working with local entrepreneurs in ‘frontier markets’, where millions of low-income consumers remain largely unreached.

2020 key highlights

- The Household Solar Funders Group was founded, bringing together 36 leading funders in the sector to identify key opportunities for collaboration and amplify overall sector impact.
- VentureBuilder, which provides early-stage equity financing and enterprise development services to locally-owned and managed African off-grid energy companies, made its second investment into an operating company in Malawi.

Future plans

SF will continue to engage with supporters and funders in the sector to attract resilience and growth capital into helping household energy businesses in established markets, whilst also replicating or adapting their models to enter frontier territories with high numbers of underserved and low-income consumers living below the poverty line and unreachable by commercial means.



VentureBuilder is pioneering an innovative model to scale African-owned and managed off-grid solar companies that deliver energy access and alleviate poverty for millions of low-income households in Africa.

At a Glance: Strategic Report – Achievements and Performance

ACCESS TO ENERGY

Off-grid utilities

Off-grid utility models can provide reliable and affordable modern energy that powers household activities such as lighting and mobile phone charging as well as business and community services.

2020 key highlights

- The African Mini-Grid Developers Association (AMDA), a non-profit trade association SF co-created with the UK’s Foreign, Commonwealth and Development Office (FCDO) in 2018, released the sector’s first major benchmarking publication, which uses coordinated sector data to provide a detailed overview of the sector in Africa to help investors and developers improve their decision-making.
- Nayo Tropical Technology, a mini-grid developer, partnered with Nigeria’s Rural Electrification Agency (REA), to provide off-grid power to Covid-19 response health facilities. The sites were built and made operational within a week by four employees.

Future plans

SF is focused on bringing new technology and business models that reduces mini-grid construction and operational costs, increases demand among low-income communities and provides system data to find efficiencies. These measures are vital if off-grid utilities are established in a way that serves populations living in poverty and hardship.

As it looks to crowd in more supporters and funders, SF commissions and shares research and learning that encourages the growth of this sector.



Nayo Tropical Technology together with Nigeria’s Rural Electrification Agency provided off-grid power to Covid-19 response health facilities. The sites were built and operational within a week by four employees

At a Glance: Strategic Report – Achievements and Performance

ACCESS TO ENERGY

Energy for business

SF is seeking to test new technologies and develop business models tailored to meet the unique energy needs of small businesses and smallholder farmers and improve their livelihoods.

We have a particular focus on agriculture as part of our CASEE partnership with FCDO, looking at improving rural farmers' access to resources, finance and insurance, knowledge and markets.

2020 key highlights

- SunCulture, which provides solar irrigation products, finance and training to increase smallholder farmer performance, secured a partnership with EDF and Bboxx that will see the distribution of >2500 solar irrigation pumps to smallholder farmers in Togo. This will result in more energy efficient operations and income increases for farmers, who are often living below the poverty line.
- Pula, which provides accessible, scalable insurance solutions by bundling insurance with the inputs farmers already use, including seeds and fertiliser, reached the milestone of insuring more than a million smallholder farmers and protecting them from impacts of climate shocks that can be devastating to their wellbeing and that of their families.

Future plans

SF is committed to increasing its work incubating and scaling early stage technology companies that design, manufacture and distribute renewable energy agricultural assets for smallholder farmers, link farmers to markets and improve access to quality inputs and data so that they can escape subsistence lives and escape poverty and hardships.



SunCulture secured a partnership with EDF and Bboxx that will see the distribution of more than 2,500 solar irrigation pumps to smallholder farmers in Togo.

At a Glance: Strategic Report – Achievements and Performance

ACCESS TO ENERGY

Access to finance

Covid-19 has restricted further access to suitable finance for energy businesses serving low-income consumers in emerging markets. SF has continued to address this by publishing industry research and learnings that demonstrate the social impact of its work and articulates the need for more involvement. We also create innovative mechanisms that provide appropriate financing to support enterprises from pilot to growth stage.

2020 key highlights

- SF played a critical role in establishing an Energy Access Relief Fund with key sector actors, steering its design to help energy access enterprises continue reaching target customers with resilience funding.
- We ran a series of virtual engagement sessions, which saw more than 90 social-investment organisations attend small (~5 participants) webinars to identify opportunities into the SF portfolio of enterprise and institutions.

Future plans

SF is committed to increasing the level of patient, risk-tolerant finance to support enterprises at various stages of growth. To achieve this, we engage with relevant and aligned social investors, providing them with evidence and research from our work, and support our partner enterprises with their own readiness to attract and receive funding.



SF played a critical role in establishing an Energy Access Relief Fund with key sector actors, steering its design to help energy access enterprises continue reaching target customers with resilience funding.

ACCESS TO ENERGY – RESOURCES EXPENDED

	2020	2019
	\$000	\$000
Grants	19,870	21,016
Direct costs	14,720	12,635
Support costs	3,006	2,241
TOTAL	37,596	35,892

At a Glance: Strategic Report – Achievements and Performance

ACCESS TO ENERGY: CASE STUDY



CrossBoundary Energy Access: An open-sourcing approach to mini-grid financing

To achieve the UN Sustainable Development Goal 7 (SDG7) – universal access to affordable, reliable, sustainable and modern energy by 2030 – millions of households will need to gain access to electricity. It is estimated that mini-grids can serve nearly half of these households and are often the lowest-cost form of electrification for off-grid populations. This, however, would require \$128bn in mini-grid investments over the next 10 years.

To try to fill this funding gap, in late 2020, CrossBoundary Energy Access (CBEA), the blended finance facility for mini-grids, open-sourced its approach to investing infrastructure capital across Africa. By releasing core components of its financing approach, CBEA hopes to unlock access to the \$1 trillion infrastructure funding and support the mini-grid sector to meet its potential and be the least cost method to provide energy access to at least 264 million people by 2030.

The open sourced materials included:

- A white paper that sets out the financing structure and guiding principles, the typical challenges and risks encountered in implementing the structure in practice, possible improvements to the model, and recommendations for investors, developers, donors, and governments.
- Term sheets for the project contracts and the corresponding project finance model in the first quarter of 2021.

The open source initiative addresses one of the critical building blocks the mini-grid sector needs to scale – long-term, low-cost infrastructure capital. It ensures that our funding to CBEA continues to unlock maximum impact and complements the other sector-building work we support to bring in the public capital the sector needs to scale.

\$1 trillion

infrastructure funding needed to help the mini-grid sector to meet its potential

Mini-grids

the least cost method to provide energy access to the under-served

Ambition to reach at least

264 million

people by 2030



CBEA hopes to unlock access to the \$1 trillion infrastructure funding and support the mini-grid sector to meet its potential and be the least cost method to provide energy access to at least 264m people by 2030



SUSTAINABLE MOBILITY

Easy Matatu is reforming informal public transport in sub-Saharan Africa by building a community of trusted matatu drivers and a fleet of vetted matatu vehicles to provide first-rate and affordable transportation to the public.

At a Glance: Strategic Report – Achievements and Performance

SUSTAINABLE MOBILITY

At the heart of international development is the ability to move people and goods efficiently.

Access to affordable and reliable transport affects all aspects of daily life, including health, education and employment opportunities, helping to lift people from poverty and hardship.

SF looks at how new technologies, businesses and institutions can enable urban, rural and global freight services to drive development. These include:

- Connecting isolated communities
- Coordinating vehicles and routes via digital platforms
- Standardising methodologies for measuring emissions
- Establishing public/private relationships to incentivise infrastructure planning

3,000

villages in India serviced by Tusker's last mile distribution model



Over

3,200

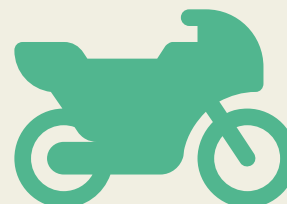
monthly bookings made using the Easy Matatu app in Uganda



Over

3.7 million trips

completed using MAX.ng's safe affordable motorcycle taxis in Nigeria



At a Glance: Strategic Report – Achievements and Performance

SUSTAINABLE MOBILITY

SF provides support to unproven mobility businesses with scalable solutions that increase access to affordable, clean transport in cities, improve the delivery of urban and rural transport services, and reduce emissions intensity through technology innovation.

2020 key highlights

- Nigerian mobility provider MAX.ng raised NGN400 million (\$1m) in capital with an innovative bond issue, the first of its kind for the mobility sector in Africa. The issue will lead to more than 1,300 additional drivers on the MAX.ng network, which has been shown to be safer for passengers and bring better economic security to drivers in an otherwise unregulated industry.
- New SF partner ASOBO launched its electric boat motor business on Lake Victoria in Kenya, which helps local fisherfolk reduce emissions and increase the profitability of their business
- Smart Freight Centre increased the number of multinationals using the GLEC Framework to calculate and report logistics emissions to 78 (up from 40 in 2019), and 121 carriers (up from 80) with trained fleet managers across China, Ireland, South Africa, Brazil and Uruguay

Future plans

SF continues to identify and support the scale-up of disruptive transport business models that better serve low-income consumers in Africa and India, with a particular focus on the promotion of cleaner technologies and advocating the issue as a major challenge to the international development community.



Operating across 6 cities in Nigeria, MAX.ng makes mobility safe, affordable, accessible and sustainable and at end 2020 had already served over 800,000 people. MAX.ng has also deployed its first set of e-motorcycles with charge stations across Nigeria, reducing emissions caused by petrol engines.

SUSTAINABLE MOBILITY - RESOURCES EXPENDED

	2020	2019
	\$000	\$000
Grants	4,757	6,218
Direct costs	841	737
Support costs	482	463
TOTAL	6,080	7,418

At a Glance: Strategic Report – Achievements and Performance

SUSTAINABLE MOBILITY: CASE STUDY

ASOBO

Asobo – Improving the lives of East African fisherfolk

Tens of thousands of people living on the islands on Lake Victoria in East Africa make their living from fishing.

But the damage being caused by the petrol engines used on the boats affect both the environment and the livelihoods of those using them.

As well as being unreliable, the engines are expensive and dirty and when the water is polluted, the fish automatically migrate to another point on the lake. Following the fish means polluting the next area of water in a never ending destructive cycle.

To help solve this, in 2020 SF began supporting ASOBO, the first organisation of its kind to create a sustainable platform for e-mobility services on the water for low-income communities.

ASOBO's electric outboard engine – or e-Boarder – powered by renewable energy, dramatically reduces the impact of the boats on the environment and improves the livelihoods of the fisherfolk. The e-Boards are powered by lithium batteries which are recharged in renewable energy hubs. And they have no impact on the performance of the boats, being comparable to their petrol equivalents.

ASOBO provide a full service model. For example, the upfront cost of the e-Board can be high so customers are offered long-term rental which is on average lower than what the fisherfolk pay at present so this saves them money in the long run, meaning they can provide more for their families.

Customers no longer have to queue at petrol stations. At the switch of a button, they can start their working day, earn more income, and conserve the lake at the same time.





Report of the Trustees and Financial Statements 2020

Additional copies of this report, the reports for prior years and further information regarding the activities of Shell Foundation may be obtained from the following web site:

www.shellfoundation.org

REPORT OF THE TRUSTEES

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Report of the Trustees for the year ended 31 December 2020

The Trustees, who are also directors of the Foundation for the purpose of the Companies Act, present their annual report and the audited consolidated financial statements for the year ended 31 December 2020.

The information with respect to Trustees, directors, officers and advisors set out on page 4 forms part of this report as does the report on Achievement and Performance on pages 7 to 19. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, applicable Accounting Standards in the United Kingdom, the Statement of Recommended Practice 'Charities SORP (FRS 102)' effective 1 January 2019.

STATUS AND ADMINISTRATION

Shell Foundation ('the Foundation' or 'SF') is a charitable company limited by guarantee, incorporated on 31 May 2000 (company registration number 4007273) and registered with the Charity Commission as a charity on 2 June 2000 (charity registration number 1080999).

Since 14 February 2008, the Foundation has had charity registration with the tax authorities in The Netherlands (as an *algemeen nut beogende instelling*, registration number 823793059). The Foundation is also registered in the United States of America under section 501(c)(4) of the Internal Revenue Code, identification number 98 0368454.

The Foundation has a single subsidiary, SF Investment Management Limited, (company number 09425215), which was incorporated in 2015 to manage a restricted programme with USAID to generate employment in Iraq through investment in small and growing businesses. On completion of this programme, any proceeds from the investments are to be returned to USAID.

Structure, Governance and Management

RELATIONSHIP WITH THE SHELL GROUP

To ensure clarity in the relationship of the Foundation to Royal Dutch Shell plc and its subsidiaries ('the Shell Group'), the Foundation Board includes a Chair and a majority of independent members who have no direct relationship with the Shell Group, known as the 'Nominated Trustees'. They are selected for their experience and eminence in the Foundation's field of activities.

Between incorporation and 31 December 2000, donations of \$259 million were received from the Shell Group, of which \$256 million was in the form of an expendable endowment and the balance as unrestricted funds.

In addition to the endowment, the Foundation has received restricted and unrestricted donations from the Shell Group totalling \$254 million to the end of 2020.

GOVERNANCE AND INTERNAL CONTROLS

Trustees are formally appointed by the sole member of the Foundation (The Shell Petroleum Company Limited) upon their identification, selection and recommendation by the Board of Trustees. New Trustees are provided with information on Trustee guidelines as prepared by the Charity Commission, and information on the Foundation as appropriate. Briefing discussions are held with the CEO of the Foundation and other key staff. Trustees are requested annually to confirm any related party transactions.

The Trustees meet formally at least twice each year. They review and approve:

1. The Foundation's financial results and statutory returns;
2. Internal controls (including delegation of authorities and segregation of duties);
3. Risks associated with the Foundation's activities and appropriate mitigation measures in respect of these;
4. The endowment investment returns, strategic asset allocation, and performance of the fund manager;
5. Social investment performance;
6. A strategic plan and annual budget for the Foundation;
7. Management accounts, variances from budget, and non-financial performance indicators;
8. The team's performance against pre-determined annual targets, including the scorecard outcome;
9. Certain proposed actions that are above the authority level of the Senior Management Team (SMT).

The Board is supported in items 1-3 by an Audit and Risk Committee (ARC); by an Investment Committee (IC) for item 4; and by a Remuneration Committee for item 8.

The ARC comprises three Trustees and a co-opted expert, who invite the Foundation CEO, CFO and external auditor to attend as required. The Chair and a majority of the ARC are Nominated Trustees. They take responsibility on behalf of the SF Board of Trustees to ensure that there is a framework for accountability; for examining and reviewing systems and methods of control, both financial and otherwise, including risk analysis and risk management; and for ensuring that SF is complying with all aspects of the law, relevant regulations and good practice. It reports back to the Board and makes recommendations as appropriate.

The IC comprises two Trustees, a co-opted expert, the CEO and CFO, advised by an independent investment advisor (Cambridge Associates). The remit of the IC is to establish, review, recommend and report to the Board on the Investment strategy and policy for all financial investments and the selection and performance of fund manager(s) including the Investment management agreement(s).

The Remuneration Committee consists of three Trustees. The committee reviews performance for the year as reflected in the Foundation's scorecard and makes a recommendation to the Board for the scorecard outcome. The scorecard

Report of the Trustees for the year ended 31 December 2020 (continued)

outcome determines a component of the remuneration of Shell Foundation staff.

The Trustees have delegated operational management of the Foundation to the CEO, who reports on the performance against the strategic plan and budget as approved by the Trustees.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Report of the Trustees (including the Strategic 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 the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standard FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (2006 Companies Act). 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 the affairs of the Foundation and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the FRS102 Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" has been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

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

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the Trustees are aware:

- (a) there is no relevant audit information of which the company's auditor is unaware; and

- (b) they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

GRANT COMMITMENTS

The Foundation identifies strategic partners it wants to support in order to further its charitable purposes for the public benefit, and does not encourage the submission of unsolicited grant applications.

As part of its risk control framework, the Foundation conducts due diligence assessments of these prospective grantees (grant recipients) prior to awarding grants to confirm that, at the time of grant approval, there is an expectation that the project is likely to be successful and, therefore, that the grant commitment will be paid in full. Grants are assessed and approved by the Board of Trustees or Management Team, depending on value.

Certain milestones must be met by the grantee to receive scheduled grant payments to ensure they remain aligned to the Foundation's charitable objectives. The expectation upon signing the Letter of Commitment (LOC) is that the grantee will be able to achieve the milestones. Progress against milestones is monitored using a variety of methods including reports from the grantee, meetings with grantees, reviews of their activities, visits to the grantee sites and receiving feedback from the communities the grantee is serving. Where a grantee does not meet a milestone the payment of that instalment of the grant may be deferred until such time as the milestone has been met, or ultimately the grant may be terminated if it is deemed no longer possible that project objectives can be met.

SOCIAL INVESTMENTS

Grant funding continues to be SF's standard mechanism for early support to partners. Other forms of social investment will be considered, in relation to the scale-up of existing Foundation strategic partners and in ways that confer advantages (e.g. leveraging support from other investors), and this may include convertible grants, repayable grants/ loans, fund investments, equity, and financial guarantees. These social investments further the delivery of SF's charitable objectives and KPIs.

Any private benefit generated by SF's social investments is incidental to the pursuit of the public benefit and its charitable objectives. The Foundation seeks to liquidate its social investments once the investee enterprise is sufficiently mature and profitable to attract a broader range of growth stage investors and funding. However, grants may continue to be provided for more mature partners to fund specific research areas, new products, or market entries that otherwise would not be commercially viable yet have the potential to deliver significant social impact.

Report of the Trustees for the year ended 31 December 2020 (continued)

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The primary objectives of the Foundation are stated in its governing document and include:

1. *The protection and preservation of the environment and public health by means of education and research into the provision and use of energy in ways that reduce or eliminate harmful emissions. The Foundation has pursued this objective via grants made through its Access to Energy, Sustainable Mobility and Sustainable Job Creation programmes.*
2. *The relief of poverty, suffering, hardship and distress. This objective has been furthered via grants made through all the Foundation's programmes.*

These objectives have been met through the activities described in this report.

The Trustees confirm they have complied with the guidance contained in the Charity Commission's general guidance on public benefit in section 4 of the Charities Act 2011 when reviewing the Foundation's aims and objectives and when considering grants to be awarded. The Foundation's Articles permit it to make grants to further these objectives anywhere in the world, and its policy is to act as a truly international grant-making foundation.

Financial Review

In line with the current statutory requirements and the updated Statement of Recommended Practice 'Charities SORP (FRS 102)' effective 1 January 2019, SF included an Analysis of changes in Net debt in note 21 and updated staff band changes Employee Information, note 8. SF carried out an assessment on the other changes and concluded no other were needed at this stage.

FINANCIAL ACTIVITIES

The Statement of Financial Activities is included with the financial statements on page 28.

Shell Foundation operates within strict budgets as approved by the Board on an annual basis. In 2020 all expenditure was within the agreed budgets and limits. Endowment withdrawals are in accordance with Investment Committee policy and per annual approval of SF Board.

Restricted income fell from \$35m in 2019 to \$7m in 2020 and restricted expenditure followed this pattern. This is in accordance with plan as a five year funding agreement with the Foreign and Commonwealth Development Office (FCDO, formerly DFID) comes to an end in 2021. Shell Foundation is well positioned to enter into other restricted funding partnerships and equally to ensure its activities and commitments can be met with unrestricted endowment resources.

The impact of Covid-19 continues to affect the social investment portfolio with increased impairments recorded during 2020.

These impairments result in higher reported unrestricted charitable expenditure in 2020 (\$35m) compared to 2019 (\$30m).

PRINCIPAL FUNDING SOURCES

The Foundation's annual grant programmes are funded by distributions from its endowment fund. Shell Group made unrestricted donations of \$14.3 million in 2020 (2019: \$6 million). Restricted donations totalling \$6.8 million (2019: \$34.4 million) were received from FCDO, USAID and Toyota enabling the Foundation to amplify its programme.

RESERVES

The Foundation holds an expendable endowment to sustain the funding of its annual programmes. The investment policy adopted by Trustees aims to maintain the real value of both distributions and the endowment asset value.

The Foundation's endowment constitutes unrestricted reserves and is sufficient to meet the commitments and ambitions of the Foundation now and in the future. Commitments are met by liquidating endowment assets as and when required. The reserve policy is reviewed regularly by the Audit & Risk Committee.

At the year end the surplus in restricted funds was the value of social investments made under the FCDO TIME partnership. On repayment, these funds will be redirected to new projects to further our charitable objectives consistent with the Partnership governing documents.

ENDOWMENT INVESTMENT POLICY AND PERFORMANCE

The endowment is invested in a diversified portfolio of global equities, hedge funds, fixed income and real estate. In order to mitigate the risk associated with currency exposure, the investment portfolio is partially hedged back to the Foundation's functional currency of US Dollars (by the investment manager) through the use of forward contracts.

In 2020, financial markets were negatively influenced in the early part of the year by the impact of the Covid-19 pandemic on economic activity, and all subsequent movements have to be seen in light of the ongoing impact of Covid-19 during the year and the response of governments and global institutions. Markets rebounded in the second quarter, largely driven by the large amounts of quantitative easing from monetary authorities and other monetary and fiscal stimulus measures. Fixed income markets benefitted from central bank policies of lower interest rates, the provision of liquidity, and expanded quantitative easing. Real Estate was negatively impacted by depressed valuations for retail and other commercial property assets as a result of Covid-19.

The total return of the portfolio for the year was positive (+12%, 2019:+18%) in line with the benchmark.

The Equity portfolio had strong performance with a +15% (2019:+25%) return over the year, with all regions performing

Report of the Trustees for the year ended 31 December 2020 (continued)

strongly in the second half of the year on the back of optimism about Covid-19 vaccines and expectations of further fiscal stimulus from the incoming US administration. Fixed income showed positive results over the year (+7%, 2019:+7%), with both the credit pool and the US Treasury portfolio delivering positive returns. The hedge fund portfolio performance was positive over 2020 (+9%, 2019:+4%), overperforming significantly versus the benchmark, driven by strong manager selection outcomes and funds benefiting from holding Covid-19-related stocks. Real estate recorded a +1% (2019:+5%) total return for the year.

Over a three-year horizon, all asset categories posted positive absolute returns.

Since the year end, the valuations of all asset classes in the portfolio have been maintained. SF has a long term investment policy and as at May 2021, the Trustees remain comfortable that existing investment policy will be followed throughout future market volatility, with investment performance reviewed regularly by the Investment Committee.

PLANS FOR FUTURE PERIODS

See the review of achievements and performance on pages 10 to 19 for details of future plans.

Shell Foundation is largely funded from an expendable endowment which, even if faced with significant market volatility or negative sentiment, is well placed to fund all anticipated spending needs in coming years. In the event that restricted income is lower than seen in recent years, SF can modify spending plans and ambitions. SF has very few long term commitments and so is able to 'right size' relatively easily, without jeopardising social impact already created.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees have identified the major risks to which the Foundation is exposed. The level of exposure for each risk is assessed by considering the likelihood of occurrence, the potential consequences of occurrence and the effectiveness of existing controls in place and actions taken to mitigate the risk. The Trustees review these assessments at least twice a year through their Audit and Risk Committee and at their board meetings. None of the key risks is currently regarded as posing an unacceptable residual exposure.

Other risks include:

Reputation: Maintaining an appropriate reputation is fundamental to SF's ability to deliver meaningful positive benefit to its target beneficiaries, as it impacts the Foundation's ability to attract and maintain partnerships across both public and private sectors. The Trustees are attuned to the range of issues which could affect the Foundation's reputation, monitor reputational issues closely and are committed to taking the actions necessary to protect the reputation of SF.

Staff: Its experienced and committed team is a key asset of SF and of fundamental importance to its success. The ability to attract, retain and motivate team members is therefore essential to SF's ongoing activity. The Board seeks to ensure that any issues related to SF's team are managed timely and effectively by the senior management team. Staff wellbeing during the Covid-19 pandemic is a primary focus and will continue to be monitored regularly with additional actions taken where necessary.

Partners: The Foundation is reliant on strategic partners to take programmes forward and build both developmentally sound and financially viable businesses. This risk continues to be managed through the careful selection process for new partners, and ongoing management of existing partners. The Covid-19 pandemic continues to have a significant impact on the ability of partners to execute their business plans and raise funds. This is expected to continue for the foreseeable future and is being carefully monitored and managed by SF. Measures include advising partners in their Covid-19 response, assessing partner cash adequacy, re-purposing of funding to support partner adaptation to the Covid-19 situation, and providing bridging funding where partner fundraising has been delayed.

Independence and relationship with Shell: The Trustees explicitly recognise their charitable responsibilities in this regard by stating formally in Shell Foundation's Business Principles that the Foundation's activities will always be consistent with achieving its mission and cannot promote the commercial interests of the Shell Group, and that any benefit that may accrue to the Shell Group from the Foundation's activities will be incidental and outweighed by the contribution to the Foundation's charitable objectives. Activities that could give rise to heightened independence concerns are identified and managed accordingly, including regular reporting to the Audit & Risk Committee where appropriate. The ARC is chaired by an external Trustee to provide robust scrutiny and independent risk assessment and response.

Investment Risk: The long-term financial independence of the Foundation depends on the performance of the endowment fund. The Trustees have implemented clear investment objectives and the Investment Committee regularly reviews investment performance and strategy. To ensure the Foundation's investment objectives are met, there is a considerable allocation to return-seeking assets, meaning volatility in annual investment performance is expected and accepted.

The Foundation has also made a number of social investments. The key financial risk associated with these investments is the size, timing and reliability of cash flows. This cash flow risk is mitigated by regular monitoring of the investments and a prudent approach in cash flow forecasting.

The Covid-19 pandemic caused significant volatility in endowment investment returns in the first half of 2020, but these recovered strongly by the end of the year. The medium to long term impact on investment performance will depend on future

Report of the Trustees for the year ended 31 December 2020 (continued)

developments, including (i) the duration of the pandemic, (ii) the impact of vaccines and new variants of the virus, (iii) the effects on the financial markets, and (iv) the effects on the global economy overall, which are uncertain. Notwithstanding, the endowment investments are considered sufficiently liquid to sustain significant downturn whilst maintaining current level of operations for many years into the future. For further information on the Trustees' assessment of going concern, please refer to the Basis of Preparation.

Monitoring and Evaluation: A delivery risk on monitoring and evaluation is recognised as the Foundation has grown significantly over recent years, requiring renewed focus on implementing efficient and systematic ways to measure its charitable performance and research outcomes. To support this, SF is in the process of recruiting a dedicated member of staff and continues to develop its monitoring and evaluation software.

Compliance: The increase in the size and complexity of SF, combined with an ever more demanding external regulatory environment, presents a heightened compliance risk. As SF increasingly works closely with external donors it is essential to ensure that their requirements are understood and met alongside other legal, regulatory and reporting requirements. To respond to this risk, teams have been strengthened with a dedicated, experienced member of staff, and additional training is provided to staff as required. Assurance procedures have been enhanced to support management of compliance requirements by partners.

Portfolio management: This risk also relates to the growth of SF. As the number of partners has increased so have the demands of managing them effectively to ensure delivery of SF's objectives and donors' expectations. Senior management carefully monitors the allocation of partners within the programme team as new partners are added, existing partners mature and SF staffing changes. Partners are reallocated and the team strengthened when necessary. The SF team has adapted working practices in response to Covid-19 and is working virtually which makes effective portfolio management more challenging. Working practices are subject to regular review as the Covid-19 situation develops, in particular with respect to international travel.

Brexit: Brexit has the potential to disrupt SF activities in a number of ways. Possible impacts include reduced endowment investment returns, exchange rate volatility, political turmoil impacting government funding for international development, staffing issues and difficulty travelling overseas. SF is monitoring developments since the end of the transition period on 31 December 2020, and expects this risk to fall away during 2021.

Health, Safety, Security and Environment (HSSE), including Safeguarding: In normal times, SF's own staff frequently travel to remote or developing places as they work with partners. The risks associated with this are carefully

managed, including making use of the Shell Group's HSSE systems where available. No staff have travelled on SF business since the first quarter of 2020, and SF is monitoring the situation on an ongoing basis. SF provides mentoring and guidance on HSSE to its partners and monitoring their HSSE systems forms part of the annual partner assurance process. In particular, SF is conscious to avoid its actions or its partners actions adversely affecting the safety, privacy and dignity of the people whose lives it aims to improve. SF has zero-tolerance Safeguarding policies and procedures and delivers a programme of Safeguarding training for all Foundation staff and its partners. The Foundation will continue to help individual partners to implement improved safeguarding policy and practice in their enterprises. The Foundation has two Safeguarding Officers and a Safeguarding Trustee identified, plus a dedicated member of staff focusing on programme compliance, including Safeguarding. Trustees and management have an increased focus on the wellbeing of staff and partners, assessing the need to mitigate potentially increased safeguarding and HSSE risks which can arise in crisis situations.

COVID-19: The coronavirus (Covid-19) pandemic has impacted some of the Foundation's partners' ability to meet business plans and contractual milestones due to lockdowns, restrictions on international and local travel, disruptions to supply chain for equipment and product, and difficulty in raising finance from other investors and financial institutions. Some partners expect to experience significant cash pressures. It has also impacted the ability of SF staff to visit partners and their customers in order to gain insight into their challenges. SF is working closely with partners and other institutions in the sector to support business resilience through the period of disruption.

INDEPENDENT AUDITOR

The sole member approved the adoption of Elective Resolutions on 28 March 2001, in accordance with the Companies Act 2006, to dispense with (a) the holding of Annual General Meetings, (b) the laying of report and financial statements before general meetings each year, and (c) the annual re-appointment of auditors.

Ernst & Young LLP accordingly shall be Independent Auditor of Shell Foundation pursuant to section 487(2) of the Companies Act 2006. In accordance with the Companies Act 2006, any Member or the Auditors may require the report and financial statements to be laid before a general meeting by depositing a notice to that effect at the registered office of the Foundation not later than 28 days after the despatch of the financial statements and reports to Members.

The Report of the Trustees, including the Strategic Report, were approved by the Trustees and signed on their behalf by order of the Board.

Independent Auditor's report to the member of Shell Foundation

Opinion

We have audited the financial statements of Shell Foundation (the 'charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the consolidated statement of financial activities, consolidated income and expenditure account, consolidated and charity balance sheets, cash flow statement and consolidated cash flow statement and the related notes 1 to 28, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's and group's affairs as at 31 December 2020 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and charitable company's ability to continue as a going concern for a period of 13 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report set out on pages 21 to 26, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matter prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the directors' report and the strategic report prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have identified no material misstatements in the strategic report or the directors' report included within the Trustees' report.

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:

- adequate accounting records have not been kept 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

Independent Auditor's report to the member of Shell Foundation (continued)

- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities set out on page 22, 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 give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's and group'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 management either intends to liquidate the charitable company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the reporting requirements to the Charity Commission and reporting under Companies Act 2006.
- We understood how Shell Foundation is complying with those frameworks by obtaining an understanding of the Company's procedures to ensure compliance and understanding the controls in place for Management to detect breaches in laws and regulations. We also considered the oversight of those charged with governance (i.e. considering the potential for override of controls or other inappropriate influence over the financial reporting process, such as efforts by management to manage earnings in order to influence the perceptions of stakeholders as to the entity's performance and profitability), and the culture of honesty and ethical behaviour and whether a strong emphasis is placed on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur by making enquiries of those charged with governance and management and considering the potential for override of controls or other inappropriate influence over the financial reporting process. We tested manual journal entries and performed the procedures on significant estimates and judgements.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved confirming if Management are aware of any breaches in laws or regulations or fraudulent activity, inspecting any correspondence between the charitable company and the Charity Commission, reading the minutes of the Board, testing manual journal entries and undertaking the FRS 102 disclosure checklist to ensure relevant requirements are met.

Use of our report

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

Stephen Reid (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh

Date: 24 June 2021

Consolidated statement of financial activities for the year ended 31 December 2020

Company Registered Number: 4007273

	Note	Unrestricted Funds 2020 \$000	Restricted Funds 2020 \$000	Endowment Funds 2020 \$000	Total Funds 2020 \$000
Income and endowments from					
- Donations	2	14,291	6,835	-	21,126
- Donated services	2	666	-	-	666
- Investments	3	378	48	8,932	9,358
Total Incoming Resources		15,335	6,883	8,932	31,150
Expenditure on Raising Funds					
Investment management costs		(510)	-	-	(510)
Total Cost of Raising Funds		(510)	-	-	(510)
Charitable Activities					
- Access to Energy		(29,500)	(8,096)	-	(37,596)
- Sustainable Mobility		(5,475)	(605)	-	(6,080)
- Sustainable Job Creation		-	-	-	-
Total Charitable Activities	4	(34,975)	(8,701)	-	(43,676)
Total Resources Expended		(35,485)	(8,701)	-	(44,186)
Net gains on investments					
Realised and Unrealised gains on the revaluation and disposal of investment assets		(417)	-	55,164	54,747
Net income/(expenditure) before transfers		(20,567)	(1,818)	64,096	41,711
Transfers between funds		8,000	-	(8,000)	-
Net income/(expenditure)		(12,567)	(1,818)	56,096	41,711
Net Movement in Funds		(12,567)	(1,818)	56,096	41,711
Fund balances brought forward at 1 January		37,086	28,170	521,252	586,508
Fund balances carried forward at 31 December		24,519	26,352	577,348	628,219

The Foundation has elected to take the exemption under section 48 of the Companies Act 2006 not to present the Foundation statement of financial activities. The Foundation's net movement in funds in 2020 was \$42 million surplus. All incoming resources, resources expended and resulting net movements in funds were derived from continuing activities.

The accompanying notes form part of these financial statements.

Consolidated statement of financial activities for the year ended 31 December 2019

Company Registered Number: 4007273

	Note	Unrestricted Funds 2019 \$000	Restricted Funds 2019 \$000	Endowment Funds 2019 \$000	Total Funds 2019 \$000
Income and endowments from					
- Donations	2	6,000	34,357	-	40,357
- Donated services	2	860	-	-	860
- Investments	3	340	523	10,469	11,332
Total Incoming Resources		7,200	34,880	10,469	52,549
Expenditure on Raising Funds					
Investment management costs		-	-	(361)	(361)
Total Cost of Raising Funds		-	-	(361)	(361)
Charitable Activities					
- Access to Energy		(22,691)	(13,201)	-	(35,892)
- Sustainable Mobility		(6,968)	(450)	-	(7,418)
- Sustainable Job Creation		(67)	(2,594)	-	(2,661)
- Incubator		-	-	-	-
- Policy and Advocacy		-	-	-	-
Total Charitable Activities	4	(29,726)	(16,245)	-	(45,971)
Total Resources Expended		(29,726)	(16,245)	(361)	(46,332)
Net losses on investments					
Realised and Unrealised losses on the revaluation and disposal of investment assets		-	-	68,976	68,976
Net income/(expenditure) before transfers		(22,526)	18,635	79,084	75,193
Transfers between funds		17,140	-	(17,140)	-
Net income/(expenditure)		(5,386)	18,635	61,944	75,193
Net Movement in Funds		(5,386)	18,635	61,944	75,193
Fund balances brought forward at 1 January		42,472	9,535	459,308	511,315
Fund balances carried forward at 31 December		37,086	28,170	521,252	586,508

The Foundation has elected to take the exemption under section 48 of the Companies Act 2006 not to present the Foundation statement of financial activities. The Foundation's net movement in funds in 2019 was \$75 million surplus. All incoming resources, resources expended and resulting net movements in funds were derived from continuing activities.

The accompanying notes form part of these financial statements.

Consolidated income and expenditure account for the year ended 31 December 2020

Company Registered Number: 4007273

	2020	2019
	\$000	\$000
Income	21,792	41,217
Gains on investments	54,747	68,976
Interest and investment income	9,358	11,332
Gross income in the reporting period	85,897	121,525
Expenditure	(33,084)	(35,705)
Impairment of Social Investments	(11,102)	(10,627)
Loss on investments	-	-
Total expenditure	(44,186)	(46,332)
Net income/expenditure before tax for the reporting period	41,711	75,193
Tax payable	-	-
Net surplus/(deficit) of income over expenditure for the year	41,711	75,193

Consolidated and charity balance sheets as at 31 December 2020

Company Registered Number: 4007273

	Note	Group 2020 \$000	Group 2019 \$000	Foundation 2020 \$000	Foundation 2019 \$000
Fixed Assets					
Endowment	10	577,348	521,252	577,348	521,252
Social investments	11	51,752	56,027	42,871	50,265
Subsidiary undertakings	12	-	-	15,020	16,930
Total Fixed Assets		629,100	577,279	635,239	588,447
Current Assets					
Debtors:					
amounts falling due within one year	13	5,076	11,813	5,076	11,813
amounts falling due after one year	13	-	200	-	200
		5,076	12,013	5,076	12,013
Cash at bank and in hand	14	16,198	22,774	9,833	11,431
Social investments	11	3,528	3,604	3,528	3,604
Total Current Assets		24,802	38,391	18,437	27,048
Creditors: amounts falling due within one year	15	(23,010)	(27,860)	(22,975)	(27,827)
Provisions	16	(2,000)	-	(2,000)	-
Net Current Assets	19	(208)	10,531	(6,538)	(779)
Total Assets less Current Liabilities		628,892	587,810	628,701	587,668
Creditors: amounts falling due after more than one year	17	(673)	(1,302)	(717)	(1,347)
Net Assets		628,219	586,508	627,984	586,321
The funds of the Foundation:					
Endowment Funds	18	577,348	521,252	577,348	521,252
Unrestricted Funds	18	24,519	37,086	24,519	37,086
Restricted Funds	18	26,352	28,170	26,117	27,983
Total Foundation Funds		628,219	586,508	627,984	586,321

The accompanying notes form part of these financial statements.

The financial statements on pages 28 to 59, authorised for issue, approved by the Trustees and signed on their behalf by:

Gail Klintworth
Chair of the Board of Trustees
24 June 2021

Cash flow statement and consolidated cash flow statement for the year ended 31 December 2020

Company Registered Number: 4007273

	Note	Group 2020 \$000	Group 2019 \$000	Foundation 2020 \$000	Foundation 2019 \$000
Net cash used in operating activities	20	(7,647)	7,750	(6,122)	9,850
Cash flow from investing activities					
Cash expended on endowment fund fees		-	(361)	-	(361)
Investment Income – unrestricted and restricted		426	863	378	708
Investment income from endowment funds		8,932	10,469	8,932	10,469
<i>Endowment Fund</i>	10				
Purchase of investments		(197,519)	(64,164)	(197,519)	(64,164)
Sale of investments		201,608	72,372	201,608	72,372
Gain/(Loss) on foreign exchange		175	(271)	176	(272)
(Decrease) in investment cash		(5,199)	(904)	(5,199)	(904)
<i>Investments</i>	11				
Purchase of programme related investments		(8,261)	(17,708)	(4,761)	(13,708)
Sale of programme related investments		909	1,272	909	1,272
Investment in subsidiary		-	-	-	(17,000)
Net cash from investing activities		1,071	1,568	4,524	(11,588)
Cash flow from financing activities					
Transfer out from endowment fund		(8,000)	(17,140)	(8,000)	(17,140)
Transfer into unrestricted funds		8,000	17,140	8,000	17,140
Net cash used in financing activities		-	-	-	-
Net (decrease)/increase in cash and cash equivalents		(6,576)	9,318	(1,598)	(1,738)
Cash and cash equivalents at the beginning of the year		22,774	13,456	11,431	13,169
Cash and cash equivalents at the end of the year		16,198	22,774	9,833	11,431

The accompanying notes form part of these financial statements.

Notes to the financial statements for the year ended 31 December 2020

Company Registered Number: 4007273

1. Summary of Significant Accounting Policies

GENERAL INFORMATION

Shell Foundation ('the Foundation') and its subsidiary, SF Investment Management Limited (together 'the Group') is an independent charity established by the Shell Group in 2000 to create and scale new solutions to global development challenges. We apply entrepreneurial thinking to create new ways to deliver social and environmental change and economic growth in low-income areas of the world. In line with our mission and charitable independence, Shell Foundation decides what issues to tackle, in which countries, with which partners, as well as if and when to draw on our links to Shell in ways that we believe will achieve large-scale development outcomes.

The company is a private company limited by guarantee and is incorporated in England. The address of its registered office is Shell Centre, York Road, London, SE1 7NA.

STATEMENT OF COMPLIANCE

The financial statements are prepared in accordance with the 'Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102)', effective 1 January 2019, and in accordance with applicable United Kingdom accounting standards and the Companies Act 2006. The accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

BASIS OF PREPARATION

These consolidated and separate financial statements are prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments. Social investments are recorded at historical cost less any impairment.

The Trustees have closely examined the current and potential future impact of Covid-19 on the ability of Shell Foundation to continue as a going concern and they remain assured of the Foundation's ability to continue on a going concern basis. Foundation activities are largely funded through withdrawals from a large, unrestricted, liquid endowment. As at 30 April 2021, the endowment value was \$603m and cash held in the bank was \$6m. At the current rate of planned withdrawals the fund is sufficient to cover more than 20 years of planned expenditure. The Trustees have reviewed in detail the ability of SF to continue as a going concern for a minimum period of 12 months from the date when the financial statements are authorised for issue, considering existing and budgeted commitments, operating costs, and a range of endowment valuations. In terms of the ability of the Foundation to meet all existing and planned commitments to at least July 2022, the endowment would have to experience a fall in value of 85% before the Foundation would have to modify planned commitments, whilst remaining able to meet existing commitments. The Trustees considered a period of at least 12 months to be sufficient because the Foundation has the ability to significantly modify subsequent future ambitions to match resources if required, although based on the stress test above, this is not anticipated.

BASIS OF CONSOLIDATION

The financial statements consolidate the results of the Foundation and its wholly owned subsidiary SF Investment Management Limited on a line by line basis. A separate Statement of Financial Activities and Investment and Expenditure Account for the Foundation has not been presented as the Foundation has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

FOREIGN CURRENCY

Functional and presentation currency

The Group financial statements are presented in United States dollars and rounded to thousands.

The Foundation's functional and presentational currency is the US dollar. This is because the operating currency of the Foundation is US Dollars, reflecting the high proportion of grants awarded and donations received in dollars and consequent dollar weighting of its investment funds.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the daily mean rate entered into the accounting system at the beginning of the month in which the transaction occurred.

At each period end, foreign currency monetary items are translated using the closing exchange rate. The exchange rate used at the year end to translate Sterling (GBP £) to US Dollars (USD \$) was USD/GBP \$1.3667 (2019 was USD/GBP \$1.3134).

Notes to the financial statements for the year ended 31 December 2020 (continued)

Company Registered Number: 4007273

FUND ACCOUNTING

Funds held by the Foundation are either:

- general unrestricted income funds, that are expendable at the discretion of the Trustees in furtherance of the Foundation's objects; or
- restricted income funds, that are expendable at the discretion of the Trustees in furtherance of the specific purpose stated by the donor; or
- expendable endowment funds, whose principal purpose is for investment to build the asset base of the Foundation to a sustainable level but which can be converted at the discretion of the Trustees into expendable income when needed.

INCOME AND ENDOWMENTS

Donations and investment income are included in the Statement of Financial Activities when the Foundation is legally entitled to the income, receipt is probable and its amount can be measured reliably. Restricted donations include government grants as detailed further in Note 2. Donated services, if applicable, are included in income at a valuation, which is an estimation of the value to the Foundation. Donated services of \$0.7 million were received in 2020 (2019: \$0.9 million).

Investment income arising from expendable endowment fund investments is added to endowment funds. This reflects the fact that the income is currently reinvested, in accordance with the investment strategy.

EXPENDITURE

The related expense for Donated services is included in expenditure and is an estimation of the value to the Foundation. Related Donated services expenditure was \$0.7 million in 2020 (2019: \$0.9 million).

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to programmes on a basis consistent with the use of resources. Support costs are allocated across the programmes based on the value of grants given out by that programme and direct costs attributable to that programme.

COSTS OF RAISING FUNDS

The costs of generating funds comprise investment management costs for both income generation and capital maintenance.

CHARITABLE ACTIVITIES

Charitable activity costs are comprised of grants, costs for processing grants and applications, direct costs invoiced to the Foundation, and for the administration and monitoring of projects. These costs include costs incurred for staff undertaking these activities. Staff costs are comprised of charges in respect of the services of employees of Shell Group companies in relation to Foundation activities. The Foundation has no direct employees.

Grant commitments charged as charitable activity costs in the Statement of Financial Activities represent the new commitments awarded by the Foundation in the year, as evidenced by the Letters of Commitment (LOCs) signed in that year. Grant commitments for which payments were outstanding at the year-end are shown as liabilities in the Balance Sheet. The commitments are not discounted.

Within support costs are costs for the strategic running of the Foundation itself as an organisation, as distinct from directly pursuing its charitable activities and include such items as external audit, legal advice for Trustees and costs associated with constitutional and statutory requirements. Indirect costs include a proportion of management (and other staff) time spent on strategic activities, together with donated overhead costs.

VALUE ADDED TAX ('VAT')

The Foundation is registered for Value Added Tax ('VAT') as part of the Shell International Petroleum Company VAT Group. Services provided by members of the same VAT group are not taxable. VAT incurred by the Foundation on all other expenditure is not recoverable, as the Foundation does not make any taxable supplies. Irrecoverable VAT is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Notes to the financial statements for the year ended 31 December 2020 (continued)

Company Registered Number: 4007273

GAINS AND LOSSES ON FOREIGN EXCHANGE

Monetary assets and liabilities denominated in currencies other than US Dollars are converted to US Dollars at the rate ruling at the balance sheet date. Items of income and expenditure in non-US Dollar currencies are converted at the daily mean rate entered into the accounting system at the beginning of the month in which the transaction occurred. Non-US Dollar items primarily relate to UK operating costs, which are incurred in pounds sterling ('GBP'), as well as a proportion of grants awarded in GBP and Euros. All realised and unrealised gains and losses on exchange are reflected in the Statement of Financial Activities.

INVESTMENTS

Investments are included at closing mid-market value at the balance sheet date. Any realised and unrealised gains and losses on revaluation or disposals form part of the fund in which the investment is held at the time of the revaluation or disposal. Realised and unrealised gains and losses are shown separately in the Statement of Financial Activities.

Programme related investments and mixed motive investments are carried at cost less any provision for impairment. Such investments are not able to be carried at fair value as there is no open market for such investments. All programme related investments and mixed motive investments are subject to review, and any impairment is charged to the Statement of Financial Activities.

Shell Foundation has for the financial year 2020 taken a dual approach for impairment of Social Investments. Where there is a clear objective indicator for the value of impairments to be taken, such as a Fund Manager report, this has been used. Where there is no such indicator, and the repayment terms are several years in the future, a portfolio approach has been taken based on remaining terms of the loans, and a provision for doubtful debts recognised in the Financial Statements.

FINANCIAL ASSETS

(i) Classification

The Foundation classifies its financial assets in the following categories: at fair value through SOFA; and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

1. Financial assets at fair value through the SOFA

Financial assets at fair value through the SOFA are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current investments.

2. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Foundation's loans and receivables comprise trade, contractual loans and cash on the balance sheet.

(ii) Recognition and measurement

Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through the SOFA. Financial assets carried at fair value through the SOFA are initially recognised at fair value, and transaction costs are expensed in the SOFA. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Foundation has transferred substantially all risks and rewards of ownership. Loans and trade and other receivables are subsequently carried at amortised cost using the effective interest method, less any provision for impairment.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through the SOFA' category are presented in the SOFA within interest income or expenses in the period in which they arise.

FINANCIAL INSTRUMENTS

The Foundation has the US Dollar as its functional currency. In order to mitigate the risk associated with investing globally in multiple currencies, the investment portfolio is hedged (by the fund managers) through the use of forward foreign exchange contracts. The mandate is to hedge 100% of non-US Dollar denominated fixed income investments and 100% of non-US dollar hedge fund investments. Unsettled forward contracts are marked to market at the balance sheet date. All realised and unrealised gains and losses on forward foreign exchange contracts are combined in the Statement of Financial Activities with the gains and losses on the underlying investment portfolio.

Notes to the financial statements for the year ended 31 December 2020 (continued)

Company Registered Number: 4007273

FINANCIAL LIABILITIES

(i) Classification

The Foundation classifies its financial liabilities in the following categories: at fair value through the SOFA; and amortised cost. The classification depends on the nature of the underlying liabilities, with management determining the classification of financial liabilities at initial recognition.

1. Financial liabilities at fair value through the SOFA

Financial liabilities at fair value through the SOFA are those held for trading, and derivatives in a negative fair value position. These liabilities are classified as current where expected settlement is within 12 months, otherwise they are classified as non-current liabilities.

2. Financial liabilities at amortised cost

All other financial liabilities which do not meet the criteria of fair value through the SOFA are held at amortised cost.

(ii) Recognition and measurement

Financial liabilities are initially recognised at fair value, and then subsequently at either fair value through the SOFA or at amortised cost. Those financial liabilities held at fair value through the SOFA are revalued at each balance sheet date, with gains and losses recognised directly in the SOFA. All other liabilities are carried at amortised cost using the effective interest rate method.

INVESTMENT IN SUBSIDIARIES AND PARTICIPATING UNDERTAKINGS

These comprise investments in shares and loans that the Foundation intends to hold on a continuing basis. The investments in subsidiaries and participating undertakings are stated at cost, less provisions for impairment. The Foundation carries out a review for the potential impairment of an investment if events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. Such impairment reviews are performed in accordance with SORP 21.28. Any impairments are recorded in the SOFA.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Estimates and judgements are evaluated and based on historical experience and reasonable expectations of future events. Income and expenditure are recognised where it is probable that there will be an inflow or outflow of resources; restricted income is accrued to the extent that the conditions for receipt have been met, and liabilities recognised for expenditure that has been committed by the Foundation to its partners via signed letters of commitment with the partners agreeing to any terms. Programme related investments and mixed motive investments are carried at cost less any provision for impairment. Such investments are not able to be carried at fair value as there is no open market for such investments. All investments are subject to impairment reviews. Provisions for share-based payments are estimated based on past practice of cash settlements.

Notes to the financial statements for the year ended 31 December 2020 (continued)

Company Registered Number: 4007273

2. Donations and other income

	2020 \$000	2019 \$000
Cash and accrued		
<i>Unrestricted</i>		
BG Group Ltd	5,568	-
Royal Dutch Shell plc	61	-
Shell Energy Europe Ltd	6,000	6,000
Shell Transport and Trading Ltd	2,662	-
Shell International Ltd – donated services	666	860
<i>Restricted donation – Non Government related</i>		
Toyota Mobility Foundation	200	200
<i>Restricted donation – Government related</i>		
OPEC Fund for International Development	-	150
Foreign, Commonwealth & Development Office	3,978	8,885
United States Agency for International Development	2,657	25,097
Inter-American Development Bank	-	25
	21,792	41,217

The geographical markets donations were received from were the United Kingdom \$18.9 million (2019: \$15.7 million), and the United States of America \$2.7 million (2019: \$25.1 million) and others worldwide \$0.2 million (2019: \$0.4 million).

Restricted donations – government related

Foreign, Commonwealth & Development Office (FCDO)

On 2 September 2020, the Department for International Development (DFID) merged with the Foreign and Commonwealth Office into the new department of Foreign, Commonwealth & Development Office (FCDO) and the DFID programmes below transferred to the new department.

FCDO TIME (Transforming Inclusive Energy Markets): Through the TIME partnership, FCDO and Shell Foundation, in collaboration, have committed £63.6 million (additional £3.6 million in 2020) to further their mutual objective of accelerating global access to modern energy services for low-income households and small businesses. Donations of \$2.1 million (2019: \$5.7 million) were received in 2020 against this programme, which relate to amounts recognised as income in both the current and prior years. Income of \$0.7 million (2019: \$4.9 million) was recognised in 2020, based on the value of the Shell Foundation commitments to partners made during the year.

FCDO POWERED India (Promotion of Women in Energy-Related Enterprises for Development): FCDO has committed £2.0 million, over three and a half years, to focus on increasing the employment of women in the energy value chain in India and, supporting the scale-up of women-led energy enterprises in India. Donations of \$0.4 million (2019: \$1.0 million) were received in 2020 against this programme, which relate to amounts recognised as income in both the current and prior years. Income of \$0.8 million (2019: \$0.7 million) was recognised in 2020, based on the value of the Shell Foundation commitments to partners made during the year.

FCDO CASEE (Catalysing Agriculture by Scaling Energy Ecosystems): Through the CASEE partnership, FCDO and Shell Foundation, in collaboration, have committed £30.0 million to accelerate access to energy for smallholder farmers and agricultural SMEs (small and medium sized enterprises) in sub-Saharan Africa and South Asia. Donations of \$4.8 million (2019: \$0.0 million) were received in 2020 against this programme, which relate to amounts recognised as income in both the current and prior years. Income of \$2.3 million (2019: \$3.3 million) was recognised in 2020, based on the value of the Shell Foundation commitments to partners made during the year.

United States Agency for International Development (USAID)

USAID IRAQ MENA II (Middle East and North Africa Investment Initiative): USAID committed a repayable donation of \$21.0 million over 21 years to support job creation in Iraq. This has been invested with two GroFin funds to support small and medium-sized businesses in Iraq: GroFin Nomou Iraq Fund (NIF) in the South and GroFin Northern Iraq Investments (NII) in the North. No donations were received in 2020 (2019: \$17.0 million). No income was recognised (2019: \$19.5 million) in 2020. See note 27: Guarantees and contingent liabilities.

USAID SEAM (Scaling Energy Access Markets in Africa): Through the SEAM partnership, USAID and Shell Foundation have committed \$42.1 million grant funding over five years. The aim is to increase the number of low-income households and businesses connections in Sub-Saharan Africa, providing access to clean, modern energy services. Donations of \$5.3 million (2019: \$2.6 million) were received in 2020 against this programme, which relate to amounts recognised as income in both the current and prior years. Income of \$2.7 million (2019: \$5.6 million) was recognised in 2020, based on the value of the Shell Foundation commitments to partners made during the year.

Notes to the financial statements for the year ended 31 December 2020 (continued)

Company Registered Number: 4007273

USAID PACE (Partnering to Accelerate Entrepreneurship): The PACE programme concluded in September 2018 with \$0.3million due to Shell Foundation on completion of the final reports. Donations of \$0.3 million (2019: \$0.0 million) were received in 2020 against this programme, which relate to amounts recognised as income in prior years.

Opec Fund for International Development (OFID)

OFID made available \$0.2 million to help centralise the data platform for the mini-grid sector globally. Donations of \$0.1 million (2019: \$0.1 million) were received in 2020. No income (2019 \$0.2 million) was recognised in 2020 against this programme.

Restricted donations – non-government related

Toyota Mobility Foundation (TMF)

TMF will make available up to \$0.4 million to address the challenge of achieving Sustainable Mobility through funding impactful organisations. This is intended to be an initial pilot funding to work towards a future partnership. No donations were received (2019: \$0.2 million) in 2020. Income of \$0.2 million (2019: \$0.2 million) was recognised in 2020, based on the value of the Shell Foundation commitments to partners made during the year.

3. Investment income

	2020 \$000	2019 \$000
Interest	426	863
Fixed interest securities	1,001	1,108
Dividends	7,931	9,361
	9,358	11,332

4. Charitable Activities Expenditure by Programme

	Grants \$000	Direct costs \$000	Support costs \$000	2020 \$000	2019 \$000
Access to Energy	(19,870)	(14,720)	(3,006)	(37,596)	(35,892)
Sustainable Mobility	(4,757)	(841)	(482)	(6,080)	(7,418)
Sustainable Job Creation	-	-	-	-	(2,661)
Total for 2020	(24,627)	(15,561)	(3,488)	(43,676)	(45,971)
Total for 2019	(27,234)	(16,033)	(2,704)		

Direct costs include goods and services invoiced to the Foundation together with directly attributable staff costs, and are allocated to the activity they relate to. Other support costs, that cannot be directly linked to an activity, are apportioned across the programme themes on the basis of total grant and direct costs. The activities making up these costs are shown in note 5 below.

5. Direct and Support Costs

	Direct costs \$000	Support costs \$000	2020 \$000	2019 \$000
Staff costs	(2,882)	(1,633)	(4,515)	(4,156)
External services	(1,585)	-	(1,585)	(1,319)
Travel	(124)	(42)	(166)	(790)
Impairment of investments	(10,326)	(776)	(11,102)	(10,627)
Donated expenses	-	(666)	(666)	(860)
Sundry	(644)	(208)	(852)	(789)
External audit fees (inclusive of VAT)	-	(129)	(129)	(122)
Legal fees	-	(2)	(2)	(65)
Trustee expenses	-	(32)	(32)	(9)
Total	(15,561)	(3,488)	(19,049)	(18,737)

Notes to the financial statements for the year ended 31 December 2020 (continued)

Company Registered Number: 4007273

External service costs are those paid directly to a third party supplier for services (including professional fees and consultancy) rather than being paid via a grantee intermediary. Direct costs for external services shows costs at the project level, support costs are Foundation-wide. Within external services for 2020, no cost has been recorded to Shell Group companies (2019: \$Nil).

Net incoming resources are stated after charging auditor's remuneration for audit services ('External Audit Fees') as shown above. These are the fees for the audit of the Group's Financial Statements.

The limitation on auditor's liability for external audit is £2 million. The external auditors were appointed in 2016 and the most recent terms of engagement signed on 11 March 2019.

6. Grants expenditure

The top 20 Grantees in 2020 (excluding repayable grants and social investments) are listed below, together with their corresponding 2019 commitments.

Grantee Name Purpose of Project	Programme	2020 \$'000	2019 \$'000
Iraq Business Support Facility Trust Provide business support for the Nomou Iraq Fund and Northern Iraq Investments.	Access to Energy	1,500	2,100
Apollo Agriculture Inc Expanding the Apollo Radio IVR service and Enabling the Transition from Subsistence to Commercial Farming	Access to Energy	1,360	50
Africa Minigrid Developers Association Inc Building a sustainable sector association for African mini-grids	Access to Energy	1,120	500
Sustainable Energy for All (SEforALL) Building a Results Based Financing (RBF) facility to support the scale-up of mini-grids across Sub Saharan Africa.	Access to Energy	1,000	50
Dharmalife Foundation GmbH Business Resilience Funding to continue creating positive social impact to rural Indian communities through the Covid-19 crisis.	Access to Energy	950	-
SIMA (Social Investment Managers and Advisers LLC) Pilot of the SIMA Angaza Distributor Finance Fund, a new approach to providing debt investments to small off-grid energy providers.	Access to Energy	875	300
Subtotal		6,805	3,000

Notes to the financial statements for the year ended 31 December 2020 (continued)

Company Registered Number: 4007273

Grantee Name Purpose of Project	Programme	2020 \$'000	2019 \$'000
Brought forward subtotal for top 20 grantees from previous page		6,805	3,000
World Resources Institute Systems-based approach to address barriers to advance sustainable mobility serving low-income urban consumers.	Sustainable Mobility	850	750
Acleron Ltd Accelerating Innovative Energy Storage Solutions in Africa to enable Off-Grid Solar companies to reduce their most significant cost, the battery, and reduce the amount of e-waste generated.	Access to Energy	850	700
Konexa (Reg. Energy Company of the Future Limited) Funding to support integrated rural utility pilot project in Nigeria	Access to Energy	750	1453
CEEW (Council on Energy, Environment and Water) Supporting early stage Energy For Business social enterprises to create rural micro-entrepreneurs and rural jobs through clean energy innovations.	Access to Energy Sustainable Mobility	678	-
Tugende Global Supporting a longstanding partner providing asset finance, service, support and training to informal boda drivers in Uganda and Kenya to optimise operational efficiency.	Sustainable Mobility	650	30
CrossBoundary Energy Supporting CrossBoundary to raise funds exclusively for rural mini-grids for low income consumers.	Access to Energy	620	1,150
Equatorial Power B.V. Supporting Equatorial Power to finalise the project financing to build twenty five mini-grids, continue developing pipeline for 2022 and close Series A funding.	Access to Energy	617	-
Ampersand Rwanda Limited Electric Motorcycle Pilot Phase II in Kigali	Sustainable Mobility	600	500
The Sure Chill Company Ltd Business Resilience Funding to continue supporting the development of affordable cooling technologies for off-grid markets to help address the waste of essential vaccines and food for low income populations.	Access to Energy	506	656
Bboxx Capital RDC Business Resilience Funding to sustain the business through the Covid-19 crisis	Access to Energy	500	850
Open Capital Group Ltd Building an Off-Grid Energy Market Accelerator in Uganda (UOMA)	Access to Energy	500	-
Odyssey Energy Solutions Inc Testing Powering Health Platforms (PHP) by powering up to 15 health centres for our learning in rural, offgrid, underserved communities.	Access to Energy	500	880
Hello Solar (reg. Power Solar International BV) Bridge funding through to their seed round to continue to facilitate solar energy access for the rural, offgrid, underserved populations of Ethiopia.	Access to Energy	500	-
Subtotal		14,926	9,969

Notes to the financial statements for the year ended 31 December 2020 (continued)

Company Registered Number: 4007273

Grantee Name Purpose of Project	Programme	2020 \$'000	2019 \$'000
Brought forward subtotal for top 20 grantees from previous page		14,926	9,969
SafeBoda (reg. Guinness Trans) Business Resilience Funding to secure the livelihoods of drivers and the provision of safe, affordable, accessible transportation to low-income passengers.	Sustainable Mobility	500	700
Subtotal		500	700
Total Top 20 Grants		15,426	10,669
Total: Other Grants (incl. repayable grants and social investments)		9,201	18,665
Total: Grants		24,627	29,334

7. Trustee Information

The Chair of the Board of Trustees, Ms GA Klintworth, received remuneration of £25,000 in 2020, under Article 21 (2) of the Articles of Association in respect of her contract for services as Chair. The remuneration in respect of 2019 (£25,000) was accrued in 2019 but not paid pending the amendment of the Articles of Association so was disclosed as support costs in the 2019 Financial Statements. No pension contributions or other benefits were paid. The Foundation directly incurred or reimbursed no travel expenses in relation to Trustees (2019: \$9,123 in relation to three Trustees).

No indemnity insurance for Trustees' liability has been purchased by the Foundation. However, because all Trustees are appointed by The Shell Petroleum Company Limited (the sole member) they are automatically covered by the Shell Group Directors and Officers liability insurance policy. Insurance cover is permitted under clause 21 of the Foundation's Memorandum of Association.

8. Employee Information

As an independent charity, Shell Foundation benefits in a number of ways from leveraging its links to Shell Group to achieve its mission and objectives. One example of this is with respect to staffing. The Foundation has no direct employees. Instead, employees of Shell Group companies are dedicated to work full-time for the Foundation in sole pursuit of its charitable objectives. Their remuneration is based on The Shell Group Global Pay Policy and their performance is assessed against pre-determined personal targets concerning their work for the Foundation as well as their wider contribution to meeting the Foundation's overall charitable mission. The monthly average staff employed by Shell Group companies to work for the Foundation during the year was 24.5 (2019: 22.2). The monthly average split of employees between direct and support activities was direct 17.6 (2019: 14.7) and support 6.9 (2019: 7.5).

Employee expenditure included in Direct and Support costs (note 5) charges at cost in respect of the services of these Shell Group employees, including salaries and taxes. The salary and taxes paid by Shell Group companies in relation to these employees are as follows:

	2020 \$000	2019 \$000
Wages and salaries	(2,967)	(2,830)
Social security	(331)	(366)
Other pension costs	(297)	(254)
Performance Share Plan (PSP)	(323)	(429)
	(3,918)	(3,879)

Notes to the financial statements for the year ended 31 December 2020 (continued)

Company Registered Number: 4007273

SHARE-BASED COMPENSATION PLANS

The principal share-based employee compensation plan applied under The Shell Group Global Pay Policy to Shell Foundation staff is the Performance Share Plan (PSP). Awards of Royal Dutch Shell plc shares under the PSP are granted to eligible Foundation employees based on performance. The actual amount of shares that may vest ranges from 0% to 200% of the awards, depending on the outcomes of prescribed performance conditions over a three-year period beginning on 1st January of the award year. Shares vest for nil consideration. The cash value of the awards is charged to The Foundation on vesting. The Foundation has estimated and recognised a liability of \$0.2 million at the year-end for PSPs granted between 2018 and 2020 that vest in future years.

The salary and taxes paid by Shell Group companies in relation to key management personnel, consisting of the CEO, two Chief Financial Officers and a Deputy CEO, are as follows:

	2020 \$000	2019 \$000
Wages and salaries	(651)	(704)
Social security	(91)	(120)
Other pension costs	(28)	(36)
Vesting performance share plan options	(323)	(429)
	(1,093)	(1,289)

The number of Shell Group employees working on Foundation activities whose emoluments were above \$ 60,000 is as follows.

USD \$000	2020	2019
60 – 70	2	3
70 – 80	4	2
80 – 90	2	1
90 – 100	2	2
100 – 110	2	3
110 – 120	3	1
120 – 130	1	3
130 – 140	4	2
140 – 150	0	1
150 – 160	3	3
160 – 170	2	1
170 – 180	0	0
180 – 190	2	1
390 – 400	1	0
400 – 410	0	1
	28	24

Shell Group companies made contributions during the year to the respective defined benefit or defined contribution pension schemes in relation to these 28 employees of \$0.3 million (2019: \$0.2 million in relation to 24 employees).

Notes to the financial statements for the year ended 31 December 2020 (continued)

Company Registered Number: 4007273

9. Taxation

The Foundation is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried out in furtherance of the Foundation's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

10. Endowment

	2020 \$000	2019 \$000
Market value at 1 January	521,252	459,308
Purchase of investments	197,519	64,164
Sales/withdrawals	(201,608)	(72,372)
Realised and Unrealised gains	54,986	69,248
Movement of investment cash	5,199	904
Market value at 31 December	577,348	521,252
	2020 \$000	2019 \$000
The year end value is analysed as:		
Bonds – overseas	49,605	46,798
Fixed income investments – overseas	28,299	25,711
Equity investments – UK	24,515	24,796
Equity investments – overseas	361,592	313,659
Hedge funds – overseas	57,285	53,333
Real Estate	48,165	53,129
Forward foreign currency contracts	(1,231)	(123)
Other assets	1,244	1,273
Investment cash	7,874	2,676
Market value at 31 December	577,348	521,252

The investment policy of the Trustees aims to maintain the real value of both distributions and the endowment asset value. To achieve this, the endowment is invested in a diversified asset allocation of global equities, hedge funds, fixed income funds and real estate.

The foreign currency exposure of the investment portfolio is hedged by the fund managers through the use of forward foreign exchange contracts. The mandate is to hedge 100% of non-US Dollar denominated bonds and 100% of non-US Dollar hedge fund investments. At the year-end 0% of bonds and 0% of hedge fund investments were non-US Dollar.

11. Social Investments

Programme Related Investments

Current	Group 2020 \$000	Group 2019 \$000	Foundation 2020 \$000	Foundation 2019 \$000
GroFin Africa Fund				
Start-up and growing businesses with investment needs from US\$ 50,000 to US\$ 1.5 million. Locations: Nigeria, Ghana, Rwanda, Tanzania, Uganda, Kenya, South Africa, Zambia. Investors: AFDB, EIB, Shell Foundation FMO, CDC, Norfund, FISEA, IFC, GroFin. Total fund size committed was \$160 million. The fund is now in the liquidation phase, with further disbursements expected in 2021.				
Cost less impairment brought forward at 1 January	1,010	1,722	1,010	1,722
Movement from current to non-current	(307)	(270)	(307)	(270)
Sales	(305)	(442)	(305)	(442)

Notes to the financial statements for the year ended 31 December 2020 (continued)

Company Registered Number: 4007273

Programme Related Investments

Current (continued)	Group 2020 \$000	Group 2019 \$000	Foundation 2020 \$000	Foundation 2019 \$000
Redavia loan receivable				
Redavia provide turn-key re-deployable solar farms that reduce reliance on diesel generators and provide low-cost energy, with flexible rental agreements. Loan 1: \$0.4 million. Redavia repaid a further 4% and the balance of the loan was fully forgiven in 2020. Loan 2: €0.7 million (\$0.8 million), repayable in full by 31 December 2024. Loan 3: \$0.2 million, repayable after equity funding is received by Redavia (partially repaid in 2019).				
Cost less impairment brought forward at 1 January	118	203	118	203
Movement from current to non-current	198	14	198	14
Sales	(13)	(99)	(13)	(99)
Lightning Hybrids Inc loan receivable				
Lightning Hybrids provide hydraulic hybrid regenerative braking drive systems for fleet vehicles in order to reduce carbon emissions. In December 2020, both parties agreed to defer the repayment date to 30 April 2021. This was subsequently extended to 31 May 2021 and repayment was made in full in May.				
Cost less impairment brought forward at 1 January	1,500	750	1,500	750
Movement from non-current to current	-	750	-	750
SparkMeter loan receivable				
The SparkMeter micro grid metering system enables utilities to implement pre-payment as well as real-time monitoring and control on micro grids and central grids alike. The meters' low cost makes their use for low-consumption and off-grid customers economical and the integrated nature of the technology makes it simple to install and operate. Loan 1: \$0.4 million, repayable in full by December 2022. Loan 2: \$0.1 million, repayable in full by 1 December 2019. Loan 3: \$0.1 million, repayable in full by 1 December 2019. At 31 December 2020, loans 2 and 3 were the subject of renegotiation, resulting in a revised repayment date of 30 June 2021 for loan 2 and loan 3 has been repaid in full.				
Cost less impairment brought forward at 1 January	185	185	185	185
Husk Power Systems Inc loan receivable				
Husk is a leading off-grid utility, providing affordable, reliable and renewable power to rural communities. Operating in India, Tanzania and Kenya it designs, builds, owns & operates grid compatible plants, providing A/C power which is suitable for all appliances. The loan is now expected to be paid 2021-2023.				
Cost less impairment brought forward at 1 January	542	433	542	433
Movement from non-current to current	433	108	433	108
Sales	(108)	-	(108)	-
Envirofit International Inc. loan receivable				
Envirofit develops a global product line of smart clean cooking technologies, including biomass and LPG, that cook faster while reducing fuel use, smoke and toxic emissions. Envirofit loans were fully impaired in 2019 due to the performance and ensuing restructuring of Envirofit during the year. Shell Foundation provided a short term repayable grant in 2020 to enable access to an additional 200 cookstoves.				
Cost less impairment brought forward at 1 January	-	250	-	250
Purchases	35	1,532	35	1,532
Sales	(10)	-	(10)	-
Impairment	-	(1,782)	-	(1,782)
Greenlight Planet loan receivable				
GLP designs and manufactures affordable solar energy products, including consumer finance component (PAYG). GLP creates innovative distribution partnerships and direct sales network to reach low income consumers and businesses. Loan 1: \$0.5 million is 50% repayable in 2020 (received) and 50% in 2021; Loan 2: \$0.04 million was fully impaired in 2020 since the project did not achieve the outcome for which the repayment condition would be triggered.				
Cost less impairment brought forward at 1 January	250	-	250	-
Movement from non-current to current	250	250	250	250
Sales	(250)	-	(250)	-
Total Current Programme Related Investments	3,528	3,604	3,528	3,604

Non-Current

Envirofit International Inc. Shareholding

Envirofit develops a global product line of smart clean cooking technologies, including biomass and LPG, that cook faster while reducing fuel use, smoke and toxic emissions. The investment was fully impaired in 2019 due to the performance and ensuing restructuring of Envirofit during the year.

Cost less impairment brought forward at 1 January	-	4,532	-	4,532
Impairment	-	(4,532)	-	(4,532)

GroFin Africa Fund investment

Start-up and growing businesses with investment needs from US\$ 50,000 to US\$ 1.5 million. Locations: Nigeria, Ghana, Rwanda, Tanzania, Uganda, Kenya, South Africa, Zambia. Investors: AFDB, EIB, Shell Foundation FMO, CDC, Norfund, FISEA, IFC, GroFin. Total fund size committed was \$160 million. The fund is now in the liquidation phase, with further disbursements expected in 2021. Impairments are based on GroFin forecasts of expected final disbursements.

Cost less impairment brought forward at 1 January	244	893	244	894
Movement from current to non-current	307	270	307	270
Impairment	(551)	(920)	(551)	(920)

Notes to the financial statements for the year ended 31 December 2020 (continued)

Company Registered Number: 4007273

Programme Related Investments

Non-Current (continued)	Group 2020 \$000	Group 2019 \$000	Foundation 2020 \$000	Foundation 2019 \$000
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GroFin Small Growing Businesses Fund (SGB) investment

A unique integrated solution of patient risk capital (US\$ 100 000 - US\$ 1.5 million) and end-to-end business support to start-up and growing businesses. Locations: Nigeria, Ghana, Zambia, Egypt, South Africa, Kenya, Tanzania, Rwanda, Uganda. Investors: Shell Foundation, KfW Development Bank, GroFin, the Dutch Good Growth Fund (DGGF), Norfund, Scholl Foundation, Calvert. The fund has been adversely affected by Covid-19 and Shell Foundation has impaired the investment in 2020 based on GroFin forecasts.

Cost less impairment brought forward at 1 January	15,000	15,000	15,000	15,000
Impairment	(6,300)	-	(6,300)	-

ResponsAbility Energy Access Fund investment

The Africa Clean Power Fund is dedicated to providing debt financing to fast-growing companies which promote access to decentralised modern energy solutions, primarily in Africa and Asia. A further \$0.3 million was invested in 2020. Total fund size anticipated \$151 million. The fund was impaired by 10% in 2020, due to the risks of Shell Foundation's first loss position over the period of the investment.

Cost less impairment brought forward at 1 January	2,000	2,000	2,000	2,000
Purchases	250	-	250	-
Impairment	(225)	-	(225)	-

Energy Entrepreneurs Growth Fund investment

EEGF uses multiple investment instruments (including straight equity and long-term debt, plus mezzanine and guarantees) across multiple development stages. SF commitment is \$30 million to target a \$120 million fund, of which \$3m was invested in 2019.

Cost less impairment brought forward at 1 January	3,000	-	3,000	-
Purchases	-	3,000	-	3,000

SIMA Angaza Distributor Financing Fund investment

Shell Foundation has provided funding to SIMA to finance the set up and pilot of a fund targeting early stage distributors of Solar Energy products with smaller ticket financing.

Purchases	600	-	600	-
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Envirofit International Inc loan receivable

Envirofit develops a global product line of smart clean cooking technologies, including biomass and LPG, that cook faster while reducing fuel use, smoke and toxic emissions. Envirofit loans were fully impaired in 2019 due to the performance and ensuing restructuring of Envirofit during the year. Shell Foundation provided a short term repayable grant in 2020 to enable access to an additional 200 cookstoves.

Cost less impairment brought forward at 1 January	-	-	-	-
Purchases	-	800	-	800
Impairment	-	(800)	-	(800)

Lightning Hybrids Inc. loan receivable

Lightning Hybrids provide hydraulic hybrid regenerative braking drive systems for fleet vehicles in order to reduce carbon emissions. In December 2020, both parties agreed to defer the repayment date to 30 April 2021.

Cost less impairment brought forward at 1 January	-	750	-	750
Movement from non-current to current	-	(750)	-	(750)

Redavia loan receivable

Redavia provide turn-key re-deployable solar farms that reduce reliance on diesel generators and provide low-cost energy, with flexible rental agreements. Loan 1: \$0.4 million. Redavia repaid a further 4% and the balance of the loan was fully forgiven in 2020. Loan 2: €0.7 million (\$0.8 million), repayable in full by 31 December 2024. Loan 3: \$0.2 million, repayable after equity funding is received by Redavia (partially repaid in 2019).

Cost less impairment brought forward at 1 January	1,101	1,125	1,101	1,125
Movement from non-current to current	(198)	(14)	(198)	(14)
Purchases	76	-	76	-
Sales	-	(10)	-	(10)
Impairment	(341)	-	(341)	-

Rent to Own loan receivable

Rent to Own provide asset finance for rural entrepreneurs. They are an innovator in renewable energy productive-use asset financing in rural, non-mobile money geographies. The loan is repayable in full by December 2022. The loan was fully impaired in 2020 since we are not expecting to receive any return.

Cost less impairment brought forward at 1 January	300	-	300	-
Purchases	-	300	-	300
Impairment	(300)	-	(300)	-

SparkMeter loan receivable

The SparkMeter micro grid metering system enables utilities to implement pre-payment as well as real-time monitoring and control on micro grids and central grids alike. The meters' low cost makes their use for low-consumption and off-grid customers economical and the integrated nature of the technology makes it simple to install and operate. Loan 1: \$0.4 million, repayable in full by December 2022. Loan 2: \$0.1 million, repayable in full by 1 December 2019. Loan 3: \$0.1 million, repayable in full by 1 December 2019. At 31 December 2020, loans 2 and 3 were the subject of renegotiation, resulting in a revised repayment date of 30 June 2021 for loan 2 and loan 3 has been repaid in full.

Cost less impairment brought forward at 1 January	375	375	375	375
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Notes to the financial statements for the year ended 31 December 2020 (continued)

Company Registered Number: 4007273

Programme Related Investments

Non-Current (continued)	Group 2020 \$000	Group 2019 \$000	Foundation 2020 \$000	Foundation 2019 \$000
Factor[e] loan receivable				
Factor[e] identify disruptive, high risk technologies to solve critical energy bottlenecks in India and Kenya. They provide risk capital & engineering support – to test, de-risk and attract investment to scale promising solutions, since entrepreneurs working on new technologies often cannot find the technical and investor support they need. 6 loans have been made to Factor[e], repayable from 2026-2030.				
Cost less impairment brought forward at 1 January	9,050	6,744	9,050	6,744
Purchases	1,500	3,006	1,500	3,006
Sales	-	(700)	-	(700)
Gajam Group Limited (Dharma Life) loan receivable				
Operating in India, Dharma Life builds and trains a network of rural entrepreneurs, makes social-impact products accessible in rural markets and conducts innovative campaigns to create market demand. The loan is repayable in full by December 2022.				
Cost less impairment brought forward at 1 January	942	963	942	963
Purchases	-	-	-	-
Sales	(23)	(21)	(23)	(21)
Husk Power Systems Inc. loan receivable				
Husk is a leading off-grid utility, providing affordable, reliable and renewable power to rural communities. Operating in India, Tanzania and Kenya it designs, builds, owns & operates grid compatible plants, providing A/C power, which is suitable for all appliances. The loan is now expected to be paid 2021-2023.				
Cost less impairment brought forward at 1 January	758	866	758	866
Movement from non-current to current	(433)	(108)	(433)	(108)
Persistent Energy Capital loan receivable				
Operating in underserved African countries, PEC identifies high potential, early-stage PAYG energy businesses, invests and scales them with critical knowledge, experience and networks in business, governance and financing. This is in order to address access to energy in smaller, or unproven African markets that existing market leaders have no plans to be in. Loan 1: \$0.5 million repayable in full by December 2026. Loan 2: \$0.3 million repayable in full by March 2027. Loan 3: \$0.5 million repayable in full by December 2027.				
Cost less impairment brought forward at 1 January	1,250	1,250	1,250	1,250
Buen Manejo del Campo S.A. (Sistema Biobolsa) loan receivable				
Sistema combine manufacturing, sales and service of high quality bio-digester systems with consumer financing to enable affordable biogas solutions for productive use. They create innovative distribution partnerships across Africa and India to reach low income smallholder farmers reducing their fuel/fertiliser cost, enabling clean cooking/heating and improving access to electricity. Loan 1: \$0.5 million repayable in full by March 2027. Loan 2: \$0.04 million was fully impaired in 2020 since the project did not achieve the outcome for which the repayment condition would be triggered.				
Cost less impairment brought forward at 1 January	925	925	925	925
Greenlight Planet loan receivable				
GLP designs and manufactures affordable solar energy products, including consumer finance component (PAYG). Creates innovative distribution partnerships and direct sales network to reach low income consumers and businesses. Loan 1: \$0.5 million is 50% repayable in 2020 (received) and 50% in 2021; Loan 2: \$0.04 million was fully impaired in 2020 since the project did not achieve the outcome for which the repayment condition would be triggered.				
Cost less impairment brought forward at 1 January	290	500	290	500
Movement from non-current to current	(250)	(250)	(250)	(250)
Purchases	-	40	-	40
Impairment	(40)	-	(40)	-
Cardecho B.V. loan receivable				
Cardecho is a carbon financing company. Loan 1: \$0.5 million will likely convert to equity in 2021 as per clause in loan agreement. Loan 2: \$0.2 million is repayable as per the terms of the MOU.				
Cost less impairment brought forward at 1 January	700	-	700	-
Purchases	-	700	-	700
Nayo Tropical Technology loan receivable				
Nayo Tropical Technology has operated in Africa's solar sector since 1997. Their three core business lines are solar mini-grid utilities, EPC contracting and warehousing and sourcing. The loan is repayable in full by February 2029.				
Cost less impairment brought forward at 1 January	700	-	700	-
Purchases	-	700	-	700
Shortlist loan receivable				
Shortlist seeks to develop new approaches to attract and develop talent – one of the biggest challenges for social enterprises trying to scale. It is using technology to identify candidate skills and attributes through real-time competency-based demonstrations rather than traditional CV-based methods. The loan is repayable in full by December 2024.				
Cost less impairment brought forward at 1 January	350	-	350	-
Purchases	-	350	-	350

Notes to the financial statements for the year ended 31 December 2020 (continued)

Company Registered Number: 4007273

Programme Related Investments

Non-Current (continued)	Group 2020 \$000	Group 2019 \$000	Foundation 2020 \$000	Foundation 2019 \$000
Social Investment Managers and Advisers (SIMA) loan receivable				
Shell Foundation has provided funding to SIMA to finance the set up and pilot of a fund targeting early stage distributors of Solar Energy products with smaller ticket financing. The loan was cancelled in 2020 and the funds were used for the investment in SIMA.				
Cost less impairment brought forward at 1 January	200	-	200	-
Purchases	-	200	-	200
Sales	(200)	-	(200)	-
Bboxx loan receivable				
\$40k repayable grant to BBOXX to test and scale two gender-inclusive strategies. The loan was fully impaired in 2020 since the project did not achieve the outcome for which the repayment condition would be triggered.				
Cost less impairment brought forward at 1 January	40	-	40	-
Purchases	-	40	-	40
Impairment	(40)	-	(40)	-
Science for Society Techno Services (S4S) loan receivable				
\$40k repayable grant to S4S to test and scale three gender-inclusive strategies. The loan is repayable in full by August 2024.				
Cost less impairment brought forward at 1 January	40	-	40	-
Purchases	-	40	-	40
Amiran loan receivable				
Amiran Kenya is part of Balton CP, a British company with operations in eight African countries, distributing agricultural products to farmers and agribusinesses. The loan was fully impaired in 2020 since we are not expecting to receive any return.				
Purchases	300	-	300	-
Impairment	(300)	-	(300)	-
Metro Africa Xpress (MAX) loan receivable				
Metro Africa Express is a social enterprise using mobile tech & financial inclusion to transform mobility systems & supply chains in West Africa. The loan is repayable by 1 June 2027.				
Purchases	1,000	-	1,000	-
WhereIsMyTransport loan receivable				
WIMT maps formal and informal public transport networks in emerging markets and uses its data and technology to make the end-to-end public transport experience more reliable, predictable, safe, inclusive and accessible for billions of people. The loan is repayable by 30 June 2030.				
Purchases	1,000	-	1,000	-
Nomou Iraq Fund investment				
The principal activities of the Company are to invest in small growing businesses (SGB) within Iraq to further employment in the country. The Company was established under a Cooperation Agreement with USAID. GroFin has been chosen as the key strategic partner to further the aims of the Company and manage the distribution of funds to carefully selected SGBs in Iraq. Shell Foundation has had a successful relationship with GroFin in a number of ventures for many years. Impairment is assessed by a comparison to the net assets of the fund.				
Cost less impairment brought forward at 1 January	3,763	2,247	-	-
Purchases	1,500	2,000	-	-
Impairment	(382)	(484)	-	-
Northern Iraq Investments investment				
A sustainable, development-impact-orientated vehicle for the provision of business support, start-up and early stage growth capital essential for the development of sustainable small and medium-sized businesses in the Northern region of Iraq.				
Cost less impairment brought forward at 1 January	2,000	-	-	-
Purchases	2,000	2,000	-	-
Provision for Doubtful Debts				
Shell Foundation expects that the effects of Covid-19 are likely to affect the whole social investment portfolio, as these debts become due. SF has made every effort to assess impairment on each individual investment. In some cases where the impact of Covid-19 is ongoing and there is an absence of reliable information available in order to estimate future cash inflows to SF, a general provision has been made taking into account factors such as instrument and tenor. It has therefore estimated a provision for doubtful debts as at 31 December 2020.				
Provision for doubtful debts	(2,626)	-	(2,626)	-
Total Non-Current Programme Related Investments	39,352	43,027	30,471	37,265

Notes to the financial statements for the year ended 31 December 2020 (continued)

Company Registered Number: 4007273

Mixed Motive Investments

	Group 2020 \$000	Group 2019 \$000	Foundation 2020 \$000	Foundation 2019 \$000
Mixed Motive Investments - Non-Current				
Aavishkar Ventures Management Services – interest bearing convertible debt agreement				
AVMS provides financial products and services in India and Kenya that are focussed on people who are in low income communities. Their six areas of special focus have a direct and immediate impact on the lives and livelihoods of low-income consumers. These sectors are: Clean Energy, Agriculture and Rural Business, Financial Services, Water and Sanitation, Healthcare, Education and Vocational Training. Interest bearing convertible debt agreement; convertible into ordinary equity shares on or before 9th anniversary of funding (October 2025).				
Cost less impairment brought forward at 1 January	10,000	10,000	10,000	10,000
Persistent Energy Capital investment				
Operating in underserved African countries, PEC identifies high potential, early-stage PAYG energy businesses, invests and scales them with critical knowledge, experience and networks in business, governance and financing. This is in order to address access to energy in smaller, or unproven African markets that existing market leaders have no plans to be in. Equity investment of \$3.0 million in PEC. The investment was impaired by 20% in 2020, based on an assessment of the value of Shell Foundation's holding.				
Cost less impairment brought forward at 1 January	3,000	-	3,000	-
Purchases	-	3,000	-	3,000
Impairment	(600)	-	(600)	-
Total Non-Current Investments	51,752	56,027	42,871	50,265
Total Current Investments	3,528	3,604	3,528	3,604
Cost carried forward as at 31 December 2020	55,280	59,631	46,399	53,869

12. Subsidiary and related undertakings

The related undertakings whose results or financial performance principally affect the figures shown in the consolidated financial statements are as follows:

Name	Country of Incorporation	Nature of business	Interest	
SF Investment Management Limited	United Kingdom	Investment management	100% ordinary shares	
		Group 2020 \$000	Group 2019 \$000	
		Foundation 2020 \$000	Foundation 2019 \$000	
SF Investment Management Limited shareholding				
Commitment to invest with GroFin NOMOU Iraq Fund: A unique integrated solution of patient risk capital (\$ 0.1 million - \$2 million) and end-to-end business support to start-up and growing businesses in Basra, Iraq. Investors: Shell Foundation and USAID. Total fund capital committed \$8.7 million. The impairment is principally made up of the \$1.5 million grant to the Iraq Business Support Facility (Note 6) and the \$0.4 million impairment of Nomou Iraq Fund. (Note 11).				
Cost less impairment brought forward as at 1 January	-	-	16,930	2,523
Purchases	-	-	-	17,000
Impairment	-	-	(1,910)	(2,593)
Cost carried forward as at 31 December 2020	-	-	15,020	16,930

Notes to the financial statements for the year ended 31 December 2020 (continued)

Company Registered Number: 4007273

13. Debtors

Note	Group 2020 \$000	Group 2019 \$000	Foundation 2020 \$000	Foundation 2019 \$000
Amounts falling due within one year are:				
<i>Restricted donation – non-government related</i>				
Toyota Mobility Foundation	200	-	200	-
<i>Restricted donation - Government related</i>				
Foreign, Commonwealth and Development Office	1,414	4,754	1,414	4,754
United States Agency for International Development	3,451	6,417	3,451	6,417
OPEC Fund for International Development	-	100	-	100
<i>Unrestricted debtor</i>				
The Shell Centenary Scholarship Fund	-	490	-	490
Prepayments and Accruals	11	52	11	52
Amounts falling due after more than one year are:				
<i>Restricted donation - Government related</i>				
Foreign, Commonwealth and Development Office	-	200	-	200
Total debtors	5,076	12,013	5,076	12,013

14. Cash at bank and in hand

	Group 2020 \$000	Group 2019 \$000	Foundation 2020 \$000	Foundation 2019 \$000
Cash at Bank	5,006	22,774	4,833	11,431
Short term deposits	11,192	-	5,000	-
Total cash at bank and in hand	16,198	22,774	9,833	11,431

For the purposes of the cash flow statement, cash includes bank balances, other than cash invested in institutional cash funds, which is classified as an investment.

15. Creditors: amounts falling due within one year

	Group 2020 \$000	Group 2019 \$000	Foundation 2020 \$000	Foundation 2019 \$000
Grants Payable	18,845	20,774	18,845	20,774
Trade Creditors – Shell International Limited	3,160	6,987	3,161	6,987
Accruals	1,005	99	969	66
	23,010	27,860	22,975	27,827

All programme support expenses, investment management costs and Foundation management expenses are initially incurred and paid through Shell International Limited. These expenses are then recharged at cost by invoice from Shell International Limited to the Foundation on a regular basis. Shell Foundation accruals are booked as payable to Shell International Limited.

16. Guarantee Provision

	Group 2020 \$000	Group 2019 \$000	Foundation 2020 \$000	Foundation 2019 \$000
As at 1 January	-	-	-	-
Charged to the SOFA	2,000	-	2,000	-
As at 31 December	2,000	-	2,000	-

In late 2020 Calvert Social Investment Foundation Inc indicated their intention to call the \$2m guarantee from Shell Foundation in full (see Note 27). A provision was made as at 31 December 2020.

Notes to the financial statements for the year ended 31 December 2020 (continued)

Company Registered Number: 4007273

17. Creditors: amounts falling due after more than one year

	Group 2020 \$000	Group 2019 \$000	Foundation 2020 \$000	Foundation 2019 \$000
Total grants payable	19,351	21,652	19,395	21,697
Less amounts falling due within one year (note 15)	(18,845)	(20,774)	(18,845)	(20,774)
Grants payable falling due after more than one year	506	878	550	923
Accrual for employee benefit	167	424	167	424
Total payables falling due after more than one year	673	1,302	717	1,347
Represented by:				
Grants payable in greater than one year but less than two years	506	878	550	923
Grants payable in greater than two years but less than three years	-	-	-	-
Accrual for employee benefit	167	424	167	424
	673	1,302	717	1,347

18. Funds

Group	Balance B/fwd \$000	Incoming Resources \$000	Resources Expended \$000	Transfers \$000	Investment Gain/(losses) \$000	Balance C/fwd \$000
Endowment Funds	521,252	8,932	-	(8,000)	55,164	577,348
Unrestricted Funds	37,086	15,335	(35,485)	8,000	(417)	24,519
Restricted Funds	28,170	6,883	(8,701)	-	-	26,352
	586,508	31,150	(44,186)	-	54,747	628,219
Foundation	Balance B/fwd \$000	Incoming Resources \$000	Resources Expended \$000	Transfers \$000	Investment Gain/(losses) \$000	Balance C/fwd \$000
Endowment Funds	521,252	8,932	-	(8,000)	55,164	577,348
Unrestricted Funds	37,086	15,335	(35,485)	8,000	(417)	24,519
Restricted Funds	27,983	6,835	(8,701)	-	-	26,117
	586,321	31,102	(44,186)	-	54,747	627,984

Notes to the financial statements for the year ended 31 December 2020 (continued)

Company Registered Number: 4007273

19. Analysis of net assets between funds

Group	Note	Unrestricted Funds 2020 \$000	Restricted Funds 2020 \$000	Endowment Funds 2020 \$000	Total 2020 \$000	Total 2019 \$000
Fixed Assets						
Endowment investment (at fair value)	10	-	-	577,348	577,348	521,252
Investments (at costs less impairment)	11	33,584	18,168	-	51,752	56,027
		33,584	18,168	577,348	629,100	577,279
Current Assets						
Debtors:						
amounts falling due within one year	13	11	5,065	-	5,076	11,813
amounts falling due after one year	13	-	-	-	-	200
		11	5,065	-	5,076	12,013
Cash at bank and in hand	14	8,796	7,402	-	16,198	22,774
Investments (at cost less impairment)	11	2,461	1,067	-	3,528	3,604
Creditors: amounts falling due within one year	15	(18,108)	(4,902)	-	(23,010)	(27,860)
Provisions	16	(2,000)	-	-	(2,000)	-
Net Current Assets		(8,840)	8,632	-	(208)	10,531
Total Assets less Current Liabilities		24,744	26,800	577,348	628,892	587,810
Creditors: amounts falling due after more than one year	17	(717)	44	-	(673)	(1,302)
Net Assets		24,027	26,844	577,348	628,219	586,508

Notes to the financial statements for the year ended 31 December 2020 (continued)

Company Registered Number: 4007273

19. Analysis of net assets between funds (continued)

Foundation	Note	Unrestricted Funds 2020 \$000	Restricted Funds 2020 \$000	Endowment Funds 2020 \$000	Total 2020 \$000	Total 2019 \$000
Fixed Assets						
Endowment investment (at fair value)	10	-	-	577,348	577,348	521,252
Investments (at cost less impairment)	11	33,584	9,287	-	42,871	50,265
Subsidiary undertakings	12	-	15,020	-	15,020	16,930
		33,584	24,307	577,348	635,239	588,447
Current Assets						
Debtors						
amounts falling due within one year	13	11	5,065	-	5,076	11,813
amounts falling due after one year	13	-	-	-	-	200
		11	5,065	-	5,076	12,013
Cash at bank and on hand		8,796	1,037	-	9,833	11,431
Investments (at cost less impairment)	11	2,461	1,067	-	3,528	3,604
Creditors: amounts falling due within one year	15	(18,108)	(4,867)	-	(22,975)	(27,827)
Provisions	16	(2,000)	-	-	(2,000)	-
Net Current Assets		(8,840)	2,302	-	(6,538)	(779)
Total Assets less Current Liabilities		24,744	26,609	577,348	628,701	587,668
Creditors: amounts falling due after more than one year	17	(717)	-	-	(717)	(1,347)
Net Assets		24,027	26,609	577,348	627,984	586,321

20. Reconciliation of movement in funds to net cash used in operating activities

	2020 Group \$000	2020 Foundation \$000	2019 Group \$000	2019 Foundation \$000
Net movement in unrestricted and restricted funds	(14,384)	(14,432)	13,249	13,094
Deduct back transfer from endowment fund	(8,000)	(8,000)	(17,140)	(17,140)
Deduct back investment income	(426)	(378)	(863)	(708)
Add back impairments	11,705	13,233	8,518	10,627
Increase in net debtors – unrestricted & restricted funds	6,937	6,937	(3,837)	(3,837)
Increase in net creditors – unrestricted & restricted funds	(3,479)	(3,482)	7,823	7,814
Net cash used in operating activities	(7,647)	(6,122)	7,750	9,850

Notes to the financial statements for the year ended 31 December 2020 (continued)

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21. Analysis of changes in Net debt

Group	Note	Balance at start of year \$000	Cash flows 000	Grants \$000	Net Investments \$000	Endowment Drawdown \$000	Third party payables \$000	Foreign exchange movements \$000	Balance at end of year \$000
Cash at Bank and in hand	14	22,774	18,040	(28,360)	(4,046)	8,000	-	(210)	16,198
Creditors: Amounts falling due within one year	15	(27,860)	-	1,980	-	-	3,027	(157)	(23,010)
Creditors: Amounts falling due after more than one year	17	(1,302)	-	373	-	-	256	-	(673)
Total		(6,388)	18,040	(26,007)	(4,046)	8,000	3,283	(367)	(7,485)

Foundation	Note	Balance at start of year \$000	Cash flows 000	Grants \$000	Net Investments \$000	Endowment Drawdown \$000	Third party payables \$000	Foreign exchange movements \$000	Balance at end of year \$000
Cash at Bank and in hand	14	11,431	18,018	(26,860)	(545)	8,000	-	(211)	9,833
Creditors: Amounts falling due within one year	15	(27,827)	-	1,979	-	-	3,030	(157)	(22,975)
Creditors: Amounts falling due after more than one year	17	(1,347)	-	373	-	-	257	-	(717)
Total		(17,743)	18,018	(24,508)	(545)	8,000	3,287	(368)	(13,859)

Notes to the financial statements for the year ended 31 December 2020 (continued)

Company Registered Number: 4007273

22. Financial Instruments

The Group and Foundation have the following financial instruments:

Group	Note	2020 \$000	2019 \$000
Financial assets at fair value through the SOFA			
- Endowment	10	577,348	521,252
- Cash at bank and in hand	14	16,198	22,774
		593,546	544,026
Financial assets that are debt instrument measured at amortised costs			
- Debtors	13	5,076	12,013
		5,076	12,013
Financial assets that are debt instrument measured at costs less impairment			
- Programme related investment – Rent to Own Loan	11	-	300
- Programme related investment – Lightning Hybrids Loan	11	1,500	1,500
- Programme related investment – Redavia Loan	11	941	1,218
- Programme related investment – SparkMeter Loan	11	560	560
- Programme related investment – Factor[e] Loan	11	10,550	9,050
- Programme related investment – Gajam Group Ltd (Dharma Life) Loan	11	919	942
- Programme related investment – Husk Power Systems Inc. Loan	11	1,192	1,300
- Programme related investment – Persistent Energy Capital Loan	11	1,250	1,250
- Programme related investment – Buen Manejo del Campo S.A. (Sistema Biobolsa) Loan	11	925	925
- Programme related investment – Greenlight Planet Loan	11	250	540
- Programme related investment – Envirofit International Inc loan	11	25	-
- Mixed motives investment – – Aavishkaar Ventures Management Services convertible debt agreement	11	10,000	10,000
- Programme related investment – Cardecho B.V. loan	11	700	700
- Programme related investment – Nayo Tropical Technology loan	11	700	700
- Programme related investment – Shortlist loan	11	350	350
- Programme related investment – Social Investment Managers and Advisers (SIMA) loan	11	-	200
- Programme related investment – BBOX loan	11	-	40
- Programme related investment – Science for Society Techno Services (S4S) loan	11	40	40
- Programme related investment – Metro Africa Xpress loan	11	1,000	-
- Programme related investment – WhereIsMyTransport loan	11	1,000	-
- Programme related investment – Provision for doubtful debts	11	(2,626)	-
		29,276	29,615
Financial assets that are equity instrument measured at cost less impairment			
- Programme related investment – GroFin Africa Fund investment	11	398	1,254
- Programme related investment – GroFin SGB Fund investment	11	8,700	15,000
- Programme related investment – responsAbility	11	2,025	2,000
- Programme related investment – Nomou Iraq Fund	11	4,881	3,762
- Programme related investment – Persistent Energy Capital Investment	11	2,400	3,000
- Programme related investment – Energy Entrepreneurs Growth Fund (EEGF) investment	11	3,000	3,000
- Programme related investment – Northern Iraq Investments investment	11	4,000	2,000
- Programme related investment – SIMA Angaza Distributor Financing Fund investment	11	600	-
		26,004	30,016
Financial liabilities at fair value through the SOFA			
		-	-
Financial liabilities measured at amortised costs			
- Creditors, provisions and accruals	15, 16, 17	(25,683)	(29,162)
		(25,683)	(29,162)
Other financial liabilities measured at fair value			
- Contingent liabilities	27	-	(2,000)
		-	(2,000)

Notes to the financial statements for the year ended 31 December 2020 (continued)

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Foundation	Note	2020 \$000	2019 \$000
Financial assets at fair value through the SOFA			
- Endowment	10	577,348	521,252
- Cash at bank and in hand	14	9,833	11,431
		587,181	532,683
Financial assets that are debt instrument measured at amortised costs			
- Debtors	13	5,076	12,013
		5,076	12,013
Financial assets that are debt instrument measured at cost less impairment			
- Programme related investment – Rent to Own Loan	11	-	300
- Programme related investment – Lightning Hybrids Loan	11	1,500	1,500
- Programme related investment – Redavia Loan	11	941	1,218
- Programme related investment – SparkMeter Loan	11	560	560
- Programme related investment – Factor[e] Loan	11	10,550	9,050
- Programme related investment – Gajam Group Ltd (Dharma Life) Loan	11	919	942
- Programme related investment – Husk Power Systems Inc. Loan	11	1,192	1,300
- Programme related investment – Persistent Energy Capital Loan	11	1,250	1,250
- Programme related investment – Buen Manejo del Campo S.A. (Sistema Biobolsa) Loan	11	925	925
- Programme related investment – Greenlight Planet Loan	11	250	540
- Programme related investment – Envirofit International Inc loan	11	25	-
- Mixed motives investment – Aavishkaar Ventures Management Services convertible debt agreement	11	10,000	10,000
- Programme related investment – Cardecho B.V. loan	11	700	700
- Programme related investment – Nayo Tropical Technology loan	11	700	700
- Programme related investment – Shortlist loan	11	350	350
- Programme related investment – Social Investment Managers and Advisers (SIMA) loan	11	-	200
- Programme related investment – BBOX loan	11	-	40
- Programme related investment – Science for Society Techno Services (S4S) loan	11	40	40
- Programme related investment – Metro Africa Xpress loan	11	1,000	-
- Programme related investment – WhereIsMyTransport loan	11	1,000	-
- Programme related investment – Provision for doubtful debts	11	(2,626)	-
		29,276	29,615
Financial assets that are equity instrument measured at cost less impairment			
- Programme related investment – GroFin Africa Fund investment	11	398	1,254
- Programme related investment – GroFin SGB Fund investment	11	8,700	15,000
- Programme related investment – responsAbility investment	11	2,025	2,000
- Programme related investment – Nomou Iraq Fund investment	11	-	-
- Programme related investment – Persistent Energy Capital investment	11	2,400	3,000
- Programme related investment – Energy Entrepreneurs Growth Fund (EEGF) investment	11	3,000	3,000
- Programme related investment – Northern Iraq Investments investment	11	-	-
- Programme related investment – SIMA Angaza Distributor Financing Fund investment	11	600	-
		17,123	24,254
Financial liabilities at fair value through the SOFA			
		-	-
Financial liabilities measured at amortised costs			
- Creditors, provisions and accruals	15,16,17	(25,692)	(29,174)
		(25,692)	(29,174)
Other financial liabilities measured at fair value			
- Contingent liabilities	27	-	(2,000)
		-	(2,000)

Notes to the financial statements for the year ended 31 December 2020 (continued)

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23. Derivative financial instruments

The Foundation holds an endowment which uses derivative financial instruments to hedge some exposures. Although the derivative financial instruments entered into for hedging purposes are linked to the underlying transactions of the endowment, they do not meet the criteria for hedge accounting as the hedging relationships do not consist of hedging instruments and hedged items that meet certain criteria, and thus do not qualify for hedge accounting. They have been classified as non-hedging instruments in the below table.

	Contractual Notional Amount \$000	Fair value	
		Asset \$000	Liability \$000
2020			
Non-hedging instruments			
- Foreign exchange contracts	26,918	-	(1,231)
Total		-	(1,231)
Less: current portion		-	1,231
Non-current portion		-	-
2019			
Non-hedging instruments			
- Foreign exchange contracts	25,570	-	(123)
Total		-	(123)
Less: current portion		-	123
Non-current portion		-	-

24. Capital commitment

The Foundation had no capital commitments as at 31 December 2020. (2019: Nil).

25. Capital

The Foundation is a company limited by guarantee. The sole member has undertaken to contribute \$1 to the assets of the Foundation to meet its liabilities if called on to do so.

26. Related party transactions

The sole member of the Foundation is The Shell Petroleum Company Limited (SPCo). The ultimate parent company of SPCo is Royal Dutch Shell plc. The Foundation's investment manager is Shell Asset Management Company (SAMCo), which is also a subsidiary of Royal Dutch Shell plc.

During the year the Foundation made payments of \$322,753 (2019: \$280,636), and generated accrued investment management costs of \$82,543 (2019: \$72,248), on normal business terms with SAMCo.

Of the Foundation's current or former Trustees listed on page 3, the following are or were directors or officers of certain Shell Group companies: Ms Sinead Lynch, Mr Maarten Wetselaar, Mr Wael Sawan and Mr Malcolm Brinded. The Shell Group has other charitable affiliates that are not formally related to the Foundation, such as The Shell Centenary Scholarship Fund in the UK and the Shell Oil Foundation in the USA.

Donations received included the following as disclosed in Note 2:

Notes to the financial statements for the year ended 31 December 2020 (continued)

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Entity Name	2020 \$000	2019 \$000
BG Group Ltd	5,568	-
Royal Dutch Shell plc	61	-
Shell Energy Europe Limited	6,000	6,000
Shell Transport and Trading Ltd	2,662	-

As part of Shell Foundation's approach as an engaged donor, Shell Foundation staff members often participate in the governance of strategic partners to maintain strength and skills of the Board. None of the Shell Foundation employees who serve on the Boards of these partners receive any remuneration for these duties.

Positions of influence of key management personnel, during 2020 were:

Sam Parker – Shell Foundation CEO, Richard Gomes – Deputy CEO, Rachel Singh Davies – CFO.

Shell Foundation Key Management Personnel	Organisation's Name	Position	Grant 2020 \$000	Grant 2019 \$000	Outstanding Liability 2020 \$000	Outstanding Liability 2019 \$000	Notes
Sam Parker	WRI Ross Centre for Sustainable Cities	Member of the Advisory Board	1,300	750	550	850	Grants provided to World Resources Institute and Centro de Transporte Sustentable.
Sam Parker	Stichting Smart Freight Centre	Board Member	489	735	246	112	
Sam Parker	Envirofit International Inc	Board Member	35	1,150	-	-	
Sam Parker	GroFin Africa Fund, GroFin SGB Fund and GroFin Nomou (MENA), Aspire Growth Fund, Aspire Small Business Fund	Member of the Advisory Council	1,500	2,100	78	78	GroFin Managers is a SF Grantee that belongs to the GroFin Group of Companies.
Sam Parker	GroFin SGB Fund	Member of the Advisory Council	Investment of \$15 million in GroFin SGB Fund at the 2020 year end (2019: \$15 million)				
Sam Parker	GroFin Africa Fund	Member of the Advisory Council	Investment in GroFin Africa Fund of \$0.4 million at the 2020 year end (2019: \$1.3 million)				
Sam Parker	Factor[e] Ventures PBC	Investment Committee Member	Loan Receivable \$10.6 million at the 2019 year end (2019: \$9.1 million)				
Rachel Singh Davies	BIX	Investment Committee Member	Guarantee of \$2m to the Calvert Social Investment Fund Inc. for pre-funding of the BIX carbon fund				

Notes to the financial statements for the year ended 31 December 2020 (continued)

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27. Guarantees and contingent liabilities

In Q3 2016, Shell Foundation committed to a six year financial guarantee of \$2 million to Calvert Social Investment Foundation Inc. The guarantee is capped at \$2 million in aggregate and is in two parts – firstly a \$2 million guarantee to Calvert for pre-funding of the BIX carbon fund via Cardecho, and secondly \$2 million to Cardecho guaranteeing carbon credit instalments from Envirofit, which in part will be used to repay the Calvert pre-finance loan. In December 2020, Calvert indicated their intention to call the \$2m guarantee in full and this has therefore been recognised as a liability in the balance sheet of SF as at 31 December 2020.

Between 2016 and 2019, USAID donated a total of \$21 million to SF under the Iraq MENA II agreement. Under the agreement, these donations have been used to purchase share capital in SF Investment Management Limited, a wholly owned subsidiary, which then uses these funds to carry out the requirements of the agreement. At the conclusion of the programme Shell Foundation must liquidate SF Investment Management, including all remaining investments, and return any remaining funds to USAID. SF takes the view that the eventual settlement amount cannot be reliably measured given that the programme is due to run until 2036 and there are too many factors impacting any potential estimate to make it reliable. As at 31 December 2020, the net assets of SF Investment Management are \$15.1 million (2019: \$17.1m).

28. Post balance date events

There have been no post balance sheet date events.

