



Shell Foundation

(a Company Limited by Guarantee not having a Share Capital)

Trustees' Report and Financial Statements for the year ended 31 December 2001

Company Registered Number: 4007273

Charity Registered Number: 1080999

Trustees' Report and Financial Statements for the year ended 31 December 2001

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Trustees, directors, officers and advisors

Trustees (who are also directors)

Mr Philip Watts (Chairman)	appointed 6 December 2001
Sir Mark Moody-Stuart	resigned 6 December 2001
Professor José Goldemberg	resigned 25 January 2002
Mr Harry J M Roels	resigned 31 March 2002
Sir John Houghton	
Miss Jyoti E Munsiff	
Dr Pieter Winsemius	appointed 26 November 2001
Mr Jeroen van der Veer	appointed 5 June 2002
Dr Enos Banda	appointed 17 August 2002

Secretary

D H Sanger

Principal Officers

H K Hoffman (Director)
C West (Deputy Director)

Registered Office

Shell Centre London SE1 7NA

Auditors

PricewaterhouseCoopers
1 Embankment Place London WC2N 6RH

Bankers

Lloyds TSB Bank plc
71 Lombard Street London EC3P 3BS

Solicitors

Allen & Overy
One New Change London EC4M 9QQ

Investment custodian

JP Morgan Chase Bank
60 Victoria Embankment London EC4Y 0JP

Report of the Trustees for the year ended 31 December 2001

The Trustees, who are also directors of the company for the purpose of the Companies Act, present their annual report and the audited financial statements for the year ended 31 December 2001.

The information with respect to trustees, directors, officers and advisors set out on page 1 forms part of this report. 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 (SORP) "Accounting and Reporting by Charities" issued in October 2000 and the Charities Act 1993.

Status and administration

The charity is a charitable company limited by guarantee, incorporated on 31 May 2000 (company registration number 4007273) and registered with the Charity Commissioners as a charity on 25 June 2000 (charity registration number 1080999).

Objects

The primary objects of the charity, as stated in its governing document, are:

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 through grants made through its Sustainable Energy Programme.
2. The advancement of education of young persons and adults. This objective has not been the subject of a specific programme focus, but has been furthered in a number of grants made through the Sustainable Energy Programme.
3. The establishment in life of young persons aged not more than 30 years. This objective has been furthered through the Foundation's Youth Enterprise Programme.

4. The relief of poverty, suffering, hardship and distress. This objective has been furthered through grants made through both the Sustainable Energy Programme and the Sustainable Communities Programme.

The Foundation's Articles permit it to make grants to further these objects anywhere in the world, and its policy is to act as a truly international grant-making Foundation. Its grant-making policies specifically exclude:

- Capital schemes for building construction, purchase or renovation, or land purchase, other than where intrinsic to a wider project within the programme areas;
- Endowments, debt reduction and fund-raising campaigns;
- Projects with political or religious objectives;
- Normally, funding for individual study tours or attendance at conferences.

Governance and Internal Controls

The Trustees are appointed by the sole member of the Foundation (The Shell Petroleum Company Limited), in consultation with the existing Trustees. Trustees serve for a period of three years, with possible re-appointment for further periods (without limitation) of not more than three years. The Trustees meet formally twice each year. They review and approve:

- A strategic plan and annual budget for the Foundation;
- Shell Foundation financial results, variances from budget, investment performance, and non-financial performance indicators;
- Internal controls including delegation of authorities and segregation of duties;
- Risks associated with the projects – both approved and potential – aided by the Foundation and appropriate risk mitigation measures.

Report of the Trustees for the year ended 31 December 2001

The Trustees are responsible for safeguarding the charity's assets and hence for taking reasonable steps for the prevention and detection of fraud and breaches of laws and regulations. They are responsible for identifying and managing risk.

The Trustees are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the charity and company, and enable the Trustees to ensure that the financial statements comply with the Companies Act 1985 and the Statement of Recommended Practice: Accounting and Reporting by Charities, issued in October 2000.

The Trustees are responsible for the preparation of financial statements for each financial year that give a true and fair view of the charity's incoming resources and application of resources during the year and of its state of affairs at the end of the year. In preparing those financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards and statements of recommended practice have been followed.
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the activities of the charity will continue.

To ensure clarity in the relationship of the Shell Foundation to other companies of the Royal Dutch Shell Group of companies ("Shell Group"), the Board of Trustees includes independent members who have no direct relationship with the Shell Group, known as the "Nominated Trustees". They are selected for their experience of and eminence in the Foundation's field of activities and its objectives. As at October 2002, the current Nominated Trustees are Dr Pieter Winsemius, Sir John Houghton and Dr. Enos Banda.

In addition, the Trustees explicitly recognised their charitable responsibilities in this regard by formally stating that the Foundation will not support activities that primarily benefit the commercial interests, meet the business requirements, or fulfil legal obligations of any Shell Group company. Any

circumstance where this might be a possibility is reviewed by the Nominated Trustees. In particular, all contracts, other than 'low value purchases', with other Shell Group companies are reviewed and must be based on value for money criteria.

The Trustees have identified the major risks to which the Foundation might be exposed. These are the poor financial performance of its investments, and the inappropriate or wasteful use of its grants by grantees. As part of the activities of establishing the financial and governance processes of the Foundation, an investment sub-committee has been appointed to keep investment performance under review, and appropriate grantee reporting, monitoring and audit systems are being put in place.

Review Of Activities and Achievements

The Shell Foundation was formally incorporated on 31 May 2000 and registered as a charity on 25 June 2000. Between incorporation and 31 December 2000, donations of \$259 million were received from Shell Group companies, of which \$256 million was in the form of an expendable endowment and the balance is unrestricted funds. During 2001, donations of \$13 million were received from Shell Group companies to cover the 2001 operating and grant-making costs of the Foundation.

At their first Board meeting on 9 November 2000 the Trustees confirmed the three programmes of the Foundation:

● The Sustainable Energy Programme

This programme aims to reduce environmental impacts of energy use and increase the access of poor people in developing countries to energy services, to help them move out of poverty.

● The Sustainable Communities Programme

This programme supports local, practical projects, in partnership with local or international non-governmental organisations, to help marginalised communities and groups to improve their economic opportunities and their long-term sustainability.

● The Youth Enterprise Programme

This programme stimulates the development of youth enterprise programmes around the world to advise young people in need and help them acquire the skills and resources to establish themselves in business, while helping them also to understand the wider responsibilities and opportunities that their businesses present.

Report of the Trustees for the year ended 31 December 2001

Details of all grants committed or made by the Foundation in the year ended 31 December 2001 are listed in the following table. The balance on the grants made but not paid up to 31 December 2001, will be payable in subsequent financial years.

PROJECT	GRANTEE	Total Funding (\$'000)
Sustainable Energy Programme	Sustainable Development Research Institute	500
	Smithsonian Institute	2,800
	Imperial College	7
	Energy Centre Netherlands	154
	Organisation of American States & University of Cape Town	25
	Institute for International Environment and Development	72
	Institute for International Environment and Development	101
	Oxford University – Centre for Climate Policy	33
	Global Greenlife Institute	420
	Imperial College of Science, Technology	72
	Centre for Occupational and Environmental Health	280
	Institute for Global Health	199
	Centre Nacional de Referencia	15
	Sub-Total	4,678
Sustainable Communities Programme	Le Quang Minh	316
	Traidcraft Exchange	317
	International Service	182
	Fundacao Botanica Margaret Mee	125
	Integra Foundation	330
	Aga Khan Foundation	240
	Sub-Total	1,510
Youth Enterprise Programme	ACDE (Argentina)	91
	Livewire Sdn Bhd (Brunei)	72
	Dialog Educacao Tecnologa (Brazil)	290
	Northern Youth Venture Unit	20
	Sub-Total	473
Total 2001 Grants Committed		6,661
Net adjustment to creditors brought forward		29
Grants payable per Statement of Financial Activities		6,690

Report of the Trustees for the year ended 31 December 2001

Financial Position

The Statement of Financial Activities is set out on page 7 of the financial statements.

During the year 23 grants totalling \$6.7 million (7 months ended 31 December 2000: \$3.0 million) were awarded by the Foundation to 21 beneficiaries in support of projects fulfilling the objectives of the Foundation's programmes. Donations to unrestricted funds were sufficient to fund both the actual and the committed expenditure of the Shell Foundation for the period.

Reserves

The medium term objective of the Trustees is to build reserves to a level that provides a mature asset base capable of funding the entire annual programme of the Foundation. It is considered that the rate of annual growth on the existing invested fund of \$256 million will be sufficient to attain the desired level of reserves by 2010. In the meantime it is anticipated that the grant programmes will be financed by annual donations from companies of the Shell Group.

Investment Policy and Performance

The Board wish to make prudent investments consistent with meeting the Foundation's objective of reaching financial independence by 2010. The flexibility offered by the funding arrangements outlined above permits an investment policy that is targeted towards a higher rate of return and will accept volatile short term results in the expectation that the volatility will be more than compensated by superior long term performance. To achieve this objective the selected strategy is to invest in a globally-diversified portfolio of equities & bonds (weighted 60% in equities and 40% in bonds).

The preferred investment strategy was not implemented until June 2001, prior to which the funds were invested in dollar denominated money market pooled funds. Overall investment performance during 2001 showed a small negative investment return of less than - 0.2%, which was in line with the portfolio benchmark.

Auditors

The sole member approved the adoption of Elective Resolutions on 28 March 2001, in accordance with the Companies Act 1985, to dispense with (a) the holding of Annual General Meetings, (b) the laying of Report and Accounts before general meetings each year, and (c) the annual re-appointment of Auditors.

PricewaterhouseCoopers will accordingly continue as Auditors of the Shell Foundation pursuant to section 386(2) of the Companies Act 1985. In accordance with section 253(2) of the Companies Act 1985, any Member or the Auditors may require the Report and Accounts 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 accounts and reports to Members.

By order of the board

Jyoti E Munsiff

Trustee

11th October 2002

Independent Auditors' Report to the Members of Shell Foundation

We have audited the financial statements which comprise the statement of financial activities, the income and expenditure account, the balance sheet, the cash flow statement, the related notes and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of trustees and auditors

The trustees are also directors of the Shell Foundation for the purpose of company law. Their responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the Trustees' Report.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Trustees' Report.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of

whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs at 31 December 2001 and of its net incoming resources, including its income and expenditure and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

Chartered Accountants and Registered Auditors
London
October 2002

Statement of Financial Activities for the year ended 31 December 2001

	Notes	Unrestricted Funds 2001 \$'000	Endowment Funds 2001 \$'000	Total Funds 2001 \$'000	Total Funds 7 months ended 31 December 2000 \$'000
Incoming resources					
Donations	2	12,978	-	12,978	258,794
Donated Services	3	-	-	-	545
Investment income	4	67	10,576	10,643	523
Total incoming resources		13,045	10,576	23,621	259,862
Resources expended					
Costs of generating funds:					
Investment management costs	6	-	(61)	(61)	-
Total costs of generating funds		-	(61)	(61)	-
Charitable expenditure:					
Costs of activities in furtherance of the charity's objects:					
Grants payable					
- Sustainable Energy Programme		(4,556)	-	(4,556)	(2,604)
- Sustainable Community Programme		(1,443)	-	(1,443)	(97)
- Youth Enterprise Programme		(691)	-	(691)	(320)
Total grants payable	5	(6,690)	-	(6,690)	(3,021)
Programme support costs					
- Sustainable Energy Programme		(1,300)	-	(1,300)	(352)
- Sustainable Community Programme		(146)	-	(146)	(40)
- Youth Enterprise Programme		(565)	-	(565)	(153)
Total programme support costs	6	(2,011)	-	(2,011)	(545)
Management and administration	6	(468)	-	(468)	(19)
Exchange losses	6	(117)	(639)	(756)	-
Total charitable expenditure		(9,286)	(639)	(9,925)	(3,585)
Total resources expended		(9,286)	(700)	(9,986)	(3,585)
Net incoming resources before revaluations and investment asset disposals					
Gains and losses on the revaluation and disposal of investment assets	7	3,759	9,876	13,635	256,277
	10	-	(10,312)	(10,312)	270
Net movement in funds		3,759	(436)	3,323	256,547
Fund balances brought forward at 1 January 2001	14	405	256,142	256,547	-
Fund balances carried forward at 31 December 2001	14	4,164	255,706	259,870	256,547

All incoming resources and resources expended are derived from continuing activities.

Summary Income and Expenditure Account for the year ended 31 December 2001

	2001 \$'000	7 months ended 31 December 2000 \$'000
Gross charitable income	12,978	3,817
Charitable expenditure	(9,286)	(3,585)
Net surplus before investment asset disposals	3,692	232
Investment income	10,643	523
Realised loss on investment asset disposals	(4,462)	-
Net surplus of income over expenditure for the year	9,873	755

Balance Sheet as at 31 December 2001

	Notes	2001 \$'000	2000 \$'000
Fixed assets			
Investments	10	263,945	256,142
Current assets			
Debtors: amounts falling due within one year	11	1,057	-
Cash at bank and in hand		813	3,202
		1,870	3,202
Creditors: amounts falling due within one year	12	(3,108)	(1,911)
Net current (liabilities)/assets		(1,238)	1,291
Total assets less current liabilities		262,707	257,433
Creditors: amounts falling due after one year	13	(2,837)	(886)
Net assets		259,870	256,547
Capital and reserves:			
Endowment Funds	14	255,706	256,142
Unrestricted funds	14	4,164	405
Total funds		259,870	256,547

The accounts on pages 7 to 15 were approved by the trustees and signed on their behalf by:

Jyoti E Munsiff
Trustee
11th October 2002

Cash flow statement for the year ended 31 December 2001

		2001		7 months ended 31 December 2000
	Notes	\$'000	\$'000	\$'000
Net cash inflow from operating activities	16		5,783	3,202
Returns on investments and servicing of finance				
Investment income received	4	10,643		523
Investment income attributable to endowment funds	4			
	4	(10,576)		(523)
Total returns on investments and servicing of finance			67	-
Capital expenditure and financial investment				
Purchase of investments	10	(137,104)		(256,045)
Sale of investments	10	118,989		-
Cash flow attributable to endowment investments		8,496		256,045
Total capital expenditure and financial investment			(9,619)	-
Net cash (outflow)/inflow before financing			(3,769)	3,202
Financing				
Donations received and utilised for additions to endowment funds				255,522
Investment income retained within endowment funds	4	10,576		523
Net cash outflow attributable to endowment investments		(8,496)		(256,045)
Expenditure on endowment funds		(700)		-
Total Financing			1,380	-
(Decrease)/increase in cash in the year			(2,389)	3,202

Notes to the financial statements for the year ended 31 December 2001

1. Accounting Policies

Basis of Preparation

The financial statements are prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities", published in October 2000, and in accordance with applicable United Kingdom accounting standards and the Companies Act 1985.

The financial statements are prepared under the historical cost convention, as modified by the revaluation of investments. They are also prepared on a going concern basis as the fixed asset investments are highly liquid and could be realised to meet the net current liabilities (\$1,238,000 at 31 December 2001) if required.

The financial statements of Shell Foundation are prepared in United States dollars. This is because the local currency of Shell Foundation, defined in SSAP 20 as the currency of primary economic environment in which the Foundation operates, is US dollars, reflecting the high proportion of grants awarded and donations received in dollars and consequent dollar weighting of its investment funds.

This is the first full year of operation of the Shell Foundation, which was incorporated as a company on 31 May 2000 and subsequently registered as a charity on 25 June 2000. The prior period comparative figures are for the seven months ended 31 December 2000.

Fund Accounting

Funds held by the charity are either:

- General unrestricted income funds, that are expendable at the discretion of the trustees in furtherance of the charity's objects; or
- Expendable endowment funds, whose principal purpose is for investment to build the asset base of the Foundation, but which can be converted at the discretion of the trustees into expendable income when needed.

Incoming Resources

Donations and investment income are included in the Statement of Financial Activities when the charity is legally entitled to the income. Donated services are included in income at a valuation which is an estimation of the financial cost borne by the donor.

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 funding memorandum from the endowment donor, to meet the objective of building the endowment fund to a level capable of sustaining the entire annual programme of the Foundation.

Resources expended

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 activities on a basis consistent with the use of resources. Premises and staff related costs are allocated on the basis of manpower effort expended. General overheads are included within management and administration.

Grants Payable

Grants payable are taken to the Statement of Financial Activities in the year when they are committed; dates and amounts of commitment are taken from the signed letters of understanding between Shell Foundation and beneficiaries for each project. The commitments are not discounted. All grants awarded by the Shell Foundation are payable to Institutions.

Programme support Costs

Support costs comprise costs for processing grants and applications and for the administration and monitoring of projects.

Management and Administration

Management and administration comprises costs for the running of the charity itself as an organisation.

Gains and Losses on Foreign Exchange

Monetary assets and liabilities denominated in currencies other than dollars are converted to dollars at the rate ruling at the balance sheet date. Items of income and expenditure in non-dollar currencies are converted at transaction date exchange rate where known, or otherwise at end-rate. 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 combined in the statement of financial activities.

Notes to the financial statements for the year ended 31 December 2001

2. Donations received

	2001 \$'000	2000 \$'000
Corporate donations		
- Shell International Ltd	625	5,522
- Shell Chemicals UK Ltd	12,353	88,125
- The Shell Petroleum Company Ltd	-	15,147
- Shell International Trading & Shipping Co Ltd	-	150,000
	12,978	258,794

3. Donated Services

For the period ended 31 December 2000 donated services represented the value of staff services provided by Shell International Ltd in furtherance of the Foundation's charitable objectives. The corresponding expense was shown against support costs. For the year ended 31 December 2001 all such costs were borne by the Foundation.

4. Investment income

	2001 \$'000	2000 \$'000
Interest on cash deposits	6,634	523
Fixed interest securities	2,925	-
Dividends	1,084	-
	10,643	523

5. Grants Payable

Grants payable by the Foundation, all of which were to Institutions, were as follows:

	2001 \$'000	2000 \$'000
Accruals brought forward	(2,778)	-
Payments	3,881	243
Grants payable within one year (see note 12)	2,750	1,892
Grants payable after more than one year (see note 13)	2,837	886
	6,690	3,021

A full list of grants awarded in the year ended 31 December 2001 is included in the Trustees' Report.

Notes to the financial statements for the year ended 31 December 2001

6. Resources expended

	Staff costs \$'000	Other costs \$'000	2001 \$'000	2000 \$'000
Investment management costs	-	61	61	-
Grants payable	-	6,690	6,690	3,021
Programme support costs	558	1,453	2,011	546
Management and administration	241	227	468	19
Exchange losses	-	756	756	-
	799	9,187	9,986	3,586

Staff costs shown above comprise charges in respect of the services of employees of Shell Group companies in relation to Shell Foundation activities. The Foundation has no direct employees.

Other costs within programme support and management and administration include contracted services of \$1,320k and travel costs of \$308k.

Exchange losses are mostly offset by investment gains as the investment portfolio is hedged in U.S. dollars.

7. Net incoming resources

	2001 \$'000	2000 \$'000
Net incoming resources is stated after charging:		
Auditors' remuneration for:		
Audit services	15	15

No indemnity insurance for trustees' liability has been purchased by the charity.

8. Employee information

The Foundation has no direct employees.

No trustee received any remuneration from the charity during the year (2000: nil). The Foundation directly incurred or reimbursed travel expenses in relation to two trustees totalling \$13,573 (2000: \$nil). These expenses related to attendance at trustee meetings and visits to project sites.

9. Taxation

The Foundation is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments.

The charity is registered for VAT and accordingly, all expenditure is recorded exclusive of any VAT.

Notes to the financial statements for the year ended 31 December 2001

10. Investments

	Market Value 1 Jan 2001 \$'000	Purchases at cost \$'000	Sales Proceeds \$'000	Gains/ (Losses) \$'000	Market Value 31 Dec 2001 \$'000
Equities					
UK	-	9,294	(24)	(319)	8,951
Europe	-	16,307	(1,572)	(678)	14,057
North America	-	52,097	(3,560)	(3,206)	45,331
Japan	-	7,948	(127)	(1,680)	6,141
Far East	-	658	-	(13)	645
Australasia	-	1,278	(81)	(20)	1,177
Other	-	35	-	2	37
	-	87,617	(5,364)	(5,914)	76,339
Fixed Interest Securities					
UK public sector quoted	-	10,417	(795)	521	10,143
Overseas public sector quoted	-	103,056	(18,959)	4,616	88,713
Overseas quoted	-	245	(111)	(13)	121
	-	113,718	(19,865)	5,124	98,977
Pooled investment vehicles					
UK	-	9,244	(391)	(327)	8,526
Overseas	-	76,496	(2,132)	(5,526)	68,838
	-	85,740	(2,523)	(5,853)	77,364
Time Deposits	-	640	(635)	(5)	-
	-	640	(635)	(5)	-
Forward Foreign Exchange Contracts	-	95,906	(90,602)	(3,664)	1,640
	-	95,906	(90,602)	(3,664)	1,640
Cash Deposits	256,142	(246,517)	-	-	9,625
Totals:	256,142	137,104	(118,989)	(10,312)	263,945

11. Debtors

	2001 \$'000	2000 \$'000
Amounts falling due within one year		
Other debtors	1,057	-

Notes to the financial statements for the year ended 31 December 2001

12. Creditors: amounts falling due within one year

	2001 \$'000	2000 \$'000
Grants Payable	2,750	1,892
Trade creditors	342	-
Accruals	16	19
	3,108	1,911

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

	2001 \$'000	2000 \$'000
Grants Payable	2,837	886

14. Funds

	Balance 31 December 2000 \$'000	Incoming Resourc es \$'000	Resources Expended \$'000	Investment gains/(losses) \$'000	Balance 31 December 2001 \$'000
Endowment Funds	256,142	10,576	(700)	(10,312)	255,706
Unrestricted funds	405	13,045	(9,286)	-	4,164
Total funds	256,547	23,621	(9,986)	(10,312)	259,870

15. Analysis of net assets between funds

The net assets are held for the various funds as follows:

	Investments \$'000	Net current assets/liabilities \$'000	Long term liabilities \$'000	2001 Total \$'000	2000 Total \$'000
Endowment funds	254,259	1,447	-	255,706	256,142
Unrestricted funds	9,686	(2,685)	(2,837)	4,164	405
Total	263,945	(1,238)	(2,837)	259,870	256,547

16. Reconciliation of net incoming resources to net cash inflow from operating activities

	2001 \$'000	2000 \$'000
Continuing activities		
Net incoming resources – unrestricted funds	3,759	232
Investment income – unrestricted funds	(67)	-
Increase in debtors	(1,057)	-
Increase in creditors	3,148	2,797
Exchange gain on unrestricted cash funds	-	173
Net cash inflow from operating activities	5,783	3,202

Notes to the financial statements for the year ended 31 December 2001

17. Capital commitments

The Foundation had no Capital Commitments as at 31 December 2001 (2000: \$ nil).

18. Capital

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

19. Related party transactions

Of the Shell Foundation's current or former trustees listed on page 1, the following five are directors or officers of the Royal Dutch/Shell Group: Sir Mark Moody-Stuart, Mr Philip Watts, Miss Jyoti E Munsiff, Mr Harry J M Roels and Mr Jeroen van der Veer.