



Standard Chartered Foundation

Annual Report and Financial Statements

For the period ended 31 December 2019

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Foreword

I'm pleased to present the first Standard Chartered Foundation (SCF) Annual Report and Financial Statements.

Standard Chartered Bank (the Bank) established SCF in 2019 and selected it as the lead partner in delivering its philanthropic activities, including Futuremakers by Standard Chartered, a global initiative to tackle inequality and promote greater economic inclusion.

More than 200 million young people around the world are either unemployed or have low-income jobs. As a result, it is difficult or impossible for them to access skills and opportunities, break out of poverty and create a better future for themselves.

Social and economic inequality limits the potential of young people, their families and communities. We believe doing something about the challenges young people face, helping them to get a job or start a business so they can learn, earn and grow individually and as a community is a huge catalyst for change.

Our original intention in 2020 was for SCF to begin funding community programmes focused on education, employability, entrepreneurship and eye health that empower disadvantaged young people from low-income households, particularly girls, young women and people with visual impairments.

As a result of the Covid-19 virus we are reassessing which programmes can be delivered, how they might be adapted to the current circumstances, and different potential modes of delivery.



We expect now to shift more of our efforts in 2020 to focus on programmes offering support to communities to rebuild livelihoods and aid learning to enable their recovery from the economic impact of the Covid-19 virus. As Trustees of SCF, we are eager to start empowering the next generation to access skills and opportunities that close the income gap and give them a chance to realise their full potential; all the more vital given our current uncertain global environment.

We are excited to see our determination translated into action as we make the first grants to our partners in 2020. We welcome the opportunity to play our part in bringing partners together in a decade of progress to advance the United Nation's Sustainable Development Goals.

By the end of 2020, our ambition is to have established innovation and impactful programmes that promote economic inclusion, support young people around the world and make a positive impact on communities.

A handwritten signature in black ink, reading 'Tracey McDermott'. The signature is fluid and cursive, with a large 'T' and 'M'.

Tracey McDermott

Chair of Standard Chartered Foundation Board of Trustees

Reference and administrative details

Trustees

Simon Cooper Connected Trustee ¹	Appointed 29 April 2019
David Fein Connected Trustee	Appointed 29 April 2019
Andrew Halford Connected Trustee	Appointed 29 April 2019
Mirza Iraj Ispahani Independent Trustee	Appointed 19 June 2019
Elizabeth Lloyd Independent Trustee	Appointed 9 June 2019
Tracey McDermott (Chairperson) Connected Trustee	Appointed 29 April 2019

Company number 11968592 (England and Wales)

Registered charity number 1184946 (England and Wales)

Principal and registered office
1 Basinghall Avenue
London
EC2V 5DD
United Kingdom

Auditor
RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

Solicitor
Stone King LLP
13 Queen Square
Bath
BA1 2HJ

Banker
Standard Chartered Bank
1 Basinghall Avenue
London
EC2V 5DD

¹ Connected Trustee means a Trustee who is also employed or engaged by Standard Chartered PLC, or who shares a common purse with someone who is employed or engaged by Standard Chartered PLC. Connected Trustees have the same duty as the other Trustees to act in the way she or he decides in good faith would be in the best interests of the Charity.

Report of the Trustees for the period ending 31 December 2019

The Trustees are pleased to present their first annual report together with the financial statements of SCF (the Charity) for the period from incorporation on 29 April 2019 to 31 December 2019.

The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' effective January 2019.

FOREWORD

REFERENCE AND
ADMINISTRATIVE DETAILS

TRUSTEES' REPORT

INDEPENDENT
AUDITOR'S REPORT

FINANCIAL STATEMENTS

NOTES TO THE
FINANCIAL STATEMENTS

Structure, governance and management

Standard Chartered Foundation (SCF) was established in 2019 and is registered with Companies House in England and Wales (as of 29 April 2019, registration number 11968592) and the Charity Commission for England and Wales (as of 19 August 2019, registration number 1184946). SCF is a wholly owned subsidiary undertaking of Standard Chartered Bank (the Bank), a company incorporated in England with limited liability by Royal Charter (reference number ZC000018). The ultimate holding company is Standard Chartered PLC (the Group), a company registered in England and Wales (company number 00966425).

References in this document to Group Management Team members, Group Policies and Group Community team and programmes refer to where, under the The Cost Sharing and Services Agreement, SCF is aligning processes and utilising Group's resources.

SCF is governed by a Board of Trustees who agree the overall strategy and ensure strong governance and delivery of SCF's objects as set out in the Articles of Association dated 01 August 2019.

Related parties

The Bank is the sole Member of SCF. The Member undertakes to contribute a sum not exceeding £1 to the assets of the Charity in the event of it being wound up while it is a Member or within one year after it ceases to be a Member.

Recruitment and appointment of Trustees

The minimum number of Trustees on the SCF Board shall be three and the maximum number shall be eight. Up to five Connected Trustees and at least two Independent Trustees shall be appointed by the Member. Trustees are appointed for a term of two years.

All Trustees are given an induction comprised of formal training delivered by charity governance specialists on Trustee duties and responsibilities, the Charity Governance Code and relevant guidance and regulations and oversight of Corporate Foundations. Key documentation is provided to support training. Ongoing training will be provided on any relevant changes in legislation and guidelines.

The Member shall appoint Trustees by resolution passed at a meeting held according to its ordinary practices. The Group Management Team member with responsibility for the Group's Community Programmes shall automatically ("ex-officio") be a Trustee, for as long as he or she holds that office.

Any retiring Trustee is eligible for re-election for consecutive periods not exceeding in aggregate eight years from the date of his or her original appointment but thereafter a Trustee shall not be eligible for re-appointment until one year after his or her retirement as a Trustee.

Organisational structure

The Trustees hold at least two meetings each year and receive written updates from the SCF Secretariat in the quarters when they do not meet.

The Trustees are supported by one formal sub-committee – the Programme Steering Committee (PSC). The PSC will hold at least three meetings each year, with the inaugural meeting held in November 2019.

As at 31 December 2019, the PSC was comprised of ten volunteer members from the Group. PSC members are appointed by the Chair of the SCF Board of Trustees and reflect, among other things, diverse geographies of interest to SCF. As per the SCF Articles of Association, at least one Trustee must sit on any SCF Committee.

The PSC is responsible for reviewing SCF's global portfolio of community programmes on behalf of the Trustees based upon the strategy set by the Trustees. The PSC has delegated authority from the Trustees to approve projects for amounts up to USD500,000.

SCF does not employ staff directly. The Trustees delegate day-to-day management of SCF to the SCF Secretariat led by the Group's Global Head of Community Engagement. All staff working on behalf of SCF - primarily the SCF Secretariat - are employed by the Group. The Group provides staff time, office space and other resources to SCF on an in-kind basis.

The role of the SCF Secretariat is to support the Trustees and PSC with the administration of SCF.

The SCF Conflicts of Interest Policy explains how the Trustees and the Group's staff working on behalf of SCF should manage potential conflicts of interest and loyalty.

Risk management

The Trustees acknowledge that sound risk management is fundamental to both good governance and good management practice. The risk management aims of SCF are to: identify, quantify and to seek to report at the earliest time any major risk exposure and prevent materialisation of major risks through the effective application of the control environment.

A Risk Management Policy has been developed and is supported by several additional policies to manage potential risks, including: Fraud Risk Management Policy; Anti-Bribery and Corruption Policy; Whistleblowing and Safeguarding Policy; Gifts and Entertainment Policy; and Records Management Policy.

The Trustees have considered the principal risks to which the charity is exposed and have taken steps to mitigate these risks. A Risk Register is maintained by the SCF Secretariat and will be reviewed at the Trustee meetings to ensure the Trustees understand SCF's risk exposure and can respond effectively.

The Risk Register includes risk measurement criteria including impact and likelihood, mitigating actions, person responsible for implementing mitigating actions and the current status. A summary of the principal risks identified, and the actions taken to mitigate these is set out on the next page.

The outbreak of the novel coronavirus (Covid-19) comes with unpredictable human and economic consequences. SCF anticipates that as the outbreak has affected many of the Group's key markets, Group staff fundraising activity on behalf of SCF could be impacted. It is also possible that delivery of programmes may be impacted given the restrictions many countries are putting in place to control the spread of the virus. The Trustees will continue to monitor and assess the situation and will take the necessary steps to minimise operational impact as far as possible.

Risk theme	Principal risks	Mitigating actions
Our Governance	→ The SCF Secretariat/ Trustees fail to effectively govern SCF leading to a loss of charitable status with HMRC and/or Charity Commission of England and Wales.	→ Trustees are recruited based on their varied backgrounds and skillsets. Governance training is delivered for the Trustees and the SCF Secretariat. SCF Conflicts of Interest Policy and Register in place and regularly maintained. SCF Strategy agreed and reviewed annually with support from PSC. The SCF Secretariat works closely with SCF auditors and lawyers to monitor and respond to regulatory change.
Our Money	→ SCF fails to control its finances and ensure continued financial stability.	→ SCF Financial Management Policies, SCF Financial Strategy and systems in place including mitigating actions to reduce translation risk arising from balances of non US dollar bank accounts converted into US dollars, and liquidity risk when long term project awards are considered. Regular management accounts will be provided to the Trustees to report on financial performance. SCF Fraud Risk Management Policy, and SCF Anti-Bribery and Corruption Policy in place. Regular training delivered for the Trustees and the SCF Secretariat. Robust fundraising plans in place by the Group and long-term contract agreed between the Group and SCF.
Our Operations	→ SCF fails to ensure efficient and resilient operations.	→ The Cost Sharing and Services Agreement in place with the Group. Strict pre-due diligence process conducted for implementing partners. Grant agreements require partners to report financial information to the SCF Secretariat. SCF relies on the Group's IT systems with training provided to the Group staff regarding cyber security and data management.
Our Conduct	→ SCF fails to act responsibly and safeguard all those involved in SCF from harm.	→ Group and SCF Safeguarding Policies in place. Strict pre-due diligence process conducted for implementing partners. Safeguarding Policy a requirement of contractual agreement with implementing partners. Group employee volunteers briefed on safeguarding. Group Speaking Up Policy channels available to SCF. The Group Code of Conduct applies to staff working on behalf of SCF. SCF is registered with the Fundraising Regulator for England, Wales and Northern Ireland and follows its best practice recommendations when fundraising.
Our Reputation	→ SCF fails to effectively protect SCF's reputation.	→ Grant Agreements require implementing partners to report any negative media to the SCF Secretariat. Group Safeguarding Policy in place and part of contractual agreement with partners. SCF Gifts and Entertainment Policy and Register in place. Robust SCF Conflicts of Interest Policy in place to identify and manage conflicts of both interest and loyalty.
Our Impact	→ SCF fails to lead and enable innovation to positively address future needs of beneficiaries.	→ Group country teams provide local intelligence on political or economic events that may disrupt project delivery. The Trustees accept that in enabling innovation, SCF may need to invest in initiatives that are risky in relation to successful outcomes. Ambitious SCF strategy agreed in line with or ahead of current programmatic development trends. Monitoring and Evaluation expert appointed by the Group. Reporting requirements clearly outlined in Grant Agreement templates and local Group staff monitoring delivery. Grant Agreements require implementation partners to provide regular (at least 6 monthly) progress reports to SCF.

Objectives and activities

Purpose

In setting the SCF's objectives and planning its activities, the Trustees have given careful consideration to the Charity Commission's guidance on public benefit.

The objects of SCF are to advance such general charitable purposes (according to the law of England and Wales) as the Trustees see fit from time to time.

Approach

To achieve this mandate, the Trustees have agreed that SCF will focus on tackling inequality by funding programmes in the areas of education, employability, entrepreneurship and eye health. SCF prioritises funding for girls, young women and people with visual impairments as they are often the most marginalised in low-income communities.

SCF's Granting Policy approved on 2 September 2019 sets out the criteria and due diligence requirements for all organisations (charities and non-profit organisations) receiving funds from SCF. SCF does not accept unsolicited proposals and will only consider applications from organisations invited to apply through requests for proposals and shortlists developed by SCF.

SCF is currently the Group's lead partner in delivering the Group's philanthropic activities, including the **Futuremakers by Standard Chartered** (Futuremakers) initiative. Futuremakers is the Group's global initiative to tackle inequality and promote greater economic inclusion and aligns with SCF's strategy for meeting its charitable purposes.

All partners receiving funding from SCF will be required to report against a set of agreed key performance indicators. On an annual basis, through the Trustees' report and via its website, SCF will share its performance information in line with its strategy and key beneficiary groups.

Achievements and performance

Grant making

As of 31 December 2019, SCF had not issued any grants to implementing charities.

Fundraising approach and achievement

SCF's Fundraising Policy outlines that it generates funds from three sources:

- The Group provides monetary and in-kind donations;
- Individuals / entities known to the Group, such as its employees, vendors and clients who provide monetary donations directly to SCF bank accounts and/or via third party portals such as JustGiving and the Charities Aid Foundation. The Group's Fundraising Standards set out how the Group manages the risks associated with this approach;
- Third party entities and individuals unconnected with the Group provide (occasional) monetary donations directly to SCF bank accounts and/or via third party portals.

In the reporting period, no fundraising agencies or commercial participators were engaged.

All fundraising in aid of SCF complies with the best practice guidelines of the Fundraising Regulator in England, Wales and Northern Ireland as well as relevant overseas fundraising regulations. In order to protect vulnerable people and other members of the public, the SCF Fundraising Policy sets out the principles required to ensure any fundraising activity on behalf of SCF does not unduly intrude on a person's privacy or place any undue pressure on individuals to participate in fundraising. All fundraising communications must clearly promote the Group's Speaking Up channel (<https://wrs.expolink.co.uk/speakingup>) for any concerns related to fundraising practices. During the reporting period, no complaints were received relating to fundraising practices or any other SCF activities in the United Kingdom or overseas.

During the reporting period, Group fundraising initiatives in aid of SCF engaged staff in 36 countries via fundraising events and payroll giving, raising a total of USD2.4 million. This income includes a USD1.7 million donation from the Group and USD0.2 million donated by Group staff via the 'One Hour' payroll giving initiative which will be received in 2020. No grants were received.

Total raised

USD2.4 million

Plans for future periods

Fundraising approach

SCF will continue to fundraise from its three sources as set out in the SCF Fundraising Policy.

The global Covid-19 pandemic is expected to negatively impact fundraising, particularly from public sources during 2020. However, the Trustees do not anticipate any major detrimental impact on SCF's finances due to its Donation Agreement with the Group which is its primary source of income.

SCF will also use third party organisations such as JustGiving and Charity Stars in 2020 to collect fundraising income to minimise the collection of cash and cheques.

Grant making

In Q4 2019, SCF requested proposals from NGOs working in the areas of education, employability and entrepreneurship with a view to issue grants worth approximately USD2 million in H1 2020.

Additional requests for proposals will be issued in 2020 to NGOs working in areas that align with the SCF strategy, and those whose work is helping communities to recover from the economic impact of the Covid-19 virus.

The grants will support the livelihoods and learning of disadvantaged young people, particularly girls, young women and people with visual impairments, who have been particularly affected by the pandemic.

Financial review

SCF funds its activities through corporate and individual donations. All reporting is in US dollars. The total income raised in the period was USD2.4 million, with the largest donation being made by the Group which totalled USD1.7 million. USD6,981 is classed as restricted income due to being raised in countries where funds must be spent in the country of origin due to local regulations. There are no other restrictions associated with this income, and the full amount can be spent in line with the SCF strategy. All remaining income is unrestricted.

The Group provides staff time, office space and other resources free of charge to SCF on an in-kind basis. During the period, this support was worth USD0.2 million based on actual contribution and relevant salaries.

SCF expenditure in the period was USD0.3 million. This recognises set up activities, fundraising expenses, governance and professional costs and the USD0.2 million expenditure incurred by the Group incurred on behalf of SCF and donated in-kind.

Reserves policy

The part of unrestricted funds that is freely available to spend in furtherance of any of SCF's objects is defined as 'free reserves' and excludes amounts designated for essential future spending, restricted income funds, endowment funds and tangible fixed assets.

SCF has a simple structure and straightforward activities; therefore, its reserves are primarily held to:

- provide funding to beneficiaries including inter alia for unforeseen emergencies; for example, funding that may be required for an urgent need;
- meet planned operational costs; and
- reflect the minimal risk of an unplanned closure associated with the SCF business model.

Given these requirements, the Trustees consider that the target for free reserves, after any designations, should initially be approximately USD0.2 million. The SCF Reserves Policy is reviewed and approved by the Trustees annually.

SCF reserves at 31 December 2019 totalled USD2.2 million. This build up was a result of fundraising income - including a large donation from the Group of USD1.7 million - being recorded late in the fourth quarter of 2019, with no grant spend taking place.

SCF will begin allocating funds from 1 January 2020 in line with the SCF strategy.

Funds held as Custodian Trustee on behalf of others

During the period the SCF did not act as a Custodian Trustee on behalf of other charities.

Investment policy

The purpose of SCF financial investment is to yield the best financial return within the level of risk considered to be acceptable, in line with the SCF Risk Management Policy. Financial returns can be spent on SCF's objects as described in the SCF Articles of Association and the SCF Strategy.

Charitable funds donated to SCF by the public and by the Group are to be used to advance its objects without exposing funds to unreasonable risk of losing market value.

Therefore, the Trustees determine that at this initial stage of the operation of SCF, any surplus funds (including reserves) should be placed in an interest-bearing cash deposit account with SCF's bankers, Standard Chartered Bank, with an exit clause to allow SCF to make withdrawals at short notice if needed. This arrangement is the best approach to managing liquidity risk. Counterparty risk is also minimised by using SCF's bankers, one of the UK's leading financial institutions.

Statement of Trustees' responsibilities

The Trustees (who are also directors of Standard Chartered Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure 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 Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

RSM UK Audit LLP has been appointed as the charity's Auditors during this period.

By order of the Board of Trustees



Tracey McDermott

Chair of Standard Chartered Foundation
Board of Trustees

19 June 2020

Independent Auditor's report to Member of the Standard Chartered Foundation

Opinion

We have audited the financial statements of Standard Chartered Foundation (the 'charitable company') for the period ended 31 December 2019 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 and of its incoming resources and application of resources, including its income and expenditure, for the period 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. 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters 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 prepared for the purposes of company law, for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in 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
- certain disclosures of the Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Trustees' Report.

Responsibilities of the Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 13, 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 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 the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Hannah Catchpool (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP,
Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

24 June 2020

Statement of Financial Activities

(incorporating an income and expenditure account)

for the period ended 31 December 2019

				29 April 2019 to 31 December 2019
	Notes	Unrestricted Funds USD	Restricted Funds USD	Total funds USD
Income				
Donations	1	2,426,610	6,981	2,433,591
Investments	3	46	-	46
Total Income		2,426,656	6,981	2,433,637
Expenditure				
Cost of Raising Funds	4	18,046	-	18,046
Charitable Activities	5	252,876	-	252,876
Total Expenditure		270,922	-	270,922
Net income and net movement in funds for the financial period		2,155,734	6,981	2,162,715
Reconciliation of funds (total funds brought forward)		-	-	-
Total funds carried forward		2,155,734	6,981	2,162,715

The notes on pages 19 to 26 form part of these financial statements.

Statement of Financial Position as at 31 December 2019

Registered company number 11968592

	Notes	2019 USD
Current assets		
Cash at bank		314,342
Debtors	10	1,875,805
Total Current Assets		2,190,147
Creditors		
Amounts falling due within one year	11	27,432
Net current assets		2,162,715
Net assets		2,162,715
Funds	12	
Unrestricted		2,155,734
Restricted		6,981
Total funds carried forward		2,162,715

The financial statements on pages 16 to 26 were approved by the Trustees and authorised for issue on 30 March 2020 and signed on its behalf by:



Tracey McDermott
On behalf of the board of Trustees

19 June 2020

Statement of Cash Flows

for the period ended 31 December 2019

	Notes	29 April 2019 to 31 December 2019 USD
Cash flows from operating activities		
Net cash provided by operating activities (a)		314,296
Cash flow from investing activities		
Bank interest	3	46
Change in cash and cash equivalents during the period (b)		314,342
Cash and cash equivalents at the beginning of the period	-	
Cash and cash equivalents at the end of the period		314,342
a) Reconciliation of net income to net cash provided by operating activities:		
Net income for the reporting period (as per the Statement of Financial Activities)		2,162,715
Adjustments for		
Investment income		(46)
Increase in Creditors		27,432
(Increase) in Debtors		(1,875,805)
Net cash provided by operating activities		314,296
b) Analysis of Cash and Cash Equivalents		
Cash at bank		314,342
Term deposits (less than 3 months)	-	

The notes on pages 19 to 26 form part of these financial statements.
There is no net debt, therefore there is no analysis on change in debt provided.

Accounting policies

Public benefit

SCF objects meet the definition of a public benefit entity as described in the Charities Act 2011.

Basis of accounting

These financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Charities SORP FRS 102, the requirements of the Companies Act 2006 and under the historical cost convention.

The financial statements are prepared in US dollars (USD), which is the SCF functional currency. Monetary amounts in these statements are rounded to the nearest USD.

Income Recognition Policy

Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured accurately.

In the case of a grant or corporate donation, evidence of entitlement will usually exist when the formal offer of funding is communicated in writing to the charity. However, some grants will contain terms or conditions that must be met before the charity has entitlement to the resources.

In exceptional circumstances, voluntary income may be recognised in advance of a formal signed agreement where an authorised individual confirms that a signed agreement has been delayed due to administrative procedures (e.g. where the Trustees only meet quarterly to confirm grants). In these cases, an assessment will be made on the basis of the probability of receipt of income.

Services and facilities donated by the Group were recognised as income in kind with the value being calculated based on actual costs.

Donor imposed conditions may also specify the time period over which the expenditure of resources on a service can take place. Specification of a time period may amount to a pre-condition for use that limits the charity's ability to spend a grant or donation until it has performed the activity related to the specified time period. Income will be recognised in the year of the activity.

Cost of raising funds

Costs of raising funds comprise both direct and support costs. Direct costs are related to direct fundraising activities such as third party entities used for the processing of online donations and other entities processing auctions on behalf of SCF. Support costs are related to those functions that assist the work of SCF.

Expenditure on charitable activities

During the reporting period, SCF spent funds on charitable activities which consisted of support costs related to people, premises, insurance, equipment and governance (Note 6). There were no charitable activities expenses incurred in the form of grants paid to charities.

SCF will begin reporting the allocation of support costs across its charitable activities from 2020.

SCF will begin allocating funds in the form of grants to implementing charities from January 2020 in line with the SCF strategy.

Accounting policies continued

Grant making policy

Grants payable are payments made to third parties in the furtherance of the charitable objects of SCF. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant.

Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of SCF.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable. The provision for a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of SCF that would permit SCF to avoid making the future payment(s), settlement is probable, and the effect of discounting is material. The discount rate used is the average rate of investment yield in the year in which the grant award is made. This discount rate is regarded by the Trustees as providing the most current available estimate of the opportunity cost of money reflecting the time value of money to SCF.

Going concern

The Trustees have reviewed SCF's financial budget in detail and are of the opinion that there are no material uncertainties and SCF has adequate resources to continue as a going concern for at least 12 months from the date of approving this report. Accordingly, the accounts have been prepared on a going concern basis.

In addition, the Group has committed to provide ongoing financial support in form of direct monetary donations, support with fundraising from its employees and associates, and by providing in-kind donation in form of staff time and supporting costs like office space, equipment, website maintenance and other necessary support.

Financial instruments

SCF has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all its financial instruments.

SCF has only basic financial assets and financial liabilities and does not enter into financing transactions. They are measured initially at transaction price and subsequently at amortised cost, being transaction price less amounts settled and any impairment losses.

Reserves

Unrestricted funds are available to spend on activities that further any of the purposes of SCF. Designated funds are unrestricted funds of SCF which the Trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of SCF work.

Tax and VAT policy

SCF is registered as a charity with HMRC and will not be subject to corporation tax. SCF is not VAT registered and all costs incurring VAT will be irrecoverable and recognised as part of the relevant costs.

Cash and cash equivalent policy

SCF held its cash in bank accounts at 31 December 2019 in the United Kingdom and overseas. SCF does not hold any petty cash. There were no term deposits held at the date of reporting. SCF will place its cash in term deposit accounts to earn interest from 2020 in line with its Investment Policy, ensuring cash is easily available to manage grant payments and other obligations as and when they fall due.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are perceived as reasonable under the circumstances. People costs were estimated based on approximate time spent working on SCF and applying the same estimated per cent to the actual costs the Group has incurred. Estimated time spent on SCF was equivalent to 1 full time employee (FTE) based on various percentages spent by six individuals.

Notes to the financial statements

1. Income from donations

Donations	Restricted USD	Unrestricted USD	29 April 2019 to 31 December 2019 USD
Group - Donations Cash (Note 2, 13)		1,707,000	1,707,000
Group - Donation in-kind People costs (Note 13)		151,240	151,240
Group - Donation in-kind Facilities (Note 13)		30,864	30,864
Group - Donation in-kind Legal and Consultancy (Note 13)		44,857	44,857
Fundraising income - UK streams (Note 2)		298,188	298,188
Fundraising income - Country streams (Note 2)	6,981	163,639	170,620
Regular giving (Note 2)		217	217
JustGiving (Note 2)		30,605	30,605
Total donations	6,981	2,426,610	2,433,591

During the reporting period, SCF donations were received through corporate monetary donations and in-kind donations for people working on behalf of SCF, facilities, legal and consultancy work, fundraising events in the UK and overseas and fundraising portals such as JustGiving.

2. Income from donations by country of origin

The Group is supporting fundraising for SCF in markets where it operates through its branches and subsidiaries through employee-organised fundraising initiatives. Income in the table below relates to income raised across all regions excluding the Group's donations in-kind.

Region	Restricted USD	Unrestricted USD	29 April 2019 to 31 December 2019 USD
Africa and Middle East	1,304	50,001	51,305
Association of Southeast Asian Nations and South Asia	5,677	205,046	210,723
Europe and Americas	-	1,860,932	1,860,932
Greater China and North Asia	-	83,670	83,670
Total	6,981	2,199,649	2,206,630

3. Investment income

All investment income, totaling USD46, has come from the interest-bearing accounts.

4. Cost of raising funds

SCF has used third party organisations such as JustGiving to process online donations and Charity Stars to process auctions of signed football shirts. SCF fundraising costs recognised in the reporting period relate to the fees of these two entities.

	Direct	Support	29 April 2019 to 31 December 2019 Unrestricted USD
JustGiving and other fundraising costs	18,046		18,046
Total costs of raising funds	18,046		18,046

5. Charitable activities

SCF has recognised costs associated with its charitable activities as per the Support Costs schedule (Note 6). SCF has received the corresponding donation in-kind from the Group who paid for these costs from its own funds. No payment was received by the Group from SCF in relation to these costs and they were recognised as a donation in-kind, and charitable activities costs on the Statement of Financial Activity.

6. Support costs

29 April 2019 to 31 December 2019
Unrestricted
USD

Premises – donated by the Group	13,948
People costs – donated by the Group (Note 7)	151,240
Marketing costs (website) – donated by the Group	15,684
Governance costs – donated by the Group	46,090
Governance costs – audit	27,432
Exchange rate variance (gain)	(1,518)
Total Support Costs	252,876

7. Trustees remuneration and other benefits

The Trustees did not receive any remuneration or benefits during the period. No travel or other Trustee expenses were reimbursed.

8. Auditor's fees

RSM UK Tax & Accounting Limited was hired by the Group in 2019 to help with the set up of SCF. Fees payable to RSM UK Tax & Accounting Limited for SCF set up work were USD11,757. They were paid by the Group and recognised in SCF accounts at cost, and as a donation in-kind and consultancy cost.

RSM UK Audit LLP was appointed as the SCF Auditors by the SCF Board of Trustees. RSM UK Audit LLP is part of the same group as RSM UK Tax & Accounting Limited but is a separate trading entity. No conflict of interest has arisen between the two appointments as separate teams were assigned for advisory and audit work.

Fees payable to RSM UK Audit LLP for the 2019 SCF audit were USD27,432 inclusive of VAT and recorded as expenditure accrual and governance costs.

9. People costs

29 April 2019 to 31 December 2019
Unrestricted
USD

Salary costs and benefits	125,337
Employers' NI	16,709
Employer's pension	8,903
Other support costs (insurance, agency fee)	291
Total	151,240

During the reporting period, salaries and related people costs were paid by the Group and donated to SCF on an in-kind basis.

10. Debtors - amounts falling due within one year

29 April 2019 to 31 December 2019
Unrestricted
USD

Accrued income	1,875,805
Total debtors	1,875,805

11. Creditors - amounts falling due within one year

29 April 2019 to 31 December 2019
Unrestricted
USD

Accruals

Accrued expenses	27,432
Total creditors	27,432

12. Movements in funds

29 April 2019 to 31 December 2019:

	Opening Funds USD	Income USD	Expenditure USD	Closing funds USD
Unrestricted	-	2,426,656	(270,922)	2,155,734
Restricted	-	6,981	-	6,981
Total Funds	-	2,433,637	(270,922)	2,162,715

Restricted income of USD6,981 has been raised in countries prohibiting movement of funds outside the country. To meet the restriction, this income will be spent in full on projects implemented by local partners in the countries where the income was raised. There are no other restrictions associated with this income, and the full amount can be spent in line with the SCF strategy.

13. Net assets by funds

29 April 2019 to 31 December 2019:

	Restricted	Unrestricted	Total
Assets			
Cash at bank and in hand	5,255	309,087	314,342
Other net current assets	1,726	1,846,647	1,848,373
Total net assets	6,981	2,155,734	2,162,715

14. Related party disclosure

The Group has donated the following during the period:

	29 April 2019 to 31 December 2019 Unrestricted USD
Cash donation	1,707,000
Donation in-kind (Note 1):	
People costs	151,240
Facilities	30,864
Consultancy and legal	44,857
Total donation from the Group	1,933,961

USD1.7 million of the above total is to be received by SCF from the Member in 2020.

15. Controlling entity

Standard Chartered PLC is a leading international banking group, with a presence in 59 of the world's most dynamic markets, and serving clients in a further 85. Its purpose is to drive commerce and prosperity through its unique diversity, and its heritage and values are expressed in its brand promise, Here for good. Standard Chartered PLC is listed on the London and Hong Kong Stock Exchanges as well as the Bombay and National Stock Exchanges in India.

**STANDARD
CHARTERED
FOUNDATION**

Company Registration Number: 11968592
Registered as a Charity in England and Wales: 1184946