
Report of the Trustees and Financial Statements 2021

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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 and Asia.

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	
Ms Diana Fox Carney		
Ms Alice Chapple		
Professor Maggie Kigozi		
Ms Sinead Lynch		
Mr Wael Sawan		
Mr Maarten Wetselaar		Resigned 1 November 2021
Mr Huibert Vigeveno		Appointed 25 November 2021

Principal Officers

Mr Sam Parker	Chief Executive Officer	Resigned 30 September 2021
Mr Richard Gomes	Acting Chief Executive Officer Deputy Chief Executive Officer	Appointed 1 October 2021
Ms Rachel Singh Davies	Acting Deputy Chief Executive Officer Joint Chief Financial Officer Company Secretary	Appointed 1 October 2021
Ms Patricia Otero	Joint Chief Financial Officer	Resigned 31 July 2021

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 and Risk

Committee Members

Ms Alice Chapple
Ms Gail Klintworth
Ms Sinead Lynch
Mr Michael Clark – Co-opted –
Resigned 30 September 2021

Remuneration

Committee Members

Ms Alice Chapple
Ms Gail Klintworth
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
Mr Michael Clark – Co-opted – Resigned 30 September 2021
Ms Sinead Lynch
Mr Sam Parker – Resigned 30 September 2021
Ms Rachel Singh Davies

Message from Acting CEO



The second year of the Covid-19 pandemic did not bring any easing in the challenging market conditions in which Shell Foundation's network of social enterprises and institutions work. However, there was a noticeable surge in international collaboration to address these challenges, whether through innovative funding structures, the formation of new or strengthening of existing strategic alliances, or recognition of the potential in supporting the energy or transport sectors by previously unengaged actors.

The portfolio continued to deliver social, environmental and economic impact to low-income populations in Africa and Asia. The work of our portfolio since 2000 has improved the lives of more than 229 million people, the majority of whom face extreme hardships in their day-to-day lives.

With the COP26 conference being held in Glasgow in October 2021, climate change and the delivery of a just and inclusive energy transition were trending topics of international conversation throughout the year. We launched a robust piece of research in March demonstrating that the quickest and most affordable way to deliver inclusive growth in Africa is to invest in 'Decentralised Renewable Energy' solutions such as household solar systems, solar mini-grids and electric or LPG cookers for people who live on \$2 to \$10 a day.

We are already seeing the research, which details a \$200bn opportunity to avoid 626m/t of CO₂e while delivering universal energy access in Africa by 2030, being recognised by a new wave of 'climate first' funders who can mobilise the funding needed to achieve a low-carbon future and achieve inclusive growth.

In India, the tailored funding structure we helped design will assist the agriculture sector response to Covid. The facility is innovative in its ability to reach small and medium-sized enterprises with appropriate funding – smaller ticket sizes processed faster than other options in the market – and technical assistance, and also an example of international collaboration to deliver access to energy solutions.

Partnerships continue to play a vital role in supporting the growth of social enterprises that deliver essential renewable energy services in off-grid areas, enhancing income, education, health and women's economic empowerment. In February 2021 we announced a new collaboration with the US International Development Finance Corporation (DFC) to deliver affordable renewable energy to more than five million people in low-income areas of Africa and Asia by 2025. In 2022, we have extended our co-funding partnership with the UK's Foreign, Commonwealth & Development Office (FCDO) and formed a new partnership with Nuveen, a leading global investment manager to help mobilise capital toward impact enterprises with significant growth potential in emerging markets.

SF also saw substantial internal change in 2021, with Sam Parker retiring as CEO in September. Sam led SF for seven years, steering the organisation through an unprecedented period of growth and impact. Jonathan Berman has been appointed as Sam's replacement. He assumed the role in May 2022 and will lead the next stage of our journey.

As I write this in early summer 2022, Covid restrictions have been lifted in the UK and beyond. I feel cautious optimism at the trajectory of the energy access and mobility sectors: cautious because current rates of investment and access are still below where we need to be to achieve the UN Sustainable Development Goals by 2030; but optimistic that there is growing commitment to bridging these gaps, and that within the SF team and network of partners, enterprises and institutions there exist the skills, the ingenuity and the resilience to deliver the scale of impact required.

Richard Gomes

Message from the Chair of the Board of Trustees



The Covid pandemic has unsettled the whole world but those who are least able to withstand the insult to income, health and life disruption are those who live with poverty... food poverty, energy poverty, employment poverty. These are the customers that the Shell Foundation and our supported enterprises serve.

Just imagine that you have been able to afford a solar home connection with three lights and suddenly your income as a baggage handler at Jomo Kenyatta airport is disrupted: you have no money to feed the 'pay-as-you-go' meter and your home goes completely dark; you begin to cut protein, then oil, then beans from your family menu until you are only serving one maize meal every day; your mother needs medical care but you cannot afford the transport to the clinic.

It is within this environment that the Shell Foundation team has continued to deliver remarkable impact through the many partners in whom we invest. We afford not only financial support, but business management and market development advice and with connections to others in business building and further investment.

I also commend the work Sam Parker started and Richard and his team delivered around commissioning and sharing research that guides the decision-making of so many development organisations. The Rural Pathways work looking at how organisations need to be flexible when working with rural Kenyan households; the potential impact contained within the transition to electric vehicles in emerging markets; the opportunity to not only deliver universal energy access in sub-Saharan Africa but also to do so in a low-carbon way.

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 insights from its work to ensure organisations working in the sectors of energy access and sustainable mobility can learn from our experience and deliver the most efficient impact through their own work.

I want to take this opportunity to thank Sam Parker for his contribution as CEO and wish him all the best in his retirement. As a board, we recognised that his were not going to be easy shoes to fill. Jonathan Berman's experience, intelligence and passion for the SF model, of delivering impact through business solutions, shone through the interview process, and we believe he is an outstanding new CEO to build on the success Sam and the team have delivered in recent years and drive Shell Foundation to even greater heights, and we are excited to support him in this new chapter.

Gail Klintworth



Shell Foundation Programmes



Dharma Life improves the quality of life in rural India through an entrepreneurship model that provides the rural poor with livelihoods and access to socially impactful products and services

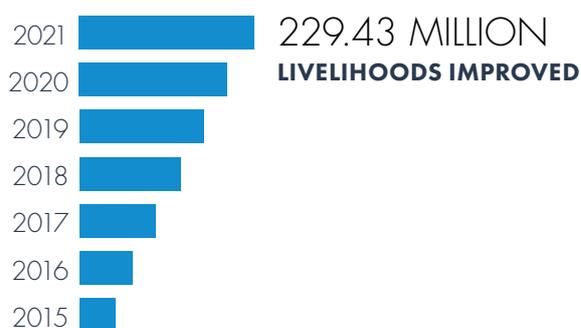
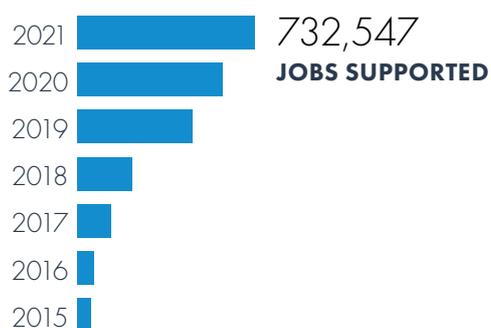
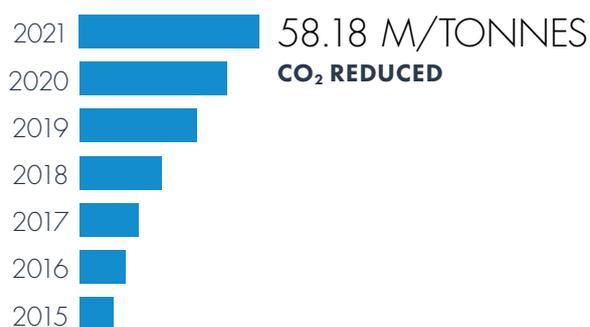
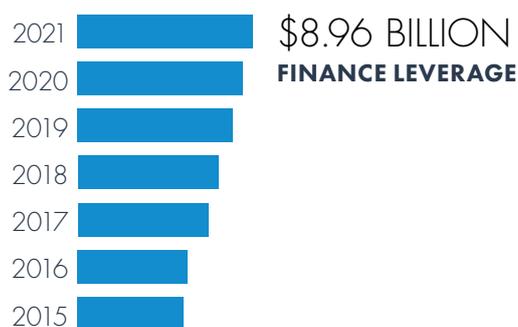
SHELL FOUNDATION OUTCOME INDICATORS

Shell Foundation’s cumulative impact is achieved through the work of all the various enterprises in its portfolio and calculated using a comprehensive set of indicators that feed into aggregate numbers. SF tracks and measures changes in performance against pre-defined milestones and targets, which allows for a meaningful analysis of the drivers of impact. SF measures its overall developmental impact by four broad metrics.



These four broad metrics are underpinned by indicators that are specific to each enterprise, depending on the sector and stage of business. Examples include:

- Low-income customers served, for example through product sales or passenger journeys
- Reduced emissions (aligned with GOGLA’s standardised impact metrics by several of SF’s energy partners) or water usage
- Jobs created, earnings increased, money saved
- Improved health or time saving



Note: The source of data is from either partner reports or published on partner websites



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—
**ACCESS
TO ENERGY**
—



Nayo Tropical Tech's sustainable green energy solution enables remote villages in Nigeria to have access to cleaner, reliable power

At a Glance: Strategic Report – Achievements and Performance

ACCESS TO ENERGY

Energy is a 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).

77,977

livelihoods improved by the contribution of Jaza's 62 Energy Hubs across rural Tanzania



HelloSolar, has contributed to a

954tonne

reduction in CO₂ by empowering rural communities with PAYG Access in Ethiopia



Digital food distribution platform, AgroCenta has improved the lives of

162,000

smallholder farmers significantly reducing post-harvest loss and creating more value for businesses



Using tech, digital food distribution platform, AgroCenta, is helping smallholder farms in Africa to reduce their post-harvest losses

Note: The source of data is from either partner reports or published on partner websites

At a Glance: Strategic Report – Achievements and Performance

ACCESS TO ENERGY

Household energy

Access to affordable, reliable and modern energy products will help alleviate poverty, hardship, suffering and distress for low-income households in Africa and Asia.

We continued to see severe challenges throughout 2021 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.

2021 key highlights

- We launched critical research on household access, outlining what it will take to provide first-time electricity access in Africa via a low-carbon trajectory that avoids millions of tonnes of CO₂ emissions. A sub-Saharan Africa report was launched on Earth Day in March, with country deepdives on Ethiopia, Nigeria and Uganda presented at the COP26 conference in Glasgow.
- In a continued response to the Covid-19 pandemic, Jaza and Bboxx installed public hand wash stations in the communities in which they operate and used their platform to educate communities on safe practices. Dharma Life launched 'We for Village' Alliance in India for focused efforts on creating awareness, addressing basic needs and improving economic conditions on the ground.

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 under-served and low-income consumers living below the poverty line and unreachable by current means.



During the continuing pandemic, both Jaza and Bboxx installed public handwashing stations and used their platform to educate communities on safe practices

At a Glance: Strategic Report – Achievements and Performance

ACCESS TO ENERGY

Off-grid utilities

Mini-grids 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.

2021 key highlights

- Launched an initiative with the Rockefeller Foundation and the UK's Foreign, Commonwealth and Development Office (FCDO) to test and measure innovative financing mechanisms that can help scale electrification of health clinics across sub-Saharan Africa.
- We released a series of learning reports presenting data from our portfolio partners on the impact of mini-grids on Nigerian communities, the role data can play in driving further investment into the sector, and how 'productive use' assets such as grain mills and fridges can improve mini-grids' profitability.

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.



In remote villages such as this one in Nigeria, mini-grids provide power allowing people to carry out work and social activities after dark

At a Glance: Strategic Report – Achievements and Performance

ACCESS TO ENERGY

Energy for business

Shell Foundation seeks to test new technologies and develop business models that meet the unique energy needs of smallholder farmers and rural enterprises, improving their productivity and ability to generate income.

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.

2021 key highlights

- Launched the 'India Covid Response Programme for Agriculture Transition', a \$55m loan programme supporting early-stage Indian agriculture enterprises engaged in clean energy solutions. The programme was the result of international partnership and includes specific features that allows it to work with organisations serving low-income populations.
- Published high-profile new research, *Understanding Rural Pathway Transitions*, developed with MasterCard Foundation's Rural & Agricultural Finance Learning Lab (RAFL), with support from FCDO. The research provides a structure to map rural households' economic and social circumstances and provides practical insights and recommendations to service providers, funders and policymakers that allows them to align their support to directly meet the needs and aspirations of rural households.

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.



A \$55m loan programme was launched to support early-stage Indian agriculture enterprises engaged in clean energy solutions

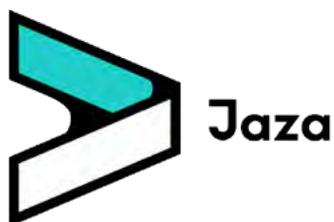
ACCESS TO ENERGY – RESOURCES EXPENDED

	2021	2020
	\$000	\$000
Grants	13,961	19,870
Direct costs	7,566	14,720
Support costs	3,221	3,006
TOTAL	24,748	37,596

(See Note 4 of Financial Statements)

At a Glance: Strategic Report – Achievements and Performance

ACCESS TO ENERGY: CASE STUDY



Jaza Energy – Charges and rents solar battery packs from a network of retail hubs

In Tanzania, just 37% of the population have access to electricity. This percentage is even lower in rural areas. Roughly 64% of those who live in off-grid areas rely on expensive alternatives such as kerosene which not only negatively impacts the health of women and children disproportionately but also is a source of atmospheric black carbon.

To address this issue, Jaza Energy are developing affordable energy products for low-income households in Tanzania, where – like many other African countries – around 50% of the population currently live on less than \$2/day. Jaza rents custom lithium-ion batteries across their 62 hub locations throughout rural Tanzania and handles more than 70,000 battery swaps per month.

The hubs are one-stop energy shops, running completely off the energy absorbed by solar panels on the roof of each location that also generate enough energy to power hundreds of homes.

Jaza’s solar battery retail locations provide meaningful employment to women in the local community who run the ‘energy hubs’ providing viable, affordable and reliable energy solutions to low-income rural households. 100% of the Hubs are operated by women and enable customers to rent solar batteries to power lights, TVs, mobile phones, and other essential household appliances.

With SF support, Jaza conducts vital product development and market research. Data from the research enables Jaza to assess and create new strategies that reach low-income households. To ensure maximum impact from SF funding we are also supporting Jaza in piloting tailored services and pricing to suit the highly seasonal income patterns that suppress rural Tanzanian communities where agriculture is their primary source of income.

70,000

battery swaps per month

\$200bn

market opportunity

100%

of hubs operated by women



Jaza’s data show that customers switching from kerosene lighting to Jaza battery packs save an average of \$42 per year, representing about 20% of their annual household budget.



SUSTAINABLE MOBILITY

In Lagos, Nigeria, unregulated transport options cause chaos on the roads and restrict its citizens ability to travel



At a Glance: Strategic Report – Achievements and Performance

SUSTAINABLE MOBILITY

Providing more affordable, inclusive and safer movement of people and goods, with less impact on the climate, has emerged as a fundamental development challenge, and is something SF has been working to address since we were established.

SF looks at how new technologies, businesses and non-profit institutions can enable urban and rural services to expand affordable access and cleaner mobility solutions for low-income communities.

These include but are not limited to:

- Digital platforms to coordinate vehicles or routes
- New services and models that connect isolated communities
- Standardised measurement methodologies on emissions
- Public/Private relationships to incentivise infrastructure planning

MAX.ng's work with transport operators in the informal sector in Nigeria has improved the lives of

1.6 million people



More than

1 million people

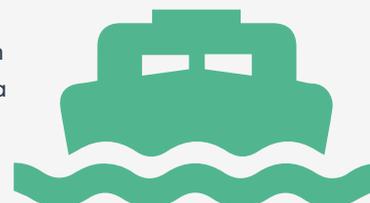
received goods via Tusker's fleet of transporters in southern India



Over

260,000

livelihoods improved using Waterbus's ferry service connecting island communities on Lake Victoria in Kenya and Uganda



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.

2021 key highlights

- Conceived and launched a campaign, ‘Moving Boundaries’, together with MOWO (Moving Women) Social Initiatives Foundation, to promote gender inclusion within the Indian mobility sector and improve collaboration amongst local enterprises. Jai Bharathi, MOWO founder, toured 11,111+ kms on her motorbike over 40 days, stopping at 20+ cities to encourage more women to learn to drive and become more mobile in order to gain equal access to opportunities and livelihoods.
- Positioned Sustainable Mobility as a unique emerging sector for impact investors through new research commissioned by Shell Foundation and authored by Enea Consulting.
- Ampersand, a Rwanda-based electric motorcycle company to which SF provided early-stage finance, secured a \$9m loan facility from the US International Development Finance Corporation (DFC) to expand its operations in Rwanda and Kenya.

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.



Ampersand has secured a \$9 loan to expand its operations in Rwanda and Kenya

SUSTAINABLE MOBILITY – RESOURCES EXPENDED

	2021	2020
	\$000	\$000
Grants	2,204	4,757
Direct costs	1,406	841
Support costs	516	482
TOTAL	4,126	6,080

(See Note 4 of Financial Statements)

At a Glance: Strategic Report – Achievements and Performance

SUSTAINABLE MOBILITY: CASE STUDY



NAVALT SOLAR & ELECTRIC BOATS PVT LTD

NavAlt – Revolutionising water transport through innovative, inclusive, and sustainable solutions

Globally, there is a need for energy-efficient solutions and technological advancements in the water transport sector, not only to contribute to reducing environmental pollution and carbon emissions, but also to provide passengers with safer and more reliable solar fishing boats and ferries.

A large proportion of India’s commuting and fisherfolk population require reliable means of water transport to make a living and the diesel engines used often pollute the water, significantly damaging the livelihoods of the people that use them. As well as this, noise pollution, heavy vibrations and a strong smell of fuel make for a very uncomfortable journey and the high cost of maintaining diesel engines contribute to fluctuating – and often expensive – fares.

To address these issues, in 2020 SF began supporting NavAlt to scale-up water-based clean-technology transport services in India. SF’s support is enabling NavAlt to develop solar fishing boats for the marginalised fishing community and potentially impact millions of fisherfolk who currently spend large amounts of their income on operating costs and fuel. The ongoing development of NavAlts’ first solar electric marine fishing boats and other waterway asset classes will play an important role in transforming the lives of India’s low-income fishing community and water transport industry.

NavAlt initially launched ‘Aditya’, India’s first zero-emission, solar ferry, drastically reducing the energy and resources needed for safe, reliable water transport. The marine grade lithium battery-run boats offer a cost-effective, safer, cleaner, and more pleasant experience for low-income customers. With our support to NavAlt’s core business, in 2022, commuter ferries are forecast to improve the lives of over 140,000 people and complete 1.3 million passenger rides.





Report of the Trustees and Financial Statements 2021

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 for the year ended 31 December 2021

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 2021.

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 18. 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).

The Foundation is 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 Shell plc (formerly 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 \$261 million to the end of 2021.

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 four times 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 who invite the Foundation CEO, CFO, external auditor and relevant experts 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, 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 outcome determines a component of the remuneration of Shell Foundation staff.

Report of the Trustees for the year ended 31 December 2021 (continued)

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, concessionary 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.

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 and Sustainable Mobility Programmes.*

Report of the Trustees for the year ended 31 December 2021 (continued)

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

FINANCIAL ACTIVITIES

The Statement of Financial Activities is included with the financial statements on page 29.

Shell Foundation operates within strict budgets as approved by the Board on an annual basis. In 2021 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 for 2021 is \$6.6m in 2021. This was similar to 2020 (\$7m), and restricted expenditure followed this pattern. This is in accordance with plan as a five year funding agreement with the Foreign, Commonwealth and Development Office (FCDO, formerly DFID) which was due to come to an end in 2021 was extended to 2022. 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.

Total unrestricted charitable expenditure was \$20m, compared to \$35m in 2020. The 2020 expenditure appears higher due to the impact of Covid-19 on the social investment portfolio resulting in higher impairment charge; \$4m of impairments were taken in 2021 compared with \$11m in 2020. There was also lower matching funding committed to donor programmes in 2021.

PRINCIPAL FUNDING SOURCES

The Foundation's annual grant programmes are funded by distributions from its endowment fund. Shell Group made unrestricted donations of \$7.5 million in 2021 (2020: \$14.3 million). Restricted donations totalling \$6.6 million (2020: \$6.8 million) were received from FCDO and USAID 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 set by the Investment Committee, reviewed regularly by the Audit & Risk Committee, and approved by the Board of Trustees. At year end the value of the endowment was \$617m and total value of SF reserves was \$675m.

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.

SF seeks to incorporate Environmental, Social and Governance (ESG) considerations into the management of this endowment. The Investment objectives of the Foundation are set by an Investment Committee and management of the endowment in accordance with those objectives, either directly or through external fund managers, sits with Shell Asset Management Company (SAMCo).

To address the abovementioned ESG considerations, SF has made several choices in the way the endowment is managed. Firstly, the endowment's equity investments are managed against custom ESG benchmarks that have stronger governance positioning and a significantly lower carbon footprint versus standard market indices. Furthermore, external managers appointed through our asset manager are required to make explicit how ESG considerations are integrated in their investment processes. These managers are also asked to report to the United Nations-supported Principles for Responsible Investment (UNPRI) or, in the case of property investments, the Global Real Estate Sustainability Benchmark (GRESB).

SF believes in the power of responsible ownership. We use our influence over investee entities, through voting and engagement, to drive further progress on ESG matters. Given the breadth of our investment portfolio, implementation of these activities is supported through an external provider of stewardship services. We have made robust steps in measuring and improving ESG considerations in our endowment and are committed to making further progress in this area. We aim to explore how we can better support the goals of the Paris Agreement and better support our mission through the endowment investment choices made and we are working with our asset and fund managers to increase data availability for our portfolio, including in relation to our alternative investments.

Report of the Trustees for the year ended 31 December 2021 (continued)

In 2021, financial markets continued to recover from the negative impact of the Covid-19 pandemic on economic activity the previous year, boosted by the success of vaccination programmes and the loosening of restrictions in many countries. Equities, Hedge Funds and Real estate all performed in line with or ahead of their benchmarks. In the final quarter of the year, significant headwinds appeared, in the emergence of the Omicron Covid-19 variant, higher inflation and central bank policy moves.

The total return of the portfolio for the year was positive (+11%) in line with the benchmark.

The Equity portfolio had strong performance with a +14% return over the year, with North America and Europe regions performing strongly in the second half of the year on the back of resilient corporate earnings. Fixed income showed negative returns over the year (-2%), mainly driven by higher interest rates as central banks took steps against increasing inflation. The credit pool holdings were switched to an emerging markets debt allocation in the fourth quarter. The hedge fund portfolio performance was positive over 2021 (+9%), overperforming significantly versus the benchmark, driven by strong manager selection outcomes and effective equity strategies. Real Estate recorded a +11% total return for the year, with the residential and logistics sectors, relatively unaffected by the pandemic, the strongest performers.

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

Since the year end, the valuations of Equity and Fixed Income have declined while Hedge Funds and Real Estate have increased. SF has a long term investment policy and as at May 2022, the Trustees remain comfortable that existing investment policy will be followed throughout future market volatility, with investment performance reviewed regularly by the Investment Committee.

In response to events in Ukraine, the Trustees have reviewed the SF endowment portfolio's exposure to Russia. Exposure to fixed income and equity instruments with Russian country of residence amounted to some \$5m as at 1 March 2022. There is no exposure in the Real Estate portfolio.

PLANS FOR FUTURE PERIODS

See the review of achievements and performance on pages 7 to 18 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.

With the impact of Covid-19 expected to recede, and increased interest as a result of COP26 in the sectors in which SF operates,

the Trustees consider that SF has significant opportunities to enhance impact by increasing the funding it can deploy. Much of this additional funding will come through joint programmes with government agencies and impact investors.

SF management's expectation is that new Memoranda of Understanding (MOUs) will be signed for co-funded programmes in 2022 which will significantly increase the total funding that SF will be able to deploy over the next five years. The Trustees have approved additional drawdown from the endowment, conditional on the signing of these MOUs, that will allow SF to deploy \$25m per year for the next five years in partner funding. This will be matched by funding provided by the other participants in these programmes.

SF also expects to play a role in the next few years as a facilitator of funding, by signing agreements with impact investors to provide a high quality pipeline of investible enterprises from its portfolio.

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 has been 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 had a significant impact on the ability of partners to execute their plans and meet grant milestones in 2021. Measures to mitigate this include advising partners in

Report of the Trustees for the year ended 31 December 2021 (continued)

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. The Foundation partners have generally proved resilient though the course of the pandemic.

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 endowment investments performed strongly in 2021, driven by strong corporate results and effective public health measures against Covid-19 across the globe. The medium to long term outlook will depend on the impact of inflation and counter-inflationary measures taken by central banks, the effect on the global economy of current events in Ukraine and subsequent economic sanctions and global responses, all of which are uncertain. 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 has recruited a dedicated member of staff and continues to develop its monitoring and evaluation software and methodologies.

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. Support is provided to partners to help ensure that compliance is appropriately managed in their businesses.

Portfolio management: This risk also relates to the growth in 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. Ongoing travel disruptions due to Covid-19 have limited the opportunities to visit partners in their home locations, which makes effective portfolio management more challenging. Working practices are subject to ongoing review for effectiveness, in particular with respect to international travel.

Health, Safety, Security and Environment (HSSE), including Safeguarding: 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 which were utilised this year to respond to changing circumstances particularly in east Africa. 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. To do this, SF has zero-tolerance Safeguarding policies and procedures and delivers an ongoing programme of Safeguarding training for all Foundation staff and its partners, to help individual partners to implement improved safeguarding policy and practice in their enterprises. SF has two SF Safeguarding Officers and a Safeguarding Trustee, plus a dedicated member of staff focusing on programme compliance, including Safeguarding, whilst we also retain the services of an external Safeguarding expert to assist with on-going training. 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: Throughout 2021, the coronavirus (Covid-19) pandemic has continued to impact 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 have continued 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 has and continues to work closely with partners and other institutions in the sector to support business resilience through

Report of the Trustees for the year ended 31 December 2021 (continued)

the period of disruption. Overall, the SF portfolio of partners has proved resilient and is well placed to take opportunities for growth as societies emerge from the pandemic.

UKRAINE: The impact on SF and partners of the ongoing situation in Ukraine has emerged as a risk in 2022 and is reviewed on a regular basis to ensure SF and partners are compliant with sanctions imposed on countries and individuals. Trustees and management are currently satisfied that there is no impact on partners.

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:

Gail Klintworth

Chair of the Board of Trustees
30 June 2022

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 subsidiary (the 'group') for the year ended 31 December 2021 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the charitable company's affairs as at as at 31 December 2021 and of the group's incoming resources and application of resources, including its 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 18 months from when the financial statements are authorised for issue until 31 December 2023.

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 trustee's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained in the annual report.

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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 group and 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 21, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or 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.

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.

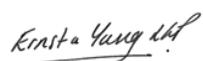
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and the charitable company and determined that the most significant are the reporting requirements to the Charity Commission and reporting under the Companies Act 2006.
- We understood how Shell Foundation is complying with those frameworks by obtaining an understanding of the group and charitable company's procedures to ensure compliance and understanding of 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 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 group and 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 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 and 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.

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.

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

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

30 June 2022

Consolidated statement of financial activities for the year ended 31 December 2021

Company Registered Number: 4007273

	Note	Unrestricted Funds 2021 \$000	Restricted Funds 2021 \$000	Endowment Funds 2021 \$000	Total Funds 2021 \$000
Income and endowments from					
- Donations	2	7,487	6,638	-	14,125
- Donated services	2	621	-	-	621
- Investments	3	342	9	10,620	10,971
Total Incoming Resources		8,450	6,647	10,620	25,717
Expenditure on Raising Funds					
Investment management costs		(553)	-	-	(553)
Total Cost of Raising Funds		(553)	-	-	(553)
Charitable Activities					
- Access to Energy		(16,610)	(8,137)	-	(24,747)
- Sustainable Mobility		(3,987)	(140)	-	(4,127)
Total Charitable Activities	4	(20,597)	(8,277)	-	(28,874)
Total Resources Expended		(21,150)	(8,277)	-	(29,427)
Net gains on investments					
Realised and Unrealised gains on the revaluation and disposal of investment assets		-	-	50,568	50,568
Net income/(expenditure) before transfers		(12,700)	(1,630)	61,188	46,858
Transfers between funds		21,500	-	(21,500)	-
Net income/(expenditure)		8,800	(1,630)	39,688	46,858
Net Movement in Funds		8,800	(1,630)	39,688	46,858
Fund balances brought forward at 1 January		24,519	26,352	577,348	628,219
Fund balances carried forward at 31 December		33,319	24,722	617,036	675,077

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 2021 was \$47 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 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)
Total Charitable Activities	4	(34,975)	(8,701)	-	(43,676)
Total Resources Expended		(35,485)	(8,701)	-	(44,186)
Net gain/(losses) on investments					
Realised and Unrealised gain/(losses) 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 income and expenditure account for the year ended 31 December 2021

Company Registered Number: 4007273

	2021 \$000	2020 \$000
Income	14,746	21,792
Gains on investments	50,568	54,747
Interest and investment income	10,971	9,358
Gross income in the reporting period	76,285	85,897
Expenditure	(25,664)	(33,084)
Impairment of Social Investments	(3,763)	(11,102)
Total	(29,427)	(44,186)
Net Income for the reporting period	46,858	41,711
Net surplus of income over expenditure for the year	46,858	41,711

Consolidated and charity balance sheets as at 31 December 2021

Company Registered Number: 4007273

	Note	Group 2021 \$000	Group 2020 \$000	Foundation 2021 \$000	Foundation 2020 \$000
Fixed Assets					
Endowment	10	617,036	577,348	617,036	577,348
Social investments	11	62,552	51,752	49,604	42,871
Subsidiary undertakings	12	-	-	13,361	15,020
Total Fixed Assets		679,588	629,100	680,001	635,239
Current Assets					
Debtors:					
amounts falling due within one year	13	2,072	5,076	2,072	5,076
		2,072	5,076	2,072	5,076
Cash at bank and in hand	14	10,775	16,198	10,083	9,833
Social investments	11	1,602	3,528	1,602	3,528
Total Current Assets		14,449	24,802	13,757	18,437
Creditors: amounts falling due within one year	15	(17,469)	(23,010)	(17,402)	(22,975)
Provisions	16	(800)	(2,000)	(800)	(2,000)
Net Current Assets	19	(3,820)	(208)	(4,445)	(6,538)
Total Assets less Current Liabilities		675,768	628,892	675,556	628,701
Creditors: amounts falling due after more than one year	17	(691)	(673)	(723)	(717)
Net Assets		675,077	628,219	674,833	627,984
The funds of the Foundation:					
Endowment Funds	18	617,036	577,348	617,036	577,348
Unrestricted Funds	18	33,319	24,519	33,319	24,519
Restricted Funds	18	24,722	26,352	24,478	26,117
Total Foundation Funds		675,077	628,219	674,833	627,984

The accompanying notes form part of these financial statements.

The financial statements on pages 29 to 59, authorised for issue, approved by the Trustees and signed on their behalf by:

Gail Klintworth
Chair of the Board of Trustees
30 June 2022

Cash flow statement and consolidated cash flow statement for the year ended 31 December 2021

Company Registered Number: 4007273

	Note	Group 2021 \$000	Group 2020 \$000	Foundation 2021 \$000	Foundation 2020 \$000
Net cash used in operating activities	20	(14,779)	(7,647)	(12,597)	(6,122)
Cash flow from investing activities					
Investment Income – unrestricted and restricted		351	426	342	378
Investment income from endowment funds		10,620	8,932	10,620	8,932
<i>Endowment Fund</i>	10				
Purchase of investments		(246,336)	(197,519)	(246,336)	(197,519)
Sale of investments		252,656	201,608	252,656	201,608
Gain/(Loss) on foreign exchange		(573)	175	(573)	176
Increase/(decrease) in investment cash		5,133	(5,199)	5,133	(5,199)
<i>Investments</i>	11				
Purchase of programme related investments		(15,353)	(8,261)	(10,353)	(4,761)
Sale of programme related investments		2,858	909	2,858	909
Investment in subsidiary		-	-	(1,500)	-
Net cash from investing activities		9,356	1,071	12,847	4,524
Cash flow from financing activities					
Transfer out from endowment fund		(21,500)	(8,000)	(21,500)	(8,000)
Transfer into unrestricted funds		21,500	8,000	21,500	8,000
Net cash used in financing activities		-	-	-	-
Net (decrease)/increase in cash and cash equivalents		(5,423)	(6,576)	250	(1,598)
Cash and cash equivalents at the beginning of the year		16,198	22,774	9,833	11,431
Cash and cash equivalents at the end of the year		10,775	16,198	10,083	9,833

The accompanying notes form part of these financial statements.

Notes to the financial statements for the year ended 31 December 2021

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 31 May 2022, the endowment value was \$553m and cash held in the bank was \$11m. 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 end of the next 12 month operating cycle at 31 December 2023, the endowment would have to experience a fall in value of 86% before the Foundation would have to modify planned commitments, whilst remaining able to meet existing commitments. In addition, the Foundation has the ability to significantly modify future ambitions to match resources if required, although based on the stress test above, this is not anticipated.

In preparing the financial statements, the Trustees have considered the impact of the physical and transition risks of climate change and have concluded that it does not have a material impact on the carrying values of social investments and the recognition and measurement of the assets and liabilities in these financial statements as at 31 December 2021.

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.

Notes to the financial statements for the year ended 31 December 2021 (continued)

Company Registered Number: 4007273

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 \$1.3516 (2020 was USD/GBP \$1.3667).

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 \$0.6 million were received in 2021 (2020: \$0.7 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 \$0.6 million in 2021 (2020: \$0.7 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.

Notes to the financial statements for the year ended 31 December 2021 (continued)

Company Registered Number: 4007273

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.

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 GB Pounds, Euros, and other local currencies. 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 2021 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.

Notes to the financial statements for the year ended 31 December 2021 (continued)

Company Registered Number: 4007273

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.

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.

(a) Income and expenditure

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.

(b) Impairment of investments

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 based on valuation reports or other suitable benchmarks.

(c) Provisions for share-based payments

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 2021 (continued)

Company Registered Number: 4007273

2. Donations and other income

	2021 \$'000	2020 \$'000
Cash and accrued		
<i>Unrestricted donation</i>		
BG Group Ltd	1,209	5,568
Shell plc (formerly Royal Dutch Shell plc)	278	61
Shell Energy Europe Ltd	-	6,000
Shell Trading International Ltd	6,000	-
Shell Transport and Trading Ltd	-	2,662
Shell International Ltd – donated services	621	666
Total unrestricted donations	8,108	14,957
<i>Restricted donation – Non Government related</i>		
Toyota Mobility Foundation	-	200
Total restricted donations – non Government related	-	200
<i>Restricted donation – Government related</i>		
Foreign, Commonwealth & Development Office	3,970	3,978
United States Agency for International Development	2,668	2,657
Total restricted donations – Government related	6,638	6,635
Total Donations and other income	14,746	21,792

Donations were received from the following regions: the United Kingdom \$12.1 million (2020: \$18.9 million), the United States of America \$2.7 million (2020: \$2.7 million) and others worldwide \$0.0 million (2020: \$0.2 million).

Restricted donations – government related

Foreign, Commonwealth & Development Office (FCDO)

FCDO TIME (Transforming Inclusive Energy Markets): Through the TIME partnership, FCDO and Shell Foundation, in collaboration, have committed £70.0 million (additional £6.4 million in 2021) to further their mutual objective of accelerating global access to modern energy services for low-income households and small businesses. Donations of \$1.1 million (2020: \$2.1 million) were received in 2021 against this programme, which relate to amounts recognised as income in both the current and prior years. Income of \$1.4 million (2020: \$0.7 million) was recognised in 2021, 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 £3.0 million, over four 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 \$1.3 million (2020: \$0.4 million) were received in 2021 against this programme, which relate to amounts recognised as income in both the current and prior years. Income of \$0.8 million (2020: \$0.8 million) was recognised in 2021, 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 \$1.7 million (2020: \$4.8 million) were received in 2021 against this programme, which relate to amounts recognised as income in both the current and prior years. Income of \$1.9 million (2020: \$2.3 million) was recognised in 2021, 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 \$22.5 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. Donations of \$1.5m (2020: \$0.0 million) were received in 2021 against this programme. Income of \$1.5m (2020: \$0.0 million) was recognised in 2021. 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

Notes to the financial statements for the year ended 31 December 2021 (continued)

Company Registered Number: 4007273

Sub-Saharan Africa, providing access to clean, modern energy services. Donations of \$3.4 million (2020: \$5.3 million) were received in 2021 against this programme, which relate to amounts recognised as income in both the current and prior years. Income of \$1.2 million (2020: \$2.7 million) was recognised in 2021, based on the value of the Shell Foundation commitments to partners made during the year.

USAID PACE (Partnering to Accelerate Entrepreneurship): The PACE programme concluded in September 2018 and no further income was recognised or donations received in 2021 (2020: \$0.3 million).

Opec Fund for International Development (OFID)

OFID made available \$0.2 million to help centralise the data platform for the mini-grid sector globally. It concluded in 2020 when donations of \$0.1 million were received.

Restricted donations – non-government related

Toyota Mobility Foundation (TMF)

TMF made available \$0.4 million to address the challenge of achieving Sustainable Mobility through funding impactful organisations. The programme concluded in 2020 and no further donations were received in 2021 (2020: \$0.0 million). No income was recognised in 2021 (2020: \$0.2 million), based on the value of the Shell Foundation commitments to partners made during the year.

3. Investment income

	2021 \$000	2020 \$000
Interest	351	426
Fixed interest securities	834	1,001
Dividends	9,786	7,931
	10,971	9,358

4. Charitable Activities Expenditure by Programme

	Grants \$000	Direct costs \$000	Support costs \$000	2021 \$000	2020 \$000
Access to Energy	(13,961)	(7,566)	(3,221)	(24,748)	(37,596)
Sustainable Mobility	(2,204)	(1,406)	(516)	(4,126)	(6,080)
Total for 2021	(16,165)	(8,972)	(3,737)	(28,874)	(43,676)
Total for 2020	(24,627)	(15,561)	(3,488)		

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	2021 \$000	2020 \$000
Staff costs	(3,490)	(1,912)	(5,402)	(4,515)
External services	(1,766)	(382)	(2,148)	(1,585)
Travel	(67)	-	(67)	(166)
Impairment of investments	(3,528)	(235)	(3,763)	(11,102)
Donated expenses	-	(621)	(621)	(666)
Sundry	(121)	(194)	(315)	(852)
External audit fees (inclusive of VAT)	-	(113)	(113)	(129)
Legal fees	-	(238)	(238)	(2)
Trustee expenses	-	(42)	(42)	(32)
Total	(8,972)	(3,737)	(12,709)	(19,049)

Notes to the financial statements for the year ended 31 December 2021 (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, while support costs are Foundation-wide.

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 external auditors were appointed in 2016 and the most recent terms of engagement signed on 18 June 2021.

6. Grants expenditure

The top 20 Grantees in 2021 (excluding repayable grants and social investments) are listed below, together with their corresponding 2020 commitments.

Grantee Name Purpose of Project	Programme	2021 \$'000	2020 \$'000
Iraq Business Support Facility Trust Provide business support for the Nomou Iraq Fund and Northern Iraq Investments.	Access to Energy	2,100	1,500
SIMA (Social Investment Managers and Advisers LLC) Supporting SIMA to make an investment into the Energy Access Relief Fund, which will fund enterprises through the challenges of Covid-19 pandemic.	Access to Energy	1,460	875
Odyssey Energy Solutions Inc Support Odyssey to develop a comprehensive asset management platform. Continued support to develop a 'Powering-Health-Platform' to rapidly electrify high-priority health clinics in the off-grid/weak-grid regions in Nigeria and Kenya.	Access to Energy	1,213	500
Buen Manejo del Campo, SA Accelerating the environmental and economic impact of biogas digesters for smallholder farmers in emerging markets.	Access to Energy	928	-
Rabo Foundation Catalyse the provision of \$55 million of debt to support the agricultural value chain in India as a response to Covid-19 related financial impacts.	Access to Energy	900	-
Jaza Energy Inc Roll out new operational model for Jaza hubs to provide house- hold electrical appliances in rural Tanzania.	Access to Energy	700	-
Equatorial Power B.V. Continued support to finalise the project financing to build twenty five mini-grids serving businesses and communities in Uganda.	Access to Energy	633	617
Science for Society Techno Scaling up S4S's decentralised processing model by improving transparency, efficiency, and quality and Covid-19 relief funding.	Access to Energy	607	-
World Resources Institute To implement a one-city (Hyderabad) demonstration of integration between private enterprises and public transport agencies to improve accessibility to mass transit using e-mobility.	Sustainable Mobility	600	850
The Sure Chill Company Ltd To help expand its domestic off-grid refrigerator reach to low-income customers in Africa.	Access to Energy	588	506
Globology Limited To strengthen HSSE culture, scale-up commuter services and transition to clean technology ferries on Lake Victoria	Sustainable Mobility	586	-
Villgro Innovations Foundation Support the scale-up of the 'Productive use of Energy' sector in India in a gender-inclusive way.	Access to Energy	524	-
Subtotal		10,839	4,848

Notes to the financial statements for the year ended 31 December 2021 (continued)

Company Registered Number: 4007273

Grantee Name Purpose of Project	Programme	2021 \$'000	2020 \$'000
Brought forward subtotal for top 20 grantees from previous page		10,839	4,848
Sustainable Energy for All (SEforALL)			
Supporting SEforALL to lead an energy "Access Accelerator Programme" as part of the SF strategy for a One Country approach to reaching universal energy access in Rwanda.	Access to Energy	500	1,000
Future Fit Foundation			
To support sector adoption and create a sustainable business for Future Fit's Impact Benchmarking Tool (IBT).	Access to Energy	500	-
Savant Group Limited			
Scaling solar irrigation and access to finance solutions for smallholder farmers in Sub Saharan Africa.	Access to Energy	500	-
Venture Builder Foundation			
Grant funding to continue testing a lower-cost approach to replicating the PAYG model in frontier markets.	Access to Energy	475	-
Even Livelihoods Private Limited			
Scale up of gender inclusion in mobility for low income population in India.	Sustainable Mobility	420	-
Hosa Solutions Private Limited			
To scale-up rural logistics services in India increasing access to essential goods and services.	Sustainable Mobility	371	-
Pula Advisors GmbH			
Increase insurance for farmers and derisk renewable energy plants.	Access to Energy	345	-
Burn Manufacturing Company			
Incubation of Electric Pressure Cooker business in order to reduce indoor air pollution and the associated negative health effects.	Access to Energy	300	-
Subtotal		3,411	1,000
Total: Top 20 Grants		14,250	5,848
Total: Other Grants (incl. repayable grants and social investments)		1,916	18,779
Total: Grants		16,166	24,627

7. Trustee Information

The Chair of the Board of Trustees, Ms GA Klintworth, received remuneration of £25,000 in 2021, under Article 21 (2) of the Articles of Association in respect of her contract for services as Chair (2020: £25,000). No pension contributions or other benefits were paid. The Foundation directly incurred or reimbursed travel expenses in relation to three Trustees, totalling \$4,216 (2020: Nil).

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.

Notes to the financial statements for the year ended 31 December 2021 (continued)

Company Registered Number: 4007273

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 seconded to work 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 23.9 (2020: 24.5). The monthly average split of employees between direct and support activities was direct 16.9 (2020: 17.6) and support 7.0 (2020: 6.9).

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:

	2021 \$000	2020 \$000
Wages and salaries	(2,790)	(2,967)
Social security	(340)	(331)
Other pension costs	(385)	(297)
Performance Share Plan (PSP)	(184)	(323)
	(3,699)	(3,918)

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 Shell plc (formerly 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 2019 and 2021 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:

	2021 \$000	2020 \$000
Wages and salaries	(669)	(651)
Social security	(86)	(91)
Other pension costs	(48)	(28)
Vesting performance share plan options	(184)	(323)
	(987)	(1,093)

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

USD \$000	2021	2020
60 – 70	0	2
70 – 80	2	4
80 – 90	2	2
90 – 100	0	2
100 – 110	3	2
110 – 120	6	3
120 – 130	3	1
130 – 140	2	4

Notes to the financial statements for the year ended 31 December 2021 (continued)

Company Registered Number: 4007273

USD \$000	2021	2020
140 – 150	0	0
150 – 160	2	3
160 – 170	1	2
170 – 180	2	0
180 – 190	0	2
190 – 200	1	0
270 – 280	0	0
380 – 390	1	0
390 – 400	0	1
400 – 410	0	0
	25	28

Shell Group companies made contributions during the year to the respective defined benefit or defined contribution pension schemes in relation to these 25 employees of \$0.39 million (2020: \$0.3 million in relation to 28 employees).

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

	2021 \$000	2020 \$000
Market value at 1 January	577,348	521,252
Purchase of investments	246,336	197,519
Sales/withdrawals	(252,656)	(201,608)
Realised and Unrealised gains	51,141	54,986
Movement of investment cash	(5,133)	5,199
Market value at 31 December	617,036	577,348

The year end value is analysed as:	2021 \$000	2020 \$000
Bonds – overseas	17,682	49,605
Emerging market debts - Overseas	72,297	-
Fixed income investments – overseas	-	28,299
Equity investments – UK	27,221	24,515
Equity investments – overseas	376,014	361,592
Hedge funds – overseas	62,461	57,285
Real Estate	57,302	48,165
Forward foreign currency contracts	380	(1,231)
Other assets	937	1,244
Investment cash	2,742	7,874
Market value at 31 December	617,036	577,348

Notes to the financial statements for the year ended 31 December 2021 (continued)

Company Registered Number: 4007273

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 overseas fixed income funds were redeemed during the fourth quarter to partly fund the new emerging markets debt allocation in the overseas.

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 2021 \$000	Group 2020 \$000	Foundation 2021 \$000	Foundation 2020 \$000
GroFin Africa Fund				
Start-up and growing businesses with investment needs from \$50,000 to \$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 2022.				
Cost less impairment brought forward at 1 January	398	1,010	398	1,010
Movement from current to non-current	-	(307)	-	(307)
Sales	(121)	(305)	(121)	(305)
Total GroFin Africa Fund (current)	277	398	277	398
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	303	118	303	118
Movement from current to non-current	-	198	-	198
Sales	(30)	(13)	(30)	(13)
Total Redavia (current)	273	303	273	303
Lightning Hybrids Inc loan receivable				
Lightning Hybrids provide hydraulic hybrid regenerative braking drive systems for fleet vehicles to reduce carbon emissions. Repayment was made in full in May 2021 as Lightning became a listed company.				
Cost less impairment brought forward at 1 January	1,500	1,500	1,500	1,500
Movement from non-current to current	(1,500)	-	(1,500)	-
Total Lightning Hybrids (current)	-	1,500	-	1,500
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, renegotiated with a revised repayment date of 31 March 2022. Loan 3: \$0.1 million repayment received May 2021.				
Cost less impairment brought forward at 1 January	185	185	185	185
Movement from non-current to current	375	-	375	-
Sales	(50)	-	(50)	-
Total SparkMeter (current)	510	185	510	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 repayment period was extended and is repayable in instalments up until December 2023. Two quarterly instalments were received in 2021.				
Cost less impairment brought forward at 1 January	867	542	867	542
Movement from non-current to current	(108)	433	(108)	433
Sales	(217)	(108)	(217)	(108)
Total Husk Power Systems (current)	542	867	542	867

Notes to the financial statements for the year ended 31 December 2021 (continued)

Company Registered Number: 4007273

Programme Related Investments (continued)

Current	Group 2021 \$000	Group 2020 \$000	Foundation 2021 \$000	Foundation 2020 \$000
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. The loan was fully impaired in 2021.				
Cost less impairment brought forward at 1 January	25	-	25	-
Purchases	-	35	-	35
Sales	-	(10)	-	(10)
Impairment	(25)	-	(25)	-
Total Envirofit International Inc. (current)	-	25	-	25
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 balance was fully repaid 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	250	250
Movement from non-current to current	-	250	-	250
Sales	(250)	(250)	(250)	(250)
Total Greenlight Planet (current)	-	250	-	250
Total Current Programme Related Investments	1,602	3,528	1,602	3,528
Non-Current				
GroFin Africa Fund investment				
Start-up and growing businesses with investment needs from \$50,000 to \$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 2022 (see current). Impairments are based on GroFin forecasts of expected final disbursements.				
Cost less impairment brought forward at 1 January	-	244	-	244
Movement from current to non-current	-	307	-	307
Impairment	-	(551)	-	(551)
Total GroFin Africa Fund (non-current)	-	-	-	-
GroFin Small Growing Businesses Fund (SGB) investment				
A unique integrated solution of patient risk capital (\$100 000 to \$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 based on GroFin forecasts.				
Cost less impairment brought forward at 1 January	8,700	15,000	8,700	15,000
Impairment	(2,359)	(6,300)	(2,359)	(6,300)
Total GroFin SGB Fund (non-current)	6,341	8,700	6,341	8,700
ResponsAbility Access to Clean Power Fund (ACPF) investment				
The responsAbility Access to Clean Power Fund (ACPF) is a 10-year closed-ended fund set-up to provide debt financing for household-level energy access (e.g. solar home systems) as well as commercial & industrial applications primarily for off-grid solar energy solutions. Total fund size anticipated \$151 million. The fund was impaired by 10% per annum in 2020 and 2021, 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	2,025	2,000	2,025	2,000
Purchases	-	250	-	250
Impairment	(225)	(225)	(225)	(225)
Total ResponsAbility ACPF (non-current)	1,800	2,025	1,800	2,025
Energy Entrepreneurs Growth Fund (EEGF) 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 and \$4.7m was invested in 2021.				
Cost less impairment brought forward at 1 January	3,000	3,000	3,000	3,000
Purchases	4,667	-	4,667	-
Total EEGF (non-current)	7,667	3,000	7,667	3,000

Notes to the financial statements for the year ended 31 December 2021 (continued)

Company Registered Number: 4007273

Programme Related Investments (continued)

Non-Current (continued)	Group 2021 \$000	Group 2020 \$000	Foundation 2021 \$000	Foundation 2020 \$000
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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.

Cost less impairment brought forward at 1 January	600	-	600	-
Purchases	25	600	25	600
Total SIMA Angaza Distributor Financing Fund (non-current)	625	600	625	600

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	638	1,101	638	1,101
Movement from non-current to current	-	(198)	-	(198)
Purchases	-	76	-	76
Sales	(33)	-	(33)	-
Impairment	-	(341)	-	(341)
Total Redavia (non-current)	605	638	605	638

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 was fully impaired in 2020 and fully forgiven in 2021.

Cost less impairment brought forward at 1 January	-	300	-	300
Impairment	-	(300)	-	(300)
Total Rent to Own (non-Current)	-	-	-	-

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 31 March 2022. Loan 3: \$0.1 million, was repaid in full in 2021.

Cost less impairment brought forward at 1 January	375	375	375	375
Movement from non-current to current	(375)	-	(375)	-
Total SparkMeter (non-Current)	-	375	-	375

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. 12 loans have been made to Factor[e], repayable from 2023-2031. Impairment based on Factor[e] forecast exit values.

Cost less impairment brought forward at 1 January	10,550	9,050	10,550	9,050
Purchases	2,700	1,500	2,700	1,500
Impairment	(132)	-	(132)	-
Total Factor[e] (non-Current)	13,118	10,550	13,118	10,550

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 repayment period was extended and is now repayable in full by December 2027.

Cost less impairment brought forward at 1 January	919	942	919	942
Sales	(19)	(23)	(19)	(23)
Total Gajam Group Limited (non-current)	900	919	900	919

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 repayment period was extended and is repayable in instalments up until December 2023.

Cost less impairment brought forward at 1 January	325	758	325	758
Movement from non-current to current	108	(433)	108	(433)
Total Husk Power Systems (non-current)	433	325	433	325

Notes to the financial statements for the year ended 31 December 2021 (continued)

Company Registered Number: 4007273

Programme Related Investments (continued)

Non-Current (continued)	Group 2021 \$000	Group 2020 \$000	Foundation 2021 \$000	Foundation 2020 \$000
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 to address access to energy in smaller, or unproven African markets that existing market leaders have no plans to be in. Each loan repayment period was extended by 5 years. Loan 1: \$0.5 million repayable in full by December 2031. Loan 2: \$0.3 million repayable in full by March 2032. Loan 3: \$0.5 million repayable in full by December 2032.				
Cost less impairment brought forward at 1 January	1,250	1,250	1,250	1,250
Total Persistent Energy Capital (non-current)	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: \$0.4 million repayable in full by September 2028.				
Cost less impairment brought forward at 1 January	925	925	925	925
Total Buen Manejo del Campo S.A. (non-current)	925	925	925	925
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 balance was fully repaid 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	-	290
Movement from non-current to current	-	(250)	-	(250)
Impairment	-	(40)	-	(40)
Total Greenlight Planet (non-current)	-	-	-	-
Cardecho B.V. loan receivable				
Cardecho is a carbon financing company. Loan 1: \$0.5 million will convert to equity, as per clause in loan agreement. Loan 2: \$0.2 million is repayable as per the terms of the MOU. Negotiations are ongoing with the partner regarding conversion to equity.				
Cost less impairment brought forward at 1 January	700	700	700	700
Total Cardecho B.V. (non-current)	700	700	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	700	700
Total Nayo Tropical Technology (non-current)	700	700	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	350	350
Total Shortlist (non-current)	350	350	350	350
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
Sales	-	(200)	-	(200)
Total SIMA (non-current)	-	-	-	-
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
Impairment	-	(40)	-	(40)
Total Bboxx (non-current)	-	-	-	-

Notes to the financial statements for the year ended 31 December 2021 (continued)

Company Registered Number: 4007273

Programme Related Investments (continued)

Non-Current (continued)	Group 2021 \$000	Group 2020 \$000	Foundation 2021 \$000	Foundation 2020 \$000
Science for Society Techno Services (S4S) loan receivable				
\$40k repayable grant to S4S to test and scale three gender-inclusive strategies. The loan was fully impaired in 2021 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	40	40
Impairment	(40)	-	(40)	-
Total S4S (non-current)	-	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 were not expecting to receive any return. In June 2021, the original \$300k loan was cancelled and the impairment reversed. A further \$200k loan was issued but was later cancelled in October 2021.				
Cost less impairment brought forward at 1 January	-	-	-	-
Purchases	200	300	200	300
Sales	(500)	-	(500)	-
Impairment	300	(300)	300	(300)
Total Amiran (non-current)	-	-	-	-
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.				
Cost less impairment brought forward at 1 January	1,000	-	1,000	-
Purchases	-	1,000	-	1,000
Total Metro Africa Xpress (non-current)	1,000	1,000	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.				
Cost less impairment brought forward at 1 January	1,000	-	1,000	-
Purchases	-	1,000	-	1,000
Total WhereIsMyTransport (non-current)	1,000	1,000	1,000	1,000
Energy Company of the Future Ltd (Konexa) loan receivable				
Konexa seeks to radically transform access, reliability and affordability of electricity, with the goal of reaching over 50 million customers through grid and off-grid solutions. The loan is repayable 18 months after the repayment trigger is met, which is expected to happen in 2022.				
Cost less impairment brought forward at 1 January	-	-	-	-
Purchases	350	-	350	-
Total Energy Company of the Future Ltd (non-current)	350	-	350	-
Odyssey Energy Solutions loan receivable				
Odyssey Energy Solutions is a technology business that has successfully built the mini-grid sector's only investment and asset management platform. The loan is repayable in full by July 2031.				
Cost less impairment brought forward at 1 January	-	-	-	-
Purchases	500	-	500	-
Total Odyssey Energy Solutions (non-current)	500	-	500	-
Pula Advisors Limited loan receivable				
Pula is re-imagining agriculture insurance in Africa by building the financial resilience of farmers through agricultural insurance by providing them tools to deal with systemic shocks arising from climate change. The loan is repayable in full by July 2024.				
Cost less impairment brought forward at 1 January	-	-	-	-
Purchases	50	-	50	-
Total Pula Advisors Limited (non-current)	50	-	50	-
Globology Limited loan receivable				
Globology (WaterBus) builds and operates catamaran ferries for safe and affordable transport of passengers and goods, linking the residents of East Africa's islands and other water-isolated communities to the larger towns on the mainland. The loan, issued in Kenyan Shillings, is repayable in full by March 2028.				
Cost less impairment brought forward at 1 January	-	-	-	-
Purchases	222	-	222	-
Sales	(5)	-	(5)	-
Total Globology Limited (non-current)	217	-	217	-

Notes to the financial statements for the year ended 31 December 2021 (continued)

Company Registered Number: 4007273

Programme Related Investments (continued)

Non-Current (continued)	Group 2021 \$000	Group 2020 \$000	Foundation 2021 \$000	Foundation 2020 \$000
Jali Finance Limited loan receivable				
Jali Finance is a Rwandan non-deposit taking financial institution, which works with motorcycle OEMs (Original Equipment Manufacturers) and dealers to deploy asset financing for two-wheeler ownership for livelihood purposes. The loan, denominated in Rwandan Francs, is repayable in full by March 2028.				
Cost less impairment brought forward at 1 January	-	-	-	-
Purchases	149	-	149	-
Sales	(1)	-	(1)	-
Total Jali Finance Limited (non-current)	148	-	148	-
Origen Fresh EPZ Limited loan receivable				
Origen Fresh is a for-profit social enterprise producing 100% natural oils with emphasis on the empowerment of women and youths in the sourcing and supply chain. The loan is repayable in full by April 2023.				
Cost less impairment brought forward at 1 January	-	-	-	-
Purchases	79	-	79	-
Total Origen Fresh EPZ Limited (non-current)	79	-	79	-
NavAlt Solar and Electric Boats Private Ltd loan receivable				
NavAlt designs and manufactures electric boats and ferries combining advancements in electric vehicle technology, marine design and photovoltaics. The loan, issued in Indian Rupees, is repayable in full by August 2031.				
Cost less impairment brought forward at 1 January	-	-	-	-
Purchases	911	-	911	-
Total NavAlt Solar and Electric Boats Private Ltd (non-current)	911	-	911	-
Nithio FI B.V. loan receivable				
Nithio's AI-enabled energy financing platform drives energy access investments using a standardised credit analytics and risk scoring solutions to combine detailed consumer insights with scalable, structured institutional debt financing. The loan is repayable in full by October 2031.				
Cost less impairment brought forward at 1 January	-	-	-	-
Purchases	500	-	500	-
Total Nithio FI B.V. (non-current)	500	-	500	-
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	4,881	3,763	-	-
Purchases	500	1,500	-	-
Impairment	(740)	(382)	-	-
Total Nomou Iraq Fund (non-current)	4,641	4,881	-	-
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. Impairment is assessed by a comparison to the net assets of the fund.				
Cost less impairment brought forward at 1 January	4,000	2,000	-	-
Purchases	4,500	2,000	-	-
Impairment	(193)	-	-	-
Total Northern Iraq Investments (non-current)	8,307	4,000	-	-

Notes to the financial statements for the year ended 31 December 2021 (continued)

Company Registered Number: 4007273

Programme Related Investments (continued)

Non-Current (continued)	Group 2021 \$000	Group 2020 \$000	Foundation 2021 \$000	Foundation 2020 \$000
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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 2021.

Cost less impairment brought forward at 1 January	(2,626)	-	(2,626)	-
Provision for doubtful debts	(339)	(2,626)	(339)	(2,626)
Total Provision for Doubtful Debts (non-current)	(2,965)	(2,626)	(2,965)	(2,626)
Total Non-Current Programme Related Investments	50,152	39,352	37,204	30,471

Mixed Motive Investments

Mixed Motive Investments - Non-Current	Group 2021 \$000	Group 2020 \$000	Foundation 2021 \$000	Foundation 2020 \$000
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Aavishkar Ventures Management Services (AVMS) – interest bearing convertible debt agreement

AVMS provides financial products and services in India and Kenya that are focused 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
Total AVMS	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. No further impairment in 2021.

Cost less impairment brought forward at 1 January	2,400	3,000	2,400	3,000
Impairment	-	(600)	-	(600)
Total Persistent Energy Capital	2,400	2,400	2,400	2,400
Total Non-Current Mixed Motive Investments	12,400	12,400	12,400	12,400
Total Non-Current Investments	62,552	51,752	49,604	42,871
Total Current Investments	1,602	3,528	1,602	3,528
Cost carried forward as at 31 December 2021	64,154	55,280	51,206	46,399

Notes to the financial statements for the year ended 31 December 2021 (continued)

Company Registered Number: 4007273

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	
			Group 2021 \$000	Foundation 2021 \$000
SF Investment Management Limited	United Kingdom	Investment management		100% ordinary shares
			Group 2021 \$000	Foundation 2021 \$000
			Group 2020 \$000	Foundation 2020 \$000

SF Investment Management Limited shareholding

Commitment to invest with GroFin in the NOMOU Iraq Fund (NIF) and Northern Iraq Investments Limited (NIIL). NIF is 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. NIIL is 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. Investors: Shell Foundation and USAID. Total fund capital committed \$16.2 million. Business support for these funds is provided by the Iraq Business Support Facility (Note 6) for which SFIM provides grants. 2021 impairment is principally made up of the \$2.1 million grant to the Iraq Business Support Facility (Note 6), \$0.7 million impairment of NIF and \$0.2m impairment of NIIL (Note 11).

Cost less impairment brought forward as at 1 January	-	-	15,020	16,930
Purchases	-	-	1,500	-
Impairment	-	-	(3,159)	(1,910)
Cost carried forward as at 31 December 2021	-	-	13,361	15,020

13. Debtors

Note	Group 2021 \$000	Group 2020 \$000	Foundation 2021 \$000	Foundation 2020 \$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	813	1,414	813	1,414
United States Agency for International Development	1,259	3,451	1,259	3,451
<i>Prepayments and Accruals</i>	-	11	-	11
Total debtors	2,072	5,076	2,072	5,076

14. Cash at bank and in hand

	Group 2021 \$000	Group 2020 \$000	Foundation 2021 \$000	Foundation 2020 \$000
Cash at Bank	5,775	5,006	5,083	4,833
Short term deposits	5,000	11,192	5,000	5,000
Total cash at bank and in hand	10,775	16,198	10,083	9,833

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.

Notes to the financial statements for the year ended 31 December 2021 (continued)

Company Registered Number: 4007273

15. Creditors: amounts falling due within one year

	Group 2021 \$000	Group 2020 \$000	Foundation 2021 \$000	Foundation 2020 \$000
Grants Payable	12,205	18,845	12,205	18,845
Trade Creditors – Shell International Limited	3,749	3,160	3,749	3,161
Accruals	1,515	1,005	1,448	969
	17,469	23,010	17,402	22,975

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. General Provisions

	Group 2021 \$000	Group 2020 \$000	Foundation 2021 \$000	Foundation 2020 \$000
Calvert guarantee provision				
In late 2020 Calvert Social Investment Foundation Inc indicated their intention to call the \$ 2 million guarantee from Shell Foundation in full (see Note 27). A provision was made as at 31 December 2020 and released in 2021 when the guarantee was paid.				
Brought forward at 1 January	2,000	-	2,000	-
Provision	-	2,000	-	2,000
Release of provision	(2,000)	-	(2,000)	-
Total Calvert guarantee provision	-	2,000	-	2,000
Other general provisions				
Shell Foundation has general provisions for grants and loans where payment is probable, but the timing is uncertain. Estimated timing of payments: 2023 £150k; 2024 \$400k; 2025 \$250k. \$500k is in the form of a concessionary loan and has been recognised as a social investment in the balance sheet.				
Brought forward at 1 January	-	-	-	-
Provision	800	-	800	-
Total grant/loan provisions	800	-	800	-
Total Provisions	800	2,000	800	2,000

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

	Group 2021 \$000	Group 2020 \$000	Foundation 2021 \$000	Foundation 2020 \$000
Total grants payable	12,697	19,351	12,729	19,395
Less amounts falling due within one year (note 15)	(12,205)	(18,845)	(12,205)	(18,845)
Grants payable falling due after more than one year	492	506	524	550
Accrual for employee benefit	199	167	199	167
Total payables falling due after more than one year	691	673	723	717
Represented by:				
Grants payable in greater than one year but less than two years	492	506	524	550
Grants payable in greater than two years but less than three years	-	-	-	-
Accrual for employee benefit	199	167	199	167
	691	673	723	717

Notes to the financial statements for the year ended 31 December 2021 (continued)

Company Registered Number: 4007273

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	577,348	10,620	-	(21,500)	50,568	617,036
Unrestricted Funds	24,519	8,450	(21,150)	21,500	-	33,319
Restricted Funds	26,352	6,647	(8,277)	-	-	24,722
	628,219	25,717	(29,427)	-	50,568	675,077

Foundation	Balance B/fwd \$000	Incoming Resources \$000	Resources Expended \$000	Transfers \$000	Investment Gain/(losses) \$000	Balance C/fwd \$000
Endowment Funds	577,348	10,620	-	(21,500)	50,568	617,036
Unrestricted Funds	24,519	8,450	(21,150)	21,500	-	33,319
Restricted Funds	26,117	6,638	(8,277)	-	-	24,478
	627,984	25,708	(29,427)	-	50,568	674,833

19. Analysis of net assets between funds

Group	Note	Unrestricted Funds 2021 \$000	Restricted Funds 2021 \$000	Endowment Funds 2021 \$000	Total 2021 \$000	Total 2020 \$000
Fixed Assets						
Endowment investment (at fair value)	10	-	-	617,036	617,036	577,348
Investments (at costs less impairment)	11	33,549	29,003	-	62,552	51,752
		33,549	29,003	617,036	679,588	629,100
Current Assets						
Debtors:						
amounts falling due within one year	13	-	2,072	-	2,072	5,076
amounts falling due after one year	13	-	-	-	-	-
		-	2,072	-	2,072	5,076
Cash at bank and in hand	14	7,904	2,871	-	10,775	16,198
Investments (at cost less impairment)	11	925	677	-	1,602	3,528
Creditors: amounts falling due within one year	15	(14,852)	(2,617)	-	(17,469)	(23,010)
Provisions	16	(800)	-	-	(800)	(2,000)
Net Current Assets		(6,823)	3,003	-	(3,820)	(208)
Total Assets less Current Liabilities		26,726	32,006	617,036	675,768	628,892
Creditors: amounts falling due after more than one year	17	(723)	32	-	(691)	(673)
Net Assets		26,003	32,038	617,036	675,077	628,219

Notes to the financial statements for the year ended 31 December 2021 (continued)

Company Registered Number: 4007273

19. Analysis of net assets between funds (continued)

Foundation	Note	Unrestricted Funds 2021 \$000	Restricted Funds 2021 \$000	Endowment Funds 2021 \$000	Total 2021 \$000	Total 2020 \$000
Fixed Assets						
Endowment investment (at fair value)	10	-	-	617,036	617,036	577,348
Investments (at cost less impairment)	11	33,549	16,055	-	49,604	42,871
Subsidiary undertakings	12	-	13,361	-	13,361	15,020
		33,549	29,416	617,036	680,001	635,239
Current Assets						
Debtors						
amounts falling due within one year	13	-	2,072	-	2,072	5,076
amounts falling due after one year	13	-	-	-	-	-
		-	2,072	-	2,072	5,076
Cash at bank and on hand	14	7,903	2,180	-	10,083	9,833
Investments (at cost less impairment)	11	925	677	-	1,602	3,528
Creditors: amounts falling due within one year	15	(14,851)	(2,551)	-	(17,402)	(22,975)
Provisions	16	(800)	-	-	(800)	(2,000)
Net Current Assets		(6,823)	2,378	-	(4,445)	(6,538)
Total Assets less Current Liabilities						
		26,726	31,794	617,036	675,556	628,701
Creditors: amounts falling due after more than one year	17	(723)	-	-	(723)	(717)
Net Assets		26,003	31,794	617,036	674,883	627,984

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

	2021 Group \$000	2021 Foundation \$000	2020 Group \$000	2020 Foundation \$000
Net movement in unrestricted and restricted funds	7,170	7,161	(14,384)	(14,432)
Deduct back transfer from endowment fund	(21,500)	(21,500)	(8,000)	(8,000)
Deduct back investment income	(351)	(342)	(426)	(378)
Add back impairments	3,621	5,847	11,705	13,233
Increase in net debtors – unrestricted & restricted funds	3,004	3,004	6,937	6,937
Increase in net creditors – unrestricted & restricted funds	(6,723)	(6,767)	(3,479)	(3,482)
Net cash used in operating activities	(14,779)	(12,597)	(7,647)	(6,122)

Notes to the financial statements for the year ended 31 December 2021 (continued)

Company Registered Number: 4007273

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	16,198	10,900	(26,854)	(11,071)	21,500	-	102	10,775
Creditors: Amounts falling due within one year	15	(23,010)	-	6,614	-	-	(997)	(76)	(17,469)
Creditors: Amounts falling due after more than one year	17	(673)	-	13	-	-	(32)	-	(691)
Total		(7,485)	10,900	(20,227)	(11,071)	21,500	(1,029)	26	(7,385)

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	9,833	9,474	(24,754)	(6,071)	21,500	-	101	10,083
Creditors: Amounts falling due within one year	15	(22,975)	-	6,614	-	-	(966)	(75)	(17,402)
Creditors: Amounts falling due after more than one year	17	(717)	-	26	-	-	(32)	-	(723)
Total		(13,859)	9,474	(18,114)	(6,071)	21,500	(998)	26	(8,042)

Notes to the financial statements for the year ended 31 December 2021 (continued)

Company Registered Number: 4007273

22. Financial Instruments

Interest rate benchmark reform 2021: Shell Foundation reviewed its financial instruments with regards to the interest rate benchmark reform and concluded that the changes had no effect on the value of the instruments.

Group	Note	Group 2021 \$000	Group 2020 \$00	Foundation 2021 \$000	Foundation 2020 \$000
Financial assets at fair value through the SOFA					
- Endowment	10	617,036	577,348	617,036	577,348
- Cash at bank and in hand	14	10,775	16,198	10,083	9,833
Total		627,811	593,546	627,119	587,181
Financial assets that are debt instrument measured at amortised costs					
- Debtors	13	2,072	5,076	2,072	5,076
Total		2,072	5,076	2,072	5,076

Financial assets that are debt instrument measured at costs less impairment

Programme related investments

Lightning Hybrids loan	11	-	1,500	-	1,500
Redavia loan	11	878	941	878	941
SparkMeter loan	11	510	560	510	560
Factor(e) loan	11	13,118	10,550	13,118	10,550
Gajam Group Ltd (Dharma Life) loan	11	900	919	900	919
Husk Power Systems Inc. loan	11	975	1,192	975	1,192
Persistent Energy Capital loan	11	1,250	1,250	1,250	1,250
Buen Manejo del Campo S.A. (Sistema Biobolsa) loan	11	925	925	925	925
Greenlight Planet loan	11	-	250	-	250
Envirofit International Inc loan	11	-	25	-	25
Cardecho B.V. loan	11	700	700	700	700
Nayo Tropical Technology loan	11	700	700	700	700
Shortlist loan	11	350	350	350	350
Science for Society Techno Services (S4S) loan	11	-	40	-	40
Metro Africa Xpress loan	11	1,000	1,000	1,000	1,000
WherelsMyTransport loan	11	1,000	1,000	1,000	1,000
Energy Company of the Future Ltd (Konexa) loan	11	350	-	350	-
Odyssey Energy Solutions loan	11	500	-	500	-
Pula Advisors Limited loan	11	50	-	50	-
Globology Limited loan	11	217	-	217	-
Jali Finance Limited loan	11	148	-	148	-
Origen Fresh EPZ Limited loan	11	79	-	79	-
NavAlt Solar and Electric Boats Private Ltd loan	11	911	-	911	-
Nithio FI B.V. loan	11	500	-	500	-
Provision for doubtful debts	11	(2,965)	(2,626)	(2,965)	(2,626)

Mixed motive investments

Aavishkaar Ventures Management Services convertible debt agreement	11	10,000	10,000	10,000	10,000
Total		32,096	29,276	32,096	29,276

Financial assets that are equity instrument measured at cost less impairment

Programme related investments

GroFin Africa Fund investment	11	277	398	277	398
GroFin SGB Fund investment	11	6,341	8,700	6,341	8,700
responsAbility	11	1,800	2,025	1,800	2,025
Nomou Iraq Fund	11	4,641	4,881	-	-
Energy Entrepreneurs Growth Fund (EEGF) investment	11	7,667	3,000	7,667	3,000
Northern Iraq Investments investment	11	8,307	4,000	-	-
SIMA Angaza Distributor Financing Fund investment	11	625	600	625	600

Notes to the financial statements for the year ended 31 December 2021 (continued)

Company Registered Number: 4007273

Group	Note	Group 2021 \$000	Group 2020 \$00	Foundation 2021 \$000	Foundation 2020 \$000
Mixed motive investments					
Persistent Energy Capital investment	11	2,400	2,400	2,400	2,400
Total		32,058	26,004	19,110	17,123
Financial liabilities at fair value through the SOFA					
Total		-	-	-	-
Financial liabilities measured at amortised costs					
Creditors, provisions and accruals	15,16,17	(18,960)	(25,683)	(18,925)	(25,692)
Total		(18,960)	(25,683)	(18,925)	(25,692)
Other financial liabilities measured at fair value					
Contingent liabilities	27	-	-	-	-
Total		-	-	-	-

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
2021			
Non-hedging instruments			
- Foreign exchange contracts	62,166	835	(455)
Total		835	(455)
Less: current portion		(835)	455
Non-current portion		-	-
2020			
Non-hedging instruments			
- Foreign exchange contracts	26,918	-	(1,231)
Total		-	(1,231)
Less: current portion		-	1,231
Non-current portion		-	-

24. Capital commitment

The Foundation had no capital commitments as at 31 December 2021 (2020: 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.

Notes to the financial statements for the year ended 31 December 2021 (continued)

Company Registered Number: 4007273

26. Related party transactions

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

During the year the Foundation made payments of \$336,354 (2020: \$322,753) and generated accrued investment management costs of \$120,251 (2020: \$82,543), on normal business terms with SAMCo.

Of the Foundation's current or former Trustees listed on page 4, the following are or were directors or officers of certain Shell Group companies: Ms Sinead Lynch, Mr Maarten Wetselaar, Mr Wael Sawan and Mr Huibert Vigeveno. The Shell Group has other charitable affiliates that are not formally related to the Foundation, such as the Shell Oil Foundation in the USA.

Donations received included the following as disclosed in Note 2:

Entity Name	2021 \$000	2020 \$000
BG Group Ltd	1,209	5,568
Shell plc (formerly Royal Dutch Shell plc)	278	61
Shell Energy Europe Limited	-	6,000
Shell Trading International Limited	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.

Shell Foundation Key Management Personnel	Organisation's Name	Position	Grant 2021 \$000	Grant 2020 \$000	Outstanding Liability 2021 \$000	Outstanding Liability 2020 \$000	Notes
Sam Parker	WRI Ross Centre for Sustainable Cities	Member of the Advisory Board	600	850	500	550	Grants provided to World Resources Institute and Centro de Transporte Sustentable.
Sam Parker	Stichting Smart Freight Centre	Board Member	298	489	143	246	
Sam Parker	Envirofit International Inc	Board Member	-	35	-	-	
Sam Parker	GroFin Africa Fund, GroFin SGB Fund and GroFin Nomou/NII (MENA), Aspire Growth Fund, Aspire Small Business Fund	Member of the Advisory Council	2,100	1,500	-	78	GroFin Managers is a SF Grantee that belongs to the GroFin Group of Companies.
Richard Gomes	Global Off-Grid Lighting Association (GOGLA)	Board Observer	-	-	-	375	
Richard Gomes	Future Fit Foundation	Board Observer	500	-	500	-	
Richard Gomes	African Minigrid Developers Association (AMDA)	Board Observer	-	1,120	200	870	

Positions of influence of key management personnel, during 2021 were:

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

Notes to the financial statements for the year ended 31 December 2021 (continued)

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Shell Foundation Key Management Personnel

Organisation's Name	Position	Notes
GroFin SGB Fund	Member of the Advisory Council	Investment of \$6.3 million in GroFin SGB Fund at the 2021 year end (2020: \$15 million)
GroFin Africa Fund	Member of the Advisory Council	Investment in GroFin Africa Fund of \$0.3 million at the 2021 year end (2020: \$0.4 million)
Factor(e) Ventures PBC	Investment Committee Member	Loan Receivable \$13.1 million at the 2021 year end (2020: \$10.6 million)

27. Guarantees and contingent liabilities

In Q3 2021, Shell Foundation committed to a ten year financial guarantee of \$1.4 million to Calvert Impact Capital Inc. (CIC). The guarantee is capped at \$1.4 million and is a 20% first loss layer for CIC's \$7 million investment in the Lendable Fintech Credit Fund (LFCF). LFCF is targeting \$100 million, focused on emerging and frontier market fintech investments.

Between 2016 and 2021, USAID donated a total of \$22.5 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 2021, the net assets of SF Investment Management are \$13.6 million (2020: \$15.1m).

28. Post balance date events

There have been no post balance sheet date events.

