

**Registered Charity No. 1042671**

**MORGAN STANLEY INTERNATIONAL FOUNDATION**

**Report of the Trustees and Financial Statements**

**31 December 2022**

<b>CONTENTS</b>	<b>PAGE</b>
<b>Report of the Trustees</b>	<b>1</b>
<b>Independent auditor's report</b>	<b>9</b>
<b>Statement of financial activities</b>	<b>12</b>
<b>Statement of financial position</b>	<b>13</b>
<b>Statement of cash flows</b>	<b>14</b>
<b>Notes to the financial statements</b>	<b>15</b>

## **MORGAN STANLEY INTERNATIONAL FOUNDATION REPORT OF THE TRUSTEES**

The Trustees present their annual report and financial statements of Morgan Stanley International Foundation (the “Foundation”) for the year ended 31 December 2022.

### **REFERENCE AND ADMINISTRATIVE INFORMATION**

Charity Name: Morgan Stanley International Foundation  
Charity registration number: 1042671  
Registered Office and operational address: 25 Cabot Square  
Canary Wharf  
London  
E14 4QA

### **TRUSTEES**

The following Trustees held office during the year and to the date of this report:

A Armstrong	
S Anselm	
N Fogarasi	
D Fuhrman	Appointed 24 <sup>th</sup> March 2022
J Glynn	
M Gregotti	
J Harriman	Appointed 24 <sup>th</sup> March 2022
P Harris	Resigned 24 <sup>th</sup> January 2022
D Kitterick	Appointed 6 <sup>th</sup> July 2023
E Laino	Appointed 24 <sup>th</sup> March 2022
K Lazaroo	Appointed as Trustee w.e.f 6 <sup>th</sup> April 2023 and Chair w.e.f 6 <sup>th</sup> July 2023
S Mavin	Resigned 30 <sup>th</sup> January 2023
M McMahon	Resigned 14 <sup>th</sup> March 2022
C Nicholls	
Z Parish	
HC Siebold	Resigned 16 <sup>th</sup> February 2022
G Rogers	Resigned 19 <sup>th</sup> April 2022
O Stuart	
S Watts	Chair (resigned 6 <sup>th</sup> July 2023)
R Weinberg	Appointed 24 <sup>th</sup> March 2022
C Woodman	

The Trustees meet a minimum of four times a year.

### **SECRETARY**

John Haile Resigned 31<sup>st</sup> March 2023  
Paul Bartlett Appointed 1<sup>st</sup> April 2023

### **AUDITOR**

Deloitte LLP, Statutory Auditor, 3 Rivergate, Temple Quay, Bristol, United Kingdom, BS1 6GD.

### **BANKERS**

HSBC Bank plc, 60 Fenchurch Street, London, United Kingdom, EC3M 4BA.

### **INVESTMENT MANAGER**

Credit Suisse (UK) Limited, 5 Cabot Square, United Kingdom, E14 4QR (Until March 2022).

Sarasin & Partners LLP, Juxon House, 100 St Paul’s Churchyard, London, EC4M 8BU (From March 2022).

## **MORGAN STANLEY INTERNATIONAL FOUNDATION REPORT OF THE TRUSTEES (CONTINUED)**

### **OBJECTIVES AND ACTIVITIES**

The principal objective of the Foundation is to make a positive and sustainable impact on children's welfare in disadvantaged communities across the Europe, Middle East and Africa ("EMEA") region. Focusing primarily on child health and education, the Foundation works in partnership with charitable organisations to direct funding and utilise the expertise of Morgan Stanley employees to benefit the communities in which Morgan Stanley operates. There have been no changes to the principal activity of the Foundation in the year.

#### **Public Benefit**

In setting the objectives and planning the activities of the Foundation, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. Through supporting local communities in line with the objectives outlined above, the Foundation meets the requirements of this guidance.

#### **Grant Policy**

The Foundation makes grants through three different channels: direct charitable grants, employee-nominated charity partnerships and employee matching grants.

1. Direct charitable grant applications are invited for the funding of projects in EMEA and are reviewed at the Trustees' meetings against specific grant objectives. Multi-year grants are monitored on an annual basis to ensure the grant criteria continue to be met.
2. Employee nominated charity partnerships are voted for by Morgan Stanley employees, and the Foundation matches employee fundraising and donations up to a pre-determined amount.
3. Employee matching grants recognise Morgan Stanley employees' fundraising and volunteering efforts in their local communities. The Foundation currently matches fundraising efforts by an employee for a charitable organisation up to a maximum of £500 per employee in one given year. In addition, grants in recognition of certain employees' volunteering efforts are awarded at £500 per employee to a charity of the employee's choice in one given year.

#### **Diversity and Inclusion**

Diversity and inclusion is a fundamental focus for the Foundation and having a diverse Board of Trustees is important to its continued success and ability to meet its objectives. To this end, the Foundation considers diversity and inclusion criteria when appointing members to the Board of Trustees to ensure that the Foundation represents gender, ethnicity, age and geographic location and any other relevant factors.

Diversity and inclusion are also a key focus of the Foundation's selection process of the charities it supports. Analysis is performed to ensure that charities' programmes reach a diverse range of individuals.

### **ACHIEVEMENTS AND PERFORMANCE**

Each year the Foundation receives a donation from Morgan Stanley & Co International plc ("MSIP"), a UK subsidiary of Morgan Stanley. In 2022, the Foundation received a donation of £1,195,285 (2021: £1,195,966 and additional amounts of £554,999 on 9 March 2021 and £752,533 on 21 December 2021).

The Foundation continues to be a strategic partner for local, national, and international organisations, employing a combination of funding and the time and expertise of Morgan Stanley employees to maximise positive impact.

To address the cost-of-living crisis which saw charities experiencing higher demand for services, as well as increased prices for energy, food, fuel and more, the Foundation extended its support to help people on the lowest incomes. In 2022 a £500,000 fund was created for partners in the UK (The Felix Project, Bromley by Bow and PEEK), Hungary (GYEA), Germany (Die Arche) and France (Restaurant de Coeur).

## MORGAN STANLEY INTERNATIONAL FOUNDATION REPORT OF THE TRUSTEES (CONTINUED)

### ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

The Foundation's performance measures include programme indicators that are unique to each organisation. For example, The Alliance for Children's Mental Health programme is measured via the number of new teachers it is able to train in relation to children's mental health and the number of young people that it supports directly through transition from primary to secondary school.

#### 1. Direct Charitable Grants

During 2022, the Foundation provided direct grants to over 16 charities across EMEA supporting organisations who work primarily in the areas of child health and education.

Key charitable grants in London and Glasgow during 2022 include:

**Place2Be:** the UK partner for the Morgan Stanley Alliance for Children's Mental Health, a global programme that combines the resources and reach of Morgan Stanley with the knowledge and experience of our charity partners to help deliver positive, tangible impact on the critical challenges of stress, anxiety and depression in children, adolescents, and young people.

The Foundation supports Place2Be with a range of critical mental health initiatives for students, parents and teachers in London and Glasgow. This includes enabling the charity to extend its school based mental health services for over 8,400 children in 14 schools in London and Glasgow.

**Save the Children ("SCF"):** focused on the Tower Hamlets community in London where over half of children are in poverty, SCF's mission in the UK is to narrow the early learning gap between the richest and poorest children, by ensuring every child is ready to learn when they get to school and can continue to thrive in adulthood.

The Foundation supports the Parent Power programme, created in 2019 to tackle the issue that children growing up in poorest parts of the UK by age of 3 are 17 months behind their peers who live in more affluent areas.

Between 2019-2022 the Parent Power programme directly reached over 580 families in Tower Hamlets through innovative projects delivered with local partners including: the piloting of early-year toy libraries which have supported around 392 parents/carers and 415 children in 150 sessions; and the development of a new 15-18 month health check initiative with the NHS that screened 45 children during 2022. In addition, SCF has created and distributed over 1,000 copies of a parental magazine and provided 450 early years grants to families to support their children's basic needs and help ensure that every child is prepared to begin learning.

Key charitable grants across the EMEA region outside the UK during 2022 include:

- **Die Arche:** a German charity that provides a safe place for children living in financial and emotional poverty and helps them to achieve a solid education. The project funded by the Foundation supports the after-school education programme in Frankfurt.
- **Fundacion Tomillo:** a Spanish charity that seeks to contribute to social improvement and personal development of young people in Madrid. The project funded by the Foundation provides employment training for young people who have failed at school and are trying to get back into education and/or employment.
- **Bagazs:** a Hungarian charity that works to promote the integration of the underserved Roma population and help Romani children to achieve the same academic and career success as the majority. The project funded by the Foundation focusses on the Roma settlement of Bag, supporting parent-child relationships, performance in school and building self-confidence.

A list of all grants made by the Foundation during the year greater than or equal to £20,000 is included in Note 5 to the financial statements.

## **MORGAN STANLEY INTERNATIONAL FOUNDATION REPORT OF THE TRUSTEES (CONTINUED)**

### **ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**

#### **2. Employee Nominated Charity Partnerships**

The Foundation also looks to raise funds for specific projects over a two-year period through “Employee Nominated Charity Partnerships” across a number of offices in EMEA. Partnerships were selected by employees in October 2021 and will run through until December 2023 (extended from September 2023).

##### **London**

In October 2021, London employees nominated The Felix Project (“TFP”) as their new charity partner. An initial target for employee fund raising of £500,000 was set which would be matched by the Foundation over the course of the partnership. Funds raised help TFP run its new East London operation for five years, rescuing and distributing 75 million meals to hundreds of charities, schools and community groups in East London, where deprivation is amongst the highest of any urban area in Europe.

In October 2022, the employee fundraising goal was extended by £250,000, which has also been matched by the Foundation. This additional fundraising enables TFP to scale up its kitchen so it can provide more pre-made meals for its beneficiaries. It helps the kitchen produce 340,000 extra meals, amounting to 2,000 more people fed per day. As at 31 December 2022, London employees’ donations and Foundation matching exceeded £1,350,000 over the course of the partnership. £450,000 has been released to TFP, paid in March 2023.

During the partnership with Teenage Cancer Trust (“TCT”), which commenced in October 2019 and ceased in September 2021, London employees’ donations and Foundation matching totalled £1,223,451 including £132,981 raised in 2021. The Teenage Cancer Trust and Morgan Stanley Unit at University College London Hospital was officially opened on 11 July 2022.

##### **Glasgow**

In October 2021, Glasgow employees nominated Children’s Hospices Across Scotland (“CHAS”) as their new charity partner. An initial target for employee fund raising of £90,000 was set which would be matched by the Foundation over the course of the partnership. Funds raised are supporting a new project – Flourishing Beyond Bereavement. This is an inclusive, personalised support service which can be accessed across the country, ensuring bereaved brothers and sisters are given the best chance in life. As at 31 December 2022, Glasgow employees’ donations made directly to the charity and Foundation matching exceeded £115,000.

##### **Budapest**

In October 2021, Budapest employees nominated Salva Vita as their new charity partner. An initial target of HUF 15 million (approx. £30,000) was set, which would be matched by the Foundation over the course of the partnership. Funds raised are helping Salva Vita find work experience for disabled young people, fund supported living and reduce the stigma of disability in Hungary. As at 31 December 2022, Budapest employees’ donations made directly to the charity and Foundation matching exceeded HUF 21 million (approx. £46,000).

##### **Frankfurt**

In October 2021, Frankfurt employees nominated Kinderschutzbund Frankfurt as their new charity partner. An initial target of EUR 70,000 (approx. £60,000) was set, which would be matched by the Foundation over the course of the partnership. Funds raised are helping Kinderschutzbund Frankfurt establish a Family House, where families with young children who are in need of help will be provided with a place to talk about their situation and also with clothing, baby equipment and supplies. As at 31 December 2022, Frankfurt employees’ donations made directly to the charity and Foundation matching exceeded EUR 65,000 (approx. £57,000).

#### **3. Other Charity Partnerships in 2022**

Other employee-nominated charity partners across EMEA were:

- L’Envol in Paris;
- Association CAF Onlus in Milan;
- Barretstown in Dublin; and
- Kinderspital in Zurich.

These charities all work to support a range of children’s causes.

## **MORGAN STANLEY INTERNATIONAL FOUNDATION REPORT OF THE TRUSTEES (CONTINUED)**

### **ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**

#### **4. Employee Matching Grants**

The Foundation also sought to increase employee engagement and understanding of its work and rewarded in excess of £33,000 to 58 employees for their volunteering and fundraising efforts with a donation to their chosen charity, providing public benefit through the supported charities activities.

### **FINANCIAL REVIEW**

The net outflow of funds in the year was £406,516 (2021: inflow £650,731) and the total funds at the end of the year were £3,044,383 (2021: £3,450,899). The Foundation's statement of financial position shows net current assets of £473,049 (2021: net current assets of £845,691). The Foundation has access to liquid securities within the investment portfolio, classified as fixed assets, which can be liquidated at any time to meet funding needs.

The level of donations received in 2022 decreased by £1,308,213 to £1,195,285 (2021: £2,503,498) primarily driven by reduced Morgan Stanley Group donations from MSIP as additional amounts totalling £1,307,532 were donated in 2021.

In 2022, grant expenditure of £1,734,739 (2021: £2,131,332) was recognised, which decreased by £396,593 from the prior year. The Foundation's restricted expenditure in 2022 of £646,224 includes donations to The Felix Project of £396,224 and £250,000 of additional matching, approved by Trustees in October 2022 (2021: £521,494 The Felix Project and £132,981 Teenage Cancer Trust). The restricted employee donations represent approximately 37% of the total 2022 grant expenditure (2021: 30%). Other significant grants include: Place2Be, Great Ormond Street Hospital ("GOSH"), Possibilities for Each and Every Kid ("PEEK") and Save the Children. In November 2022, the Foundation paid £1,220,876 (£500,000 from restricted funds and £720,876 from unrestricted funds) to Teenage Cancer Trust, which fully settled amounts due to the charity.

### **Going Concern and Principal Funding Sources**

The principal funding sources for the Foundation continue to be donations from MSIP and Morgan Stanley employees. Employee donations have been, and continue to be, raised internally via various Morgan Stanley fundraising activities. The Foundation does not participate in external fundraising or engage others to do so on their behalf. No changes are foreseen to the principal funding sources in 2023 and 2024.

The Foundation will only commit to making payments of charitable donations if there are sufficient funds available to do so and it continues to meet its reserves policy, as outlined on page 6. Note 13 of the financial statements includes information about the Foundation's contingent liabilities. Taking these factors into consideration, the Trustees have no reason to believe that the Foundation will not have access to adequate funding sources to continue in operational existence for the foreseeable future i.e. at least twelve months from the approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

### **Investment Policy and Performance**

All investments held by the Foundation have been acquired in accordance with the powers available to the Trustees.

The Trustees engaged Credit Suisse (UK) Limited as investment manager until March 2022 and gave them full discretion when evaluating social, environmental or ethical issues. From March 2022, the Trustees engaged Sarasin & Partners LLP ('Sarasin') under similar terms. In accordance with the Trust Deed, the Trustees have the power to invest in such stocks, shares, investments and property as they see fit. The Foundation's investment strategy is to maintain overall wealth, preferably in real terms. The Foundation's neutral position is to invest 80% in the Sarasin Endowments Fund and 20% in the Sarasin Income & Reserves Fund.

During the year, the portfolio produced a negative return of 9.9% (2021: positive return of 5.2%). Since the transition to Sarasin in March 2022, the Foundation's investment portfolio has had a relative outperformance of 2% compared to the Sarasin reference benchmark.

## **MORGAN STANLEY INTERNATIONAL FOUNDATION REPORT OF THE TRUSTEES (CONTINUED)**

### **FINANCIAL REVIEW (CONTINUED)**

#### **Risk Management**

The Trustees annually assess the major risks to which the Foundation is exposed, in particular risks related to the operations and finances of the Foundation, and are satisfied that systems are in place to mitigate these risks.

The principal operational risks faced by the Foundation are its ability to access its financial assets and make effective grants. Risks associated with access to the Foundation's financial assets are mitigated through clear segregation of duties, control of access rights and supervision by Trustees. The risk from ineffective grant making is managed through performance of due diligence procedures on prospective grantees, Trustee oversight regarding alignment of grant making with the objectives of the Foundation and monitoring the delivery of grant projects.

The Foundation's principal financial risks are mitigated by Trustees review of relevant financial information on a quarterly basis (including investment performance, actual expenditure against budget, current level of reserves and cash flow analysis) and utilising Sarasin & Partners LLP as manager and custodian of its investment portfolio (Credit Suisse UK until March 2022).

#### **Restricted and Unrestricted Funds**

Restricted funds are reserved for selected Employee Nominated Charity Partners and are not made available for any other purpose. Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Foundation.

#### **Reserves Policy**

In line with the Statement of Recommended Practice ("SORP") 2019 and Charity Commission guidelines, the Trustees regularly review the effectiveness of the Foundation's reserves policy. In 2021, the Trustees approved the reduction of the reserves policy to ensure the most efficient use of the Foundation's reserves. As at 2022, the Foundation's reserve policy is to maintain a level of reserves greater than 100% of current year budgeted expenditure in liquid assets to cover future commitments and contingent liabilities, to safeguard the risk of a downturn in contributions and to ensure that the Foundation provides regular, sustained and consistent support to its designated charities.

As at 31 December 2022, the Foundation's level of reserves is in excess of the requirement set out in this policy at 143% (2021: 240%) of the current year budget. Budgeted expenditure for the year to 31 December 2022 was £2,123,500 (2021: £1,436,157), giving rise to required reserves of £2,123,500 (2021: £1,436,157). Total Funds of £3,044,383 (2021: £3,450,899), readily available in the form of cash and investments, represent the liquid assets under the reserves policy. As at both 31 December 2022 and 31 December 2021, the Foundation's Restricted Funds were £nil.

The Foundation's level of reserves is monitored by the Trustees throughout the year.

### **PLANS FOR FUTURE PERIODS**

No significant change in the Foundation's principal activity is anticipated. The Trustees intend to continue to provide grants to non-profit educational and children's healthcare organisations that provide a benefit to the communities in which Morgan Stanley operates.

In 2023, the Foundation will focus on direct charitable grants and Employee Nominated Charity Partnerships. The employee matching grants programme will change to being funded by a Morgan Stanley Group undertaking. This is so the Foundation can focus on its principal objective of supporting children's healthcare and education organisations.

In 2024, it is anticipated that the Foundation will receive an increased annual donation from Morgan Stanley and will focus on expanding the direct charitable grants programme, with a view to supporting non-profit partners for up to five years. The Foundation will invite Morgan Stanley employees to support the chosen causes with their time, money and expertise.



## **MORGAN STANLEY INTERNATIONAL FOUNDATION REPORT OF THE TRUSTEES (CONTINUED)**

### **PLANS FOR FUTURE PERIODS (CONTINUED)**

#### **Education and Employability**

The Foundation will continue to work with registered charities and state-funded schools that provide benefit to communities across EMEA. The Foundation will seek to work with organisations that can increase access and opportunity to young people. The programs the Foundation supports are based predominantly in educational institutions and specifically address academic achievement, with the objective of raising aspiration and enhancing employability skills.

#### **Children's Health**

The Foundation will continue to invest in innovations in children's health and development, working with charitable organisations, hospitals, and community-based initiatives, supporting young people to enable them to have a happier and more meaningful life. The Foundation is a member of the Morgan Stanley Alliance for Children's Mental Health initiative, striving to spread best practices in schools and universities to meet the heightened need for mental health support among young people.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Governing Document**

The Foundation is established as a Trust under a Charitable Trust Deed (the "Trust Deed") dated 18 November 1994 as amended by a Deed of Variation dated 10 July 2014 and is registered with the Charity Commission.

#### **Trustees Recruitment and Training**

The power of appointing new Trustees of the Foundation is vested in the Trustees. When considering appointing a new Trustee, the Board considers diversity and inclusion and has regard to the requirement for complete representation from business units across Morgan Stanley. The Trust Deed provides for a minimum of three with no maximum number of Trustees.

New Trustees receive relevant induction information and briefings, which involves awareness of a Trustee's responsibilities, the governing document, administrative procedures, and the history and philosophical approach of the Foundation. New Trustees are briefed on their legal obligations under charity law, the content of the Trust Deed, the Board of Trustees and decision-making processes, and recent financial performance of the Foundation.

Trustees are appointed for an initial term of three years, renewable by re-appointment for a further term of three years. The Trustees resolved in January 2022 that the three-year term is renewable once, except for the Chair for whom there is no limited term.

#### **Organisational Structure**

The Trustees meet at least quarterly and are responsible for the strategic direction and policy of the Foundation. At present, the Board of Trustees includes fifteen members from a variety of professional backgrounds.

The Board of Trustees delegates the day-to-day administrative duties, including finance and initial grant application reviews, to employees of Morgan Stanley. When reviewing grant applications, each applicant is required to undergo a due diligence process that includes a review of the Charities Commission register and screening by Morgan Stanley's Security group.

The Board of Trustees may delegate any of their powers or functions to committees consisting of two or more persons appointed by them, with at least one member of every committee being a Trustee. All proceedings of committees are reported to the Trustees within a reasonable period.

#### **Key Management Personnel Remuneration**

The Trustees and key management personnel (for example, Finance and Community Affairs) of the Foundation in charge of directing and controlling the Foundation give their time freely and receive no remuneration or expenses for their services to the Foundation.

#### **Related Party Relationships**

The principal funding sources for the Foundation are donations from MSIP, a subsidiary of Morgan Stanley, and donations from Morgan Stanley employees. Furthermore, all Trustees are Morgan Stanley employees. Details of any related party transactions are disclosed in note 15 to the financial statements.

## **MORGAN STANLEY INTERNATIONAL FOUNDATION REPORT OF THE TRUSTEES (CONTINUED)**

### **STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)**

#### **Events After the Reporting Date**

There are no significant events after the reporting date.

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the annual Report of the Trustees and financial statements in accordance with 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".

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

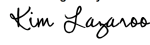
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed.

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.

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

Approved by the Board of Trustees on 12<sup>th</sup> October 2023 and signed on its behalf by

DocuSigned by:  
  
K. Lazaroo

Trustee  
12 October 2023

# **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MORGAN STANLEY INTERNATIONAL FOUNDATION**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion the financial statements of Morgan Stanley International Foundation (the "charity"):

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

We have audited the financial statements which comprise:

- the Statement of Financial Activities;
- the Statement of Financial Position;
- the Statement of Cash Flows; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

### **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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the FRC's) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MORGAN STANLEY INTERNATIONAL FOUNDATION (CONTINUED)**

### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the charity's industry and its control environment, and reviewed the charity's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities, including those that are specific to the charity's business sector.

We obtained an understanding of the legal and regulatory frameworks that the charity operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Charities Act, Trust Deed, Charities (Accounts and Reports) Regulations 2008; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty. This included the Charity Commission and General Data Protection Regulation.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following area, and our specific procedures performed to address it are described below:

- we presume a risk of material misstatement due to fraud in revenue recognition which is related to the completeness of donation income. To address this risk, we reviewed the Trustees' meeting minutes, all bank statements in the period, and post year end records up to the date of this report to test whether income had been appropriately included in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls; we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MORGAN STANLEY INTERNATIONAL FOUNDATION (CONTINUED)**

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

### **Report on other legal and regulatory requirements**

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

Under the Charities (Accounts and Reports) Regulations 2008 we are required to report in respect of the following matters if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

#### **Use of our report**

This report is made solely to the charity's Trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustees 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 charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
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**Michelle Hopton**  
**Deloitte LLP**

Senior Statutory Auditor  
Bristol, United Kingdom  
12 October 2023

Deloitte LLP is eligible for appointment as auditor for the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

**MORGAN STANLEY INTERNATIONAL FOUNDATION****STATEMENT OF FINANCIAL ACTIVITIES****Year ended 31 December 2022**

	Note	Restricted Funds £	Unrestricted Funds £	Total Funds 2022 £	Total Funds 2021 £
<b>INCOME FROM:</b>					
Donations:					
Organisations	3	-	1,195,285	1,195,285	2,503,498
Other	3	392,400	-	392,400	154,475
Investment income	4	-	69,770	69,770	34,777
Other income		3,824	19,561	23,385	250
<b>TOTAL INCOME</b>		<b>396,224</b>	<b>1,284,616</b>	<b>1,680,840</b>	<b>2,693,000</b>
<b>EXPENDITURE ON:</b>					
Raising funds:					
Investment management costs		-	(17,831)	(17,831)	(35,445)
Charitable activities:					
Employee volunteering	5	-	(1,260)	(1,260)	(1,434)
Grants	5	(646,224)	(1,088,515)	(1,734,739)	(2,131,332)
<b>TOTAL EXPENDITURE</b>		<b>(646,224)</b>	<b>(1,107,606)</b>	<b>(1,753,830)</b>	<b>(2,168,211)</b>
Net (losses)/gains on investment	8	-	(335,110)	(335,110)	141,710
Other recognised gains/(losses)		-	1,584	1,584	(15,768)
<b>NET(EXPENDITURE)/INCOME</b>		<b>(250,000)</b>	<b>(156,516)</b>	<b>(406,516)</b>	<b>650,731</b>
<b>TRANSFERS</b>					
Transfer between funds	14	250,000	(250,000)	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>-</b>	<b>(406,516)</b>	<b>(406,516)</b>	<b>650,731</b>
<b>TOTAL FUNDS AT THE BEGINNING OF THE YEAR</b>		<b>-</b>	<b>3,450,899</b>	<b>3,450,899</b>	<b>2,800,168</b>
<b>TOTAL FUNDS AT THE END OF THE YEAR</b>		<b>-</b>	<b>3,044,383</b>	<b>3,044,383</b>	<b>3,450,899</b>

The notes on pages 15 to 23 form an integral part of the financial statements.

All activities were continuing in the current and prior year.

See Note 16 for comparative Statement of Financial Activities.

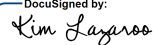
**MORGAN STANLEY INTERNATIONAL FOUNDATION****STATEMENT OF FINANCIAL POSITION****As at 31 December 2022**

	Note	Restricted Funds	Unrestricted Funds	Total Funds 2022	Total Funds 2021
		£	£	£	£
<b>FIXED ASSETS</b>					
Investments	8	750,004	2,321,330	3,071,334	2,855,208
<b>CURRENT ASSETS</b>					
Debtors	9	-	245	245	-
Cash at bank and in hand	10	419,262	1,174,831	1,594,093	3,105,747
		<b>419,262</b>	<b>1,175,076</b>	<b>1,594,338</b>	<b>3,105,747</b>
<b>LIABILITIES</b>					
Creditors: Amounts falling due within one year	11	(669,266)	(452,023)	(1,121,289)	(2,260,056)
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<b>(250,004)</b>	<b>723,053</b>	<b>473,049</b>	<b>845,691</b>
Creditors: Amounts falling due after one year	12	(500,000)	-	(500,000)	(250,000)
<b>NET ASSETS</b>		<b>-</b>	<b>3,044,383</b>	<b>3,044,383</b>	<b>3,450,899</b>
<b>THE FUNDS OF THE CHARITY</b>					
Restricted funds		-	-	-	-
Unrestricted funds		-	3,044,383	3,044,383	3,450,899
<b>TOTAL FUNDS</b>	14	<b>-</b>	<b>3,044,383</b>	<b>3,044,383</b>	<b>3,450,899</b>

The notes on pages 15 to 23 form an integral part of the financial statements.

See Note 16 for comparative Statement of Financial Position.

Approved by the Board of Trustees on and signed on its behalf by:

DocuSigned by:  
  
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K Lazaroo  
 Trustee  
 12 October 2023

**MORGAN STANLEY INTERNATIONAL FOUNDATION****STATEMENT OF CASH FLOWS****Year ended 31 December 2022**

	<b>Note</b>	<b>Total Funds 2022 £</b>	<b>Total Funds 2021 £</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	18	(1,013,941)	1,493,323
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Dividends and interest from investments	8	12,148	34,777
Investment management costs paid during the year	8	(17,831)	(35,445)
Proceeds from sale of investments	8	2,540,359	933,489
Purchase of investments	8	(3,074,194)	(862,990)
Net gains/(losses) on revaluation	8	5,718	(4,347)
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>		(533,800)	65,484
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>		(1,547,741)	1,558,807
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		3,250,929	1,707,890
Net gains/(losses) on cash and cash equivalents due to Exchange rate movements		1,584	(15,768)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>1,704,772</b>	<b>3,250,929</b>
<b>RECONCILIATION TO CASH AT BANK:</b>			
Cash at bank	10	1,594,093	3,105,747
Cash held by investment manager	10	110,679	145,182
<b>CASH AND CASH EQUIVALENTS</b>		<b>1,704,772</b>	<b>3,250,929</b>

The notes on pages 15 to 23 form an integral part of the financial statements.



# **MORGAN STANLEY INTERNATIONAL FOUNDATION**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Year ended 31 December 2022**

#### **1. BASIS OF PREPARATION**

##### **Charitable status**

The Foundation is established as a Trust under a Charitable Trust Deed (the “Trust Deed”) dated 18 November 1994 as amended by a Deed of Variation dated 10 July 2014 and is registered with the Charity Commission.

##### **Statement of compliance**

The Foundation meets the definition of a public benefit entity under FRS 102.

These financial statements are prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note to these financial statements. These financial statements have been prepared in accordance with the Statement of Recommended Practice “Accounting and Reporting by Charities (SORP 2019)” applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2019; and the Charities Act 2011. They have all been applied consistently throughout the year and the preceding year.

##### **New standards and interpretations**

There were no new standards or interpretations relevant to the Foundation’s operations which were adopted during the year.

##### **The going concern assumption**

The Foundation’s activities, together with the factors likely to affect its future development, performance and position are set out in the Report of the Trustees. The Foundation has sufficient resources to cover future pledged liabilities and continually monitors reserve levels to ensure reserves are held in excess of the reserves requirement. The principal funding sources for the Foundation continue to be donations from MSIP and from Morgan Stanley employees. Employee donations have been raised internally via various Morgan Stanley fundraising activities. The Foundation does not participate in external fundraising or engage others to do so on their behalf. No changes are foreseen to the principal funding sources in 2023 and 2024.

Taking these factors into consideration, the Trustees have no reason to believe that the Foundation will not have access to adequate resources to continue in operational existence for the foreseeable future i.e. at least twelve months from the approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual Report of the Trustees and financial statements.

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **a. Fund structure**

Restricted funds are reserved for a selected Employee Nominated Charity Partner and are not made available for any other purpose. Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Foundation.

##### **b. Income recognition**

All income is recognised once the Foundation has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations and interest on funds held on deposit are recognised when receivable and the amount can be measured reliably by the Foundation; this is typically upon notification of receipt by the bank.

##### **c. Expenditure recognition**

Expenditure is recognised as soon as there is a legal or constructive obligation committing the Foundation to that expenditure, it is probable that settlement will be required and the amount of obligation can be measured reliably. All expenditure is accounted for on an accruals basis. Charitable activities expenditure includes grants payments made to third party charities in the furtherance of the charitable objectives of the Foundation (specifically direct charitable grants and employee matching grants) and costs of employee fundraising activities.

Grants are recognised when the Foundation has a legal or constructive obligation to make the grant. For direct grants, this is typically once a recipient charity has been notified of a grant award.

**MORGAN STANLEY INTERNATIONAL FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 31 December 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**d. Foreign currencies**

Items included in the financial statements are measured and presented in Pounds Sterling, the currency of the primary economic environment in which the Foundation operates.

All monetary assets and liabilities denominated in currencies other than Pound Sterling are translated in Pound Sterling at the rates ruling at the balance sheet date. Transactions in currencies other than Pound Sterling are recorded at the rates ruling at the dates of transactions. All translation differences are taken through "Other recognised gains/ (losses)" in the Statement of Financial Activities.

**e. Investments**

Investments held in an investment portfolio are stated at their fair value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

**f. Cash and Cash Equivalents**

For the purposes of the Statement of Cash Flows, Cash and cash equivalents comprise cash at bank and in hand and cash held by the investment manager with original maturities of three months or less, that are readily convertible to known amounts of cash and subject to insignificant risk of change in value.

**g. Financial instruments excluding investments**

Financial assets and liabilities primarily comprise debtors, cash at bank and in hand and creditors. Debtors are measured at their recoverable amount. Creditors are recorded at their settlement amount.

**h. Contingent liabilities**

A contingent liability is identified and disclosed for those grants resulting from:

- i) a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees' control; or
- ii) the amount has not been communicated in the grant award and that amount can be estimated reliably.

**i. Taxation**

The Foundation is recognised as a charity for taxation purposes and as a result no liability to taxation arises on its charitable activities.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

**j. Donated services**

The Foundation relies on the employees of Morgan Stanley for various administrative tasks of which the costs cannot be reliably measured and are borne by another Morgan Stanley Group undertaking.

**k. Critical accounting judgements and key sources of estimation uncertainty**

No critical judgements have been made in the process of applying the Foundation's accounting policies that have had a significant effect on the amounts recognised in the financial statements. There are no key sources of estimation uncertainty in the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year.

**3. DONATIONS**

Donations from organisations represent monies received from MSIP. Other donations to the restricted funds represent monies received from employees within the Morgan Stanley EMEA group of companies.

**4. INVESTMENT INCOME**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Dividend income from equity investments and interest receivable	69,770	34,777

**MORGAN STANLEY INTERNATIONAL FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 31 December 2022**

**5. GRANTS**

During the year, the following grants of amounts greater than or equal to £20,000 were made or have been committed to the following beneficiaries:

**Year ended 31 December 2022**

	£	£
<b>Restricted Funds</b>		
London Employee Nominated Charity Partnership:		
The Felix Project		646,224
<b>Unrestricted Funds</b>		
Place2Be (London)		
Great Ormond Street Children's Hospital (London)		
Save the Children (London)	71,000	
PEEK (Glasgow)	70,000	
Cost of Living (Bromley By Bow - London)	50,000	
Cost of Living (Die Arche - Frankfurt)	50,000	
Cost of Living (GYEA - Budapest)	50,000	
Cost of Living (PEEK - Glasgow)	50,000	
Cost of Living (Restaurants Du Coeur - Paris)	50,000	
Coup de Pouce (Paris)	36,625	
Die Arche (Frankfurt)	34,881	
Joblinge (Frankfurt)	34,881	
Bagazs (Budapest)	32,123	
Fundacion Tomillo (Madrid)	30,521	
Career Ready (Glasgow)	30,000	
Csodalampa (Budapest)	28,380	
Glasgow Children's Hospital (Glasgow)	27,500	
OSA (Budapest)	27,226	
Alliance Pour L'Education (Paris)	26,161	
Basis point (Dublin)	21,777	
Bator Tabor (Budapest)	20,042	
Other grants made or committed of less than £20,000 (including matched funding)	53,977	
<b>Total Unrestricted Funds Grants</b>		1,088,515
<b>Total Grants</b>		<b>1,734,739</b>
Support costs		1,260

In 2022, the restricted and unrestricted fund grants were made to charities supporting the following initiatives: Health (£929,732), Children's Education (£246,970), Children's Mental Health (£184,061), Healthy Cities (£70,000) and other initiatives (£303,976).

Grants greater than or equal to £20,000 as disclosed above are in excess of 96.9% (2021: 95.9%) of grant expenditure for the year.

Amounts which have been committed to The Felix Project are comprised of amounts raised by employees and matched funding grants which are paid from restricted funds.

Support costs comprise of bank fees incurred for making payments to the relevant grant recipients.

**MORGAN STANLEY INTERNATIONAL FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 31 December 2022**

**5. GRANTS (CONTINUED)**

**Year ended 31 December 2021**

	£	£
<b>Restricted Funds</b>		
London Employee Nominated Charity Partnership:		
Teenage Cancer Trust		132,981
The Felix Project		521,494
<b>Unrestricted Funds</b>		
Place2Be (London)	252,663	
Pandemic Grant (Save the Children – London)	125,000	
GOSH (London)	107,360	
Save the Children (London)	91,000	
CHAS (Glasgow)	90,000	
PEEK (Glasgow)	84,312	
Pandemic Grant (Save the Children - Italy)	75,000	
Pandemic Grant (Save the Children - Spain)	75,000	
Kinderschutzbund (Frankfurt)	60,180	
Anna Freud Institute (Frankfurt)	59,028	
Pandemic Grant (Hungarian Red Cross)	50,000	
Salva Vita (Budapest)	35,867	
Die Arche (Frankfurt)	34,035	
Joblinge (Frankfurt)	34,035	
OSA (Budapest)	30,085	
Career Ready (Glasgow)	30,000	
Fundación Tomillio (Madrid)	29,781	
BAGázs-Bazár (Budapest)	29,294	
Glasgow Children's Hospital (Glasgow)	27,500	
Alliance pour l'éducation (Paris)	25,526	
Bator Tabor (Budapest)	23,147	
Basis Point (Dublin)	21,500	
Other grants made or committed of less than £20,000 (including matched funding)	86,544	
<b>Total Unrestricted Funds Grants</b>		1,476,857
<b>Total Grants</b>		<b>2,131,332</b>
Support Costs		1,434

In 2021, the restricted and unrestricted fund grants were made to charities supporting the following initiatives: Education (£263,183), Children's Health (£1,355,514), Children's Mental Health (£341,776), Healthy Cities (£98,312) and other initiatives (£70,747).

**6. STAFF COSTS**

The Foundation incurs no staff costs (2021: £nil) as services are donated. The Trustees and key management personnel received no fees or expenses for their services to the Foundation (2021: £nil).

**MORGAN STANLEY INTERNATIONAL FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 31 December 2022**

**7. TAXATION**

The Foundation qualifies as a charity within the definition of Chapter 3 of Part 11 to the Corporation Tax Act 2010 by HM Revenue & Customs. Income used for the purposes of the Foundation is exempt from taxation.

**8. INVESTMENTS**

	<b>Investments</b>	<b>Cash</b>	<b>Total</b>	<b>Investments</b>	<b>Cash</b>	<b>Total</b>
	<b>2022</b>	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Market value at 1 January	2,710,026	145,182	2,855,208	2,634,468	79,698	2,714,166
Additions to investments at cost	3,074,194	(3,074,194)	-	862,990	(862,990)	-
Disposals at market value	(2,540,359)	2,540,359	-	(933,489)	933,489	-
Net (losses)/gains on revaluation	(340,828)	5,718	(335,110)	146,057	(4,347)	141,710
Cash transfers to facilitate purchase of assets	-	499,297	499,297	-	-	-
Investment income (note 4)	57,622	12,148	69,770	-	34,777	34,777
Investment management costs paid during the year	-	(17,831)	(17,831)	-	(35,445)	(35,445)
<b>Market value at 31 December</b>	<b>2,960,655</b>	<b>110,679</b>	<b>3,071,334</b>	<b>2,710,026</b>	<b>145,182</b>	<b>2,855,208</b>
<b>Cost of investment portfolio at 31 December</b>	<b>3,254,619</b>			<b>2,402,461</b>		

**Market value analysed between:**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Cash held by investment manager	110,679	145,182
Investment funds:		
Equity investment funds	1,794,610	1,408,818
Fixed income investment funds	640,475	855,698
Alternative investment, commodities & real estate	525,570	445,510
	<b>2,960,655</b>	<b>2,710,026</b>
<b>Total investments held by investment manager</b>	<b>3,071,334</b>	<b>2,855,208</b>

All investments are carried at their fair value as determined by the investment manager. Holdings in investment funds are valued at the bid price.

The Trustees engaged Credit Suisse (UK) Limited as investment manager until March 2022. From March 2022, the Trustees engaged Sarasin & Partners LLP.

**MORGAN STANLEY INTERNATIONAL FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 31 December 2022**

**9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Unrestricted Funds		
Refund	245	-

**10. CASH AND CASH EQUIVALENTS**

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following balances, which have less than three months maturity from the date of acquisition:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	1,594,093	3,105,747
Cash held by investment manager	110,679	145,182
	<u>1,704,772</u>	<u>3,250,929</u>

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Restricted Funds</b>		
Amount payable to Employee Nominated Charity Partnership		
Teenage Cancer Trust	-	1,223,451
The Felix Project	669,266	271,493
<b>Unrestricted Funds</b>		
Grant funds committed and not yet paid	335,665	481,095
Matching funds committed	110,125	273,756
Accrued investment management costs	6,233	10,261
	<u>1,121,289</u>	<u>2,260,056</u>

**12. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Restricted Funds</b>		
Amount payable to Employee Nominated Charity Partnership		
The Felix Project	500,000	250,000

**13. COMMITMENTS AND CONTINGENT LIABILITIES**

As at 31 December 2022, the Foundation had committed to pay the following amount, relating to grant commitments, subject to certain pre-determined conditions. These conditions may include the relevant charity reaching funding levels themselves for the projects concerned and a satisfactory review of the projects by the Trustees on an ongoing basis.

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Commitments due:		
- within one year	202,206	316,127

**MORGAN STANLEY INTERNATIONAL FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 31 December 2022**

**14. MOVEMENT IN FUNDS**

<b>As at 31 December 2022</b>	<b>Restricted Funds TFP</b>	<b>Unrestricted Funds</b>	<b>Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2022	-	3,450,899	3,450,899
Income	396,224	1,284,616	1,680,840
Expenditure	(646,224)	(1,107,606)	(1,753,830)
Transfer between funds	250,000	(250,000)	-
Loss on investments	-	(335,110)	(335,110)
Foreign exchange gains	-	1,584	1,584
At 31 December 2022	-	3,044,383	3,044,383

<b>As at 31 December 2021</b>	<b>Restricted Funds TCT/TFP</b>	<b>Unrestricted Funds</b>	<b>Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2021	-	2,800,168	2,800,168
Income	154,475	2,538,527	2,693,002
Expenditure	(654,475)	(1,513,736)	(2,168,211)
Transfer between funds	500,000	(500,000)	-
Gain on investments	-	141,708	141,708
Foreign exchange losses	-	(15,768)	(15,768)
At 31 December 2021	-	3,450,899	3,450,899

The restricted funds represent monies payable to the Foundation's London Employee Nominated Charity Partnerships, which had been Teenage Cancer Trust from February 2019 to October 2021 and The Felix Project from October 2021 and for the entirety of 2022.

The unrestricted funds are available to be spent for any purpose permitted in the Trust Deed at the discretion of the Trustees.

In 2022, the transfer between funds represents the matched funding commitment to the Foundation's London Employee Nominated Charity Partnership using unrestricted funds.

**15. RELATED PARTY TRANSACTIONS**

In 2022 the Foundation received from MSIP, a subsidiary of Morgan Stanley, grants totalling £1,195,285 (2021: £2,503,498) to unrestricted funds.

The audit fee of £10,000 (2021: £10,000) has been borne by a Morgan Stanley Group company in both the current and prior years and not charged to the Foundation.

**MORGAN STANLEY INTERNATIONAL FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 31 December 2022**

**16. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES**

	<b>Restricted Funds</b>	<b>Unrestricted Funds</b>	<b>Total Funds 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>INCOME FROM:</b>			
Donations:			
Organisations	-	2,503,498	2,503,498
Other	154,475	-	154,475
Investment income	-	34,777	34,777
Other income	-	250	250
<b>TOTAL INCOME</b>	<b>154,475</b>	<b>2,538,525</b>	<b>2,693,000</b>
<b>EXPENDITURE ON:</b>			
Raising funds:			
Investment management costs	-	(35,445)	(35,445)
Charitable activities:			
Employee volunteering	-	(1,434)	(1,434)
Grants	(654,475)	(1,476,857)	(2,131,332)
<b>TOTAL EXPENDITURE</b>	<b>(654,475)</b>	<b>(1,513,736)</b>	<b>(2,168,211)</b>
Net gains on investment	-	141,710	141,710
Other recognised gains/ (losses)	-	(15,768)	(15,768)
<b>NET (EXPENDITURE)/INCOME</b>	<b>(500,000)</b>	<b>1,150,731</b>	<b>650,731</b>
<b>TRANSFERS</b>			
Transfer between funds	500,000	(500,000)	-
<b>NET MOVEMENT IN FUNDS</b>	<b>-</b>	<b>650,731</b>	<b>650,731</b>
<b>TOTAL FUNDS AT THE BEGINNING OF THE YEAR</b>	<b>-</b>	<b>2,800,168</b>	<b>2,800,168</b>
<b>TOTAL FUNDS AT THE END OF THE YEAR</b>	<b>-</b>	<b>3,450,899</b>	<b>3,450,899</b>



**MORGAN STANLEY INTERNATIONAL FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 31 December 2022**

**17. COMPARATIVE STATEMENT OF FINANCIAL POSITION**

	<b>Restricted Funds</b>	<b>Unrestricted Funds</b>	<b>Total Funds 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>FIXED ASSETS</b>			
Investments	1,001,026	1,854,182	2,855,208
<b>CURRENT ASSETS</b>			
Debtors	-	-	-
Cash at bank and in hand	743,918	2,361,829	3,105,747
	743,918	2,361,829	3,105,747
<b>LIABILITIES</b>			
Creditors: Amounts falling due within one year	(1,494,944)	(765,112)	(2,260,056)
<b>NET CURRENT (LIABILITIES)/ ASSETS</b>	(751,026)	1,596,717	845,691
Creditors: Amounts falling after one year	(250,000)	-	(250,000)
<b>NET ASSETS</b>	-	3,450,899	3,450,899
<b>THE FUNDS OF THE CHARITY</b>			
Restricted funds	-	-	-
Unrestricted funds	-	3,450,899	3,450,899
<b>TOTAL FUNDS</b>	-	3,450,899	3,450,899

**18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES**

	<b>2022 £</b>	<b>2021 £</b>
<b>NET MOVEMENT IN FUNDS</b>	(408,101)	666,499
<b>Adjustments for:</b>		
Losses/(gains) on investments	335,110	(141,710)
Investment management costs paid during the year	17,831	35,445
Dividends and interest from investments	(69,770)	(34,777)
(Increase)/decrease in debtors	(245)	9,276
(Decrease)/increase in creditors	(888,766)	958,590
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	(1,013,941)	1,493,323

**19. EVENTS AFTER THE REPORTING DATE**

There are no significant events after the reporting date.