



**The Shell Centenary Scholarship Fund**

**The Shell Centenary Scholarship Fund  
(A Company Limited By Guarantee)**

**Report of the trustees and financial statements for the  
year ended 31 December 2018**

Company Registered Number: 3608466  
Charity Registered Number: 1071178

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# The Shell Centenary Scholarship Fund

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# The Shell Centenary Scholarship Fund

## Trustees, Directors, Officers and Advisors

### Trustees (who are also Directors)

The trustees of The Shell Centenary Scholarship Fund who were in office during the year and up to the date of signing the financial statements were:

Simon Constant-Gleimas	Chairman
Marjan van Loon (also known as	Trustee
Johanna van Loon)	
Sinead Lynch	Trustee

### Principal Officers

The Principal officers who served in such position during the reporting period in question were:

Pradeep Pursnani	Director
Mavis Oti-Amankwah	Chief Financial Officer
Shell Corporate Secretary Ltd	Secretary

### The Sole Member

The Shell Petroleum Company Limited

### Registered Office

Shell Centre  
York Road, London  
SE1 7NA

### Independent Auditor

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

### Bankers

Lloyds Bank plc  
25 Gresham Street  
London EC2V 7HN

# The Shell Centenary Scholarship Fund

## Report of the trustees for the year ended 31 December 2018

The Trustees, who are also directors of the The Shell Centenary Scholarship Fund for the purpose of the Companies Act, present their annual report and the audited financial statements for the year ended 31 December 2018.

The information with respect to trustees, directors, officers and advisors set out on page 3 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, applicable Accounting Standards in the United Kingdom, the Statement of Recommended Practice 'Charities SORP (FRS 102)' effective 1<sup>st</sup> January 2015, the Companies Act 2006 and the Charities Act 2011.

### Status and Administration

The Shell Centenary Scholarship Fund ('the Scholarship Fund') is a charitable company limited by guarantee, incorporated on 28 July 1998 (company registration number 3608466) registered with the Charity Commission as a charity on 28 July 1998 (charity registration number 1071178).

### Structure, Governance and Management

#### Governance and Internal Controls

The Trustees, Director, Secretary and Chief Financial Officer are noted on page 3. Trustees are appointed by The Shell Petroleum Company Limited, the sole member of the Scholarship Fund, pursuant to Article 20(5) of the Scholarship Fund's Articles of Association.

New trustees are provided with information and training on trustee guidelines as prepared by the Charity Commission, and information on the Scholarship Fund as appropriate. Briefing discussions are held with the Director of the Scholarship Fund and other key staff. Trustees are requested annually to confirm any related party transactions.

The trustees meet formally twice each year. They review and approve:

- A strategic plan and annual budget for the Scholarship Fund.
- The Scholarship Fund's financial results, variances from budget, investment performance, and non-financial performance indicators.
- Internal controls (including delegation of authorities and segregation of duties).
- Risks associated with the Scholarship Fund's activities and appropriate mitigation measures in respect of those risks.
- Review the Scholarship Fund is performing against its charitable objectives.
- The team's performance against pre-determined annual targets.
- Certain actions that are above the authority level of the Director or Programme Manager.

The trustees have delegated the day-to-day operations of the organisation to the principal officers, who report on the performance against the strategic plan and budget as approved by the trustees.

# The Shell Centenary Scholarship Fund

## Report of the trustees (continued) for the year ended 31 December 2018

### Statement of Trustees' Responsibilities

The Trustees (who are also directors of The Shell Centenary Scholarship Fund for the purposes of company law) 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 Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable 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 Charities SORP;
- make judgments 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;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- a) there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

# The Shell Centenary Scholarship Fund

## Report of the trustees (continued) for the year ended 31 December 2018

### Grant Commitments

The Scholarship Fund 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 Scholarship Fund 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.

Certain milestones must be met by the grantee to receive scheduled grant payments to ensure they remain aligned to the Scholarship Fund'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, based on reports from the grantee, and 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 cancelled.

### Objectives and Activities for the Public Benefit

#### Objectives:

1. The advancement of education by the provision of scholarships at universities in the United Kingdom and the Netherlands for post-graduate students, particularly citizens of countries other than the United Kingdom and the Netherlands;
2. The promotion of such other purposes being exclusively charitable according to the law of England and Wales as the trustees may from time to time determine.

The leadership education programme has continued throughout 2018, supporting new initiatives that deliver support to the emerging generation of future leaders.

The trustees confirm they 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 Scholarship Fund's aims and objectives and when considering grants to be awarded.

The Scholarship Fund'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 fund. It is not the Scholarship Fund's practice to support:

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

The activities carried out to meet these objectives are summarised in the Strategic Report below.

# The Shell Centenary Scholarship Fund

## Report of the trustees (continued) for the year ended 31 December 2018

### Strategic Report

#### Achievements and Performance

Scholarship Fund trustees began investigations into alternative ways of delivering charitable impact and furthering the organisation's charitable objectives for the public benefit during 2013, and began piloting potential programmes during the year, focusing on leadership initiatives in Africa. These investigations – and piloting of potential programmes – continued in 2015 following the successful identification of potential partners during the year. Grants awarded in 2016 supported objectives of delivering support to the next generation of leaders in emerging markets and of supporting identification and development of future leaders. During 2017, the Scholarship Fund supported the scaling up of previously piloted leadership and talent development programmes; ideas that will have impact improving the uptake of Science, Technology, Engineering and Mathematics (STEM) subjects and careers in the UK, Netherlands and some African countries.

Throughout 2018, there has been significant progress across the portfolio, driven by the growth and work of Raspberry Pi, Educate!, NEMO Science Museum, the Royal Academy of Engineering and Makerversity.

Achievements and Performance throughout 2018 included:

- **NEMO Science Museum:** Developed materials for the STEM curriculum 'Maakkunde' with the objective of improving primary school STEM education in The Netherlands and launched a short series of experience based courses. Additionally, NEMO hosted the Teachers Club during a 'night at the museum' in the NEMO Science Museum where teachers participated in Maakkunde workshops and lectures.
- **The Royal Academy of Engineering:** A very successful fifth year of the Engineering Africa Prize competition, securing additional £500,000 funding from the UK Government, announced by Theresa May during her trips to South Africa, Nigeria and Kenya. In 2018, applications to enter the Africa Prize were received from 19 countries in sub-Saharan Africa, a 54% increase compared to last year. The fourth prestigious 2018 Africa Prize was won by 24 year old Ugandan software engineer, Brian Gitta. Gitta and his team developed Matibabu, a device which tests for malaria without drawing blood. The device is low-cost and reusable, it clips onto a patient's finger, requiring no specialist expertise to operate. The results are available within one minute on a mobile phone that is linked to the device. Other finalists in 2018, included a smart metering company in Nigeria, a STEM kit for schools in Ghana and a more energy efficient metal recycling technology from South Africa.
- **Raspberry Pi:** A UK-based educational charity with the mission to put the power of computing digital making into the hands of people all over the world. During 2018, activated over 1,000 coding clubs in the UK and over 2,000 code clubs internationally to support young people learning to code. Additionally, the charity ran three Coolest Project events and supported three community led Coolest Project events in Belgium, Bulgaria and Italy and in November published research based on data gathered at the events.
- **Educate!:** Continues to make progress in Uganda, Rwanda and Kenya. In the 2018 Youth Solutions Report, they were highlighted by the UN Sustainable Development Solutions Network Youth Initiative as one of the fifty youth led organisations contributing towards achieving the Sustainable Development Goals. Additionally, the charity won the prestigious Klaus J Jacob award. They have established a new partnership with the IKEA Foundation to support work in Kenya focussed on helping young people learn entrepreneurial and workforce skills with the aim of preparing them to eventually create their own business, get jobs and improve their income.

# The Shell Centenary Scholarship Fund

## Report of the trustees (continued) for the year ended 31 December 2018

### Strategic Report (continued)

#### Achievements and Performance (continued)

- **Makerversity:** Aims to empower students by giving them the chance to dictate how and where they learn. It is an innovative engineering co-working space for emerging 'maker' businesses – providing creative, DIY spaces where people can gather to create, invent and learn. It is a global 'one of a kind' space that brings together various skills from coders to furniture designers and photographers. In 2018, they continued to grow their Under 25 membership and they also grew their number of partnerships, fostering exchange of information and service offerings. Additionally, they continued to support start-ups and develop internships.
- **TeachFirst:** An organisation helping to address the shortage of STEM skills through the active recruitment and placement of qualified STEM teachers in England and Wales. TeachFirst conducted a strategic review throughout 2018. This impacted the progress of work on Social Impact Bonds (SIBs) supported by TSCSF and thus not all the funds were utilised during the year.

<u>Grantee Name</u>	2018	2017
<i>Purpose of Project</i>	<b>£'000</b>	<b>£'000</b>
<b><u>Educate!</u></b>	660	-
<i>Accelerate the expansion of the Educate! model within Uganda, Rwanda, Kenya and one other market in Africa</i>		
<b><u>Raspberry Pi</u></b>	600	-
<i>Support the development of a STEM experience-based initiative engaging young people in computing and digital making.</i>		
<b><u>TeachFirst</u></b>	90	-
<i>Support the development of Social Impact Bonds, a tool to enhance TeachFirst's fundraising capability and thereby its ability to further its educational work</i>		
<b><u>NEMO Science Museum</u></b>	-	800
<i>Support the development of 'Maakkunde', a STEM curriculum to improve primary school STEM education in The Netherlands</i>		
<b><u>The Royal Academy of Engineering</u></b>	-	600
<i>Support the funding of the second phase (3 additional cycles) of The Royal Academy's 'Africa Prize for Engineering Innovation'</i>		
<b><u>Makerversity</u></b>	-	150
<i>Support further the development of a space for STEM – experience-based capacity building through work placements, learning infrastructure and promoting entrepreneurship</i>		
<b>Total Grants Awarded</b>	<b>1,350</b>	<b>1,550</b>



# The Shell Centenary Scholarship Fund

## Report of the trustees (continued) for the year ended 31 December 2018

### Strategic Report (continued)

#### Financial Review

##### Financial Activities

The Statement of Financial Activities is set out on page 14 of the financial statements and shows the gross income from all sources and the split of activity between restricted and unrestricted funds.

No donations were received in 2018.

##### Reserves

During 2014, the Board determined the initiatives of the Scholarship Fund would be such that the Scholarship Fund's reserves would be spent out over six to eight years.

The Board have determined commitments of available funds to a core set of partners that could advance the goals of the Fund and some of these will continue to receive funding over the coming years. The Fund continues to have uncommitted funds available and will determine recipients for these, aligned with the objectives of the Fund. The Board discussed and agreed that the charity has sufficient reserves to continue in the foreseeable future.

##### Investment Policy and Performance

The Scholarship Fund's Investment Policy was to invest available resources in Common Investment Funds to generate a stream of income to finance the continuing activities of the charity until 2016, when the Board requested the resources in Common Investment Funds to be converted into money market deposits placed with the Scholarship Fund's bankers, Lloyds Bank.

##### Principal Risks and Uncertainties

A review of the risks to which the Scholarship Fund is exposed has been conducted. The trustees believe the procedures currently in place are adequate for the task of risk mitigation.

##### Strategic Partners

The Scholarship is reliant on strategic partners to take programmes forward and deliver support to the emerging generation of future leaders. This risk continues to be managed through the careful selection process for new strategic partners, and ongoing management of existing partners.

# The Shell Centenary Scholarship Fund

## Report of the trustees (continued) for the year ended 31 December 2018

### Financial Review (continued)

#### Independence and relationship with Shell

The trustees explicitly recognise their charitable responsibilities in this regard by stating that the Scholarship Fund'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 Scholarship Fund's activities will be incidental and outweighed by the contribution to the Scholarship Fund's charitable objectives. The Scholarship Fund operates an assurance system to identify, assess and validate this.

#### 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.

EY LLP commenced in 2016 as Independent Auditor of The Shell Centenary Scholarship Fund pursuant to section 386(2) of the Companies Act 2006. In accordance with the Companies Act 2006, any Member or the Auditor 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 Scholarship Fund not later than 28 days after the despatch of the financial statements and reports to the Member.

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



Simon Constant-Glemas,  
Director on behalf of the Board of Directors

23 September 2019

# The Shell Centenary Scholarship Fund

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHELL CENTENARY SCHOLARSHIP FUND

### Opinion

We have audited the financial statements of Shell Centenary Scholarship Fund (the 'charitable company') for the year ended 31 December 2018 which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes 1 to 13, 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 charitable company's affairs as at 31 December 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ▶ have been properly prepared in accordance with 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

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 other information comprises the information included in the annual report set out on pages 3 to 10, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

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

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

# The Shell Centenary Scholarship Fund

misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinion on other matter prescribed by the Companies Act 2006**

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

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

## **Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- ▶ adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- ▶ the financial statements are not in agreement with the accounting records and returns; or
- ▶ 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 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the charitable company or to cease operations, or has no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

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

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

# The Shell Centenary Scholarship Fund

## Use of our report

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



Stephen Reid (Senior statutory auditor)

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

Edinburgh

Date: *27 September 2019*

## Notes:

1. The maintenance and integrity of the Shell Centenary Scholarship Fund's web site is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# The Shell Centenary Scholarship Fund

## Statement of Financial Activities for the year ended 31 December 2018

Incorporates the Income and Expenditure Account

Charity Registered Number 1071178 – Company Registered Number 3608466

	Note	2018 Unrestricted Funds £'000	2018 Restricted Funds £'000	2018 Total Funds £'000	2017 Total Funds £'000
<b>Income from</b>					
Donations		-	-	-	-
Investment income		12	-	12	27
Donated services		5	-	5	7
<b>Total Incoming Resources</b>		<b>17</b>	<b>-</b>	<b>17</b>	<b>34</b>
<b>Charitable activities</b>					
- Future Leadership	2	(1,377)	-	(1,377)	(1,713)
<b>Total Charitable Activities</b>		<b>(1,377)</b>	<b>-</b>	<b>(1,377)</b>	<b>(1,713)</b>
<b>Total Resources Expended</b>		<b>(1,377)</b>	<b>-</b>	<b>(1,377)</b>	<b>(1,713)</b>
<b>Net Gains/(Losses) on Investments</b>					
Unrealised gains/(losses) on investment assets		-	-	-	-
Realised gains/losses on investment assets		-	-	-	-
Realised loss on grants issued		-	-	-	-
<b>Net (Expenditure)/Income</b>		<b>(1,360)</b>	<b>-</b>	<b>(1,360)</b>	<b>(1,679)</b>
<b>Net Movement in Funds</b>		<b>(1,360)</b>	<b>-</b>	<b>(1,360)</b>	<b>(1,679)</b>
<b>Fund balances brought forward at 1 January</b>		<b>1,514</b>	<b>-</b>	<b>1,514</b>	<b>3,193</b>
<b>Fund balances carried forward at 31 December</b>		<b>154</b>	<b>-</b>	<b>154</b>	<b>1,514</b>

The notes to these financial statements form part of the financial statements.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

# The Shell Centenary Scholarship Fund

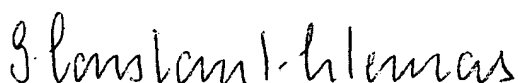
## Balance Sheet

### As at 31 December 2018

Charity Registered Number 1071178 – Company Registered Number 3608466

	Note	2018 Total Funds £'000	2017 Total Funds £'000
<b>Current assets</b>			
Cash at bank and cash equivalents		2,053	2,649
Short term money market deposit		-	750
Interest receivable	4	-	8
<b>Creditors: amounts falling due within one year</b>	5	(1,634)	(1,233)
<b>Net current (liabilities)/assets</b>		<b>419</b>	<b>2,174</b>
<b>Total assets less current liabilities</b>		<b>419</b>	<b>2,174</b>
<b>Creditors: amounts falling due after more than one year</b>	6	(265)	(660)
<b>Net assets</b>		<b>154</b>	<b>1,514</b>
<b>The funds of the charity</b>			
Unrestricted income funds/total charity funds		154	1,514
Restricted income funds		-	-
Fair Value Revaluation Reserve		-	-
<b>Total Funds</b>		<b>154</b>	<b>1,514</b>

The financial statements on pages 14 to 24 were approved by the Board of Trustees and signed on its behalf by:



Simon Constant-Glemas,  
Director, on behalf of the Board of Directors

23 September 2019

# The Shell Centenary Scholarship Fund

## Cash flow statement for the year ended 31 December 2018

Charity Registered Number 1071178 – Company Registered Number 3608466

	Note	2018 £'000	2017 £'000
Net cash used in operating activities	7	(1,366)	(1,253)
Cash flow from investing activities			
Interest and distributions received		20	28
Purchase of investments		-	(7,250)
Sale of investments		750	8,750
		<b>770</b>	<b>1,528</b>
Net increase/(decrease) in cash		<b>(596)</b>	<b>275</b>
Cash and cash equivalents at the beginning of the year		2,649	2,374
Cash and cash equivalents at the end of the year		<b>2,053</b>	<b>2,649</b>



# The Shell Centenary Scholarship Fund

## Notes to the Financial Statements for the year ended 31 December 2018

### 1. Summary of Significant Accounting Policies

#### General Information

The organisation and purpose of the Scholarship Fund are set out in the Trustees' Report. The Shell Centenary Scholarship Fund ("the Scholarship Fund") is a registered charity and is constituted as a company limited by guarantee. Its objectives, together with other constitutional matters, are set out in its Memorandum and Articles of Association. The Scholarship Fund is governed by a Board of Trustees, which is responsible for determining the policies and the strategic direction of the charity. The trustees delegate the day-to-day operations of the organisation to Management. The address of its registered office is Shell Centre, York Road, London, SE1 7NA.

The Scholarship Fund is a company limited by guarantee and has no share capital. In the event of the Company being wound up the liability of the member is limited to GBP £1.

#### 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 2015, and in accordance with applicable United Kingdom accounting standards and the Companies Act 2006. The accounting policies have been applied consistently and in accordance with the Charities Act 2011.

#### Basis of Preparation

The financial statements are prepared under the historical cost convention, as modified by the revaluation of investments. The financial statements are prepared on a going concern basis.

The financial statements of the Scholarship Fund are prepared in GBP British Pounds.

#### Foreign Currency

##### *Functional and presentation currency*

The Scholarship Fund's financial statements are presented in GBP British Pounds and rounded to thousands.

##### *Transactions and balances*

Transactions denominated in foreign currencies are translated at the monthly average rate of exchange for the year. Foreign currency balances are translated at the rate of exchange prevailing at the balance sheet date. Foreign exchange gains and losses are included in the Statement of Financial Activities for the year in which they were incurred.

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 (US\$) was GBP/US\$ 1.2736 (2017 was GBP/US\$ 1.3508).

# The Shell Centenary Scholarship Fund

## Notes to the Financial Statements for the year ended 31 December 2018 (continued)

### 1. Summary of Significant Accounting Policies (continued)

#### Fund Accounting

Funds held by the Scholarship Fund are either:

- general unrestricted income funds, that are expendable at the discretion of the trustees in furtherance of the Scholarship Fund'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.

#### Income

All income is accounted for in the period in which it arises.

Donations and investment income are included in the Statement of Financial Activities when the Scholarship Fund is legally entitled to the income, receipt is probable and its amount can be measured reliably. Donated services, if applicable, are included in income at a valuation, which is an estimation of the value to the Scholarship Fund. Donated services of GBP £4,867 (2017: £7,138) were received during 2018 from Shell International Limited.

#### Expenditure

Expenditure has been charged to the Statement of Financial Activities on an accruals basis inclusive of irrecoverable VAT. Expenditure on grants is recognised in total at the date the commitment is made.

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 direct charitable activities on a basis consistent with the use of resources.

#### Investment Management Costs

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

#### Support Costs

Charitable activity costs are comprised of grants, costs for processing grants and applications, direct costs invoiced to the Scholarship Fund, 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 Scholarship Fund's activities. The Scholarship Fund has no direct employees.

Grant commitments charged as charitable activity costs in the Statement of Financial Activities represent the new commitments awarded by the Scholarship Fund 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.

Support costs comprise also of strategic running of the Scholarship Fund itself as an organisation, as distinct from directly pursuing its charitable activities. Support costs include such items as external audit and costs associated with constitutional and statutory requirements (see note 2).

# The Shell Centenary Scholarship Fund

## Notes to the Financial Statements for the year ended 31 December 2018 (continued)

### 1. Summary of Significant Accounting Policies (continued)

#### Support costs (continued)

Donated services are included in income at a valuation, which is an estimation of the value to the charity. Donated services of GBP £4,867 (2017: £7,138) were received during 2018 from Shell International Limited.

#### 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.

#### Grants

Grants are recognised in full in the Statement of Financial Activities in the financial year in which they are awarded.

#### Financial assets

##### (i) Classification

The Scholarship Fund classifies its financial assets in the following categories: at fair value through the statement of financial activities; loans and receivables; and available for sale. 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 statement of financial activities*

Financial assets at fair value through statement of financial activities 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. 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 Scholarship Fund'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 statement of financial activities. Financial assets carried at fair value through the statement of financial activities are initially recognised at fair value, and transaction costs are expensed in the statement of financial activities account. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Scholarship Fund has transferred substantially all risks and rewards of ownership. Financial assets at fair value through the statement of financial activities. Loans and trade and any other receivables are subsequently carried at amortised cost using the effective interest method, less any provision for impairment.

## Notes to the Financial Statements for the year ended 31 December 2018 (continued)

### 1. Summary of Significant Accounting Policies (continued)

#### Financial liabilities

##### (i) Classification

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

##### *1. Financial liabilities at fair value through the statement of financial activities*

Financial assets at fair value through the statement of financial activities 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 statement of financial activities 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 statement of financial activities or at amortised cost. Those financial liabilities held at fair value through the statement of financial activities are revalued at each balance sheet date, with gains and losses recognised directly in the statement of financial activities accounts. All other liabilities are carried at amortised cost using the effective interest rate method.

# The Shell Centenary Scholarship Fund

## Notes to the Financial Statements for the year ended 31 December 2018 (continued)

### 2. Charitable Activities

	Grants	Direct Costs	Support Costs	2018	2017
	£'000	£'000	£'000	£'000	£'000
Future Leadership	1,350	12	15	1,377	1,713
	<b>1,350</b>	<b>12</b>	<b>15</b>	<b>1,377</b>	<b>1,713</b>

Support costs are apportioned across the programme themes on the basis of effort expended on grants. These costs are comprised of general administration costs. The breakdown of charitable expenditure can also be shown as follows:

	2018 £'000	2017 £'000
<b>Grants awarded/ commitments expended:</b>		
Educate!	660	-
Raspberry Pi	600	-
TeachFirst	90	-
Shortlist (former First Cut)	-	-
Impact Business Leaders	-	-
Chevening	-	-
Makerversity	-	150
NEMO	-	800
The Royal Academy of Engineering	-	600
<b>Total Grants awarded</b>	<b>1,350</b>	<b>1,550</b>
<b>Direct costs</b>		
- Manpower	12	126
- Travel	-	6
<b>Support Costs</b>		
- Audit Fees (including VAT)	10	10
- Manpower	5	7
- Trustee expense	-	-
- Sundry	-	14
	<b>1,377</b>	<b>1,713</b>

Audit fee includes 2018 audit fee inclusive of VAT of GBP £9,840 (2017: GBP £9,600). The limitation on auditors' liability for external audit is £2 million. The external auditors were appointed in 2016 and the most recent terms of engagement signed on 11 March 2019.

### 3. Taxation

The Scholarship Fund is a registered charity within the definition of Section 505 of the Income and Corporation Taxes Act 1988 and accordingly is exempt from direct taxation. The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and returns from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these returns and surpluses are applied solely for charitable purposes.

# The Shell Centenary Scholarship Fund

## Notes to the Financial Statements for the year ended 31 December 2018 (continued)

### 4. Debtors Due Within One Year

	2018 £'000	2017 £'000
Interest Receivable	-	8
<b>Total</b>	<b>-</b>	<b>8</b>

### 5. Creditors: Amounts Falling Due Within One Year

	2018 £'000	2017 £'000
Grants payable	1,239	860
Other creditors including audit fee and manpower costs	395	373
<b>Total</b>	<b>1,634</b>	<b>1,233</b>

### 6. Creditors: Amounts Falling Due After More Than One Year

	2018 £'000	2017 £'000
Total Grants payable	1,504	1,520
Less amounts falling due within one year (note 5)	1,239	860
<b>Total</b>	<b>265</b>	<b>660</b>

#### Represented by:

Grants payable in greater than one year but less than two years	235	660
Grants payable in greater than two years but less than three years	30	-
<b>Total</b>	<b>265</b>	<b>660</b>

### 7. Net cash used in operating activities

	2018 £'000	2017 £'000
Net (outgoing)/incoming resources unrestricted & restricted	(1,360)	(1,679)
Interest and distributions received	(12)	(27)
(Decrease)/increase in creditors	6	453
Change in investment fund	-	-
<b>Net cash outflow from operating activities</b>	<b>(1,366)</b>	<b>(1,253)</b>

### 8. Trustees' Information

None of the trustees received any remuneration during 2018 or 2017 nor were any travel expenses incurred for services to the company for both of those years.

No indemnity insurance for trustees' liability has been purchased by the Scholarship Fund. 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 3(B)(q) of the Scholarship Fund's Memorandum of Association.

# The Shell Centenary Scholarship Fund

## Notes to the Financial Statements for the year ended 31 December 2018 (continued)

### 9. Employees

The Scholarship Fund has no direct employees. During 2018, one employee of the Shell Group companies spent part of their time working for the Scholarship Fund in sole pursuit of its charitable objectives; until end 2017, one full time and one part time employee of the Shell Group companies was dedicated to working for the Scholarship Fund. 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 Scholarship Fund as well as their wider contribution to meeting the Scholarship Funds's overall charitable mission.

Manpower expenditure included in direct and support costs (note 4) comprises charges at cost in respect of the services of these Shell Group employees, including salaries, taxes and office overhead costs. The salary and taxes, excluding VAT, paid by Shell Group companies in relation to these employees are as follows:

	2018 £'000	2017 £'000
Wages and salaries	(8)	(87)
Social security	(1)	(8)
Other pension costs	(1)	(11)
	(10)	(106)

No Shell Group employee working on Scholarship Fund's activities received more than GBP £60,000 and less than £70,000 from the Scholarship Fund (2017: one Shell Group employee working on Scholarship Fund's activities received more than GBP £60,000 and less than £70,000). Shell Group companies made no contributions during the year to a defined benefit pension scheme (2017: £9k).

Support costs include donated services of GBP £4,867 received during 2018 (2017: GBP £7,138) from Shell International Limited.

The salaries and taxes paid by Shell Group companies in relation to key management personnel, consisting of the Director were: wages and salaries GBP £9,792, social security GBP £1,242 and other pension costs GBP £1,224. The salaries and taxes paid by Shell Group companies in relation to key management personnel, consisting of the Chief Financial Officer, which were recognised as donated services were: wages and salaries GBP £2,893, social security GBP £317 and other pension costs GBP £407.

### 10. Related Parties

The sole member of the Scholarship Fund is The Shell Petroleum Company Limited (SPCo). The ultimate parent company of SPCo is Royal Dutch Shell plc.

During the year the Scholarship Fund generated accrued costs of GBP £12,376 (2017: GBP £146,091) on normal business terms with Shell International Limited which were received into the Scholarship Fund via charges received from Shell Foundation.

Of the Scholarship Fund's current or former trustees and officers listed on page 3, the following are or were directors or officers of certain Shell Group companies: Ms. Marjan van Loon, Ms. Sinead Lynch and Mr. Simon Constant-Glemas.

The Shell Group has other charitable affiliates that are not formally related to the Scholarship Fund, such as Shell Foundation in the UK and the Shell Oil Foundation in the USA. Mr. Pradeep Pursnani was an officer of Shell Foundation and director of SF Investment Management Limited (a subsidiary company of Shell Foundation). During the year the Scholarship Fund accrued costs of GBP £22k (2017 GBP £147k) including the amounts related to Shell International Limited set out above. At 31 December 2018 amounts owed to Shell Foundation are £395k (2017 £373k).

Key management personnel, Mr. Pradeep Pursnani, Mr. Simon Constant-Glemas, Ms. Marjan van Loon, Ms. Sinead

# The Shell Centenary Scholarship Fund

Lynch and Ms. Mavis Oti-Amankwah did not hold any position of influence in related parties.

## Notes to the Financial Statements for the year ended 31 December 2018 (continued)

### 11. Financial Instruments and funds

The Scholarship Fund has the following financial instruments and funds:

	Note	2018 £'000	2017 £'000
Financial assets and funds			
- Cash and cash equivalents at the end of the year	2,053	2,649	
		2,053	2,649
- Short term money market deposit	-	750	
		-	750
- Interest receivable	4	8	
		-	8
Financial liabilities measured at amortised costs			
- Creditors and accruals	5,6	(1,893)	(1,893)
		(1,899)	(1,893)

### 12. Funds

	Balance Bfwd 2018 £000	Incoming Resources 2018 £000	Resources Expended 2018 £000	Balance Cfwd 2018 £000
I.				
Unrestricted Funds	1,514	17	(1,377)	154
Restricted Funds	-	-	-	-
	1,514	17	(1,377)	154

### 13. Post Balance Date Events

The Scholarship Fund has not engaged in post balance date transactions or transactions outside of normal business transactions.