Company number: 13097522
Charity number: 1196455

Croda Foundation

Report and financial statements

For the period ended 31 March 2022

SAYER | VINCENT

Croda Foundation

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Croda Foundation

Reference and administrative information

For the year ended 31 March 2022

Company number	13097522
Country of incorporation	United Kingdom
Charity number	1196455
Country of registration	England & Wales
Registered office and operational address	Cowick Hall Snaith Goole East Yorkshire DN14 9AA
Trustees	Trustees, who are also directors under company law, who served during the period and up to the date of this report were as follows: The Honourable Philip Noel Nigel Turner – **(Chair)** (appointed 4 May 2021) Stuart Arnott (appointed 4 May 2021) Ruth Ellway (appointed 23 December 2020 & resigned on 5 May 2021) Anthony Fitzpatrick (appointed 23 December 2020) James Lawrence (appointed 23 December 2020 & resigned on 5 May 2021)
Key management personnel	Rommel Moseley Chief Executive Director
Bankers	NatWest Bank 34 King Edward Street Hull HU1 3SS
Solicitors	Bates Wells 10 Queen Street Place London EC4R 1BE
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108-114 Golden Lane London EC1Y 0TL

The Trustees of Croda Foundation ("The Foundation"), who are also directors of the charity for the purposes of the Companies Act, are pleased to present their annual report, and audited financial statements for the period ended 31 March 2022

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Objects of the charity

The objects of the Charity are to advance any such purposes as are exclusively charitable under and according to the Laws of England & Wales as the Trustees may from time to time determine

The Foundation's strategic priorities over this reporting period are to improve the lives of the communities which the Foundation supports by providing access to people, know-how and capital. This includes (but is not limited to) supporting projects which would improve health and wellbeing, reduce poverty, improve livelihoods and protect/restore ecosystems in the Foundation's Priority Countries. In carrying out its work, and within the scope of its objects, the Foundation aims to support the United Nations Sustainable Development Goals (SDGs).

Grant making criteria

Grants provided by the Foundation support registered charities and other grantees (which may include, but are not limited to, farmer cooperatives, international development organisations and institutional partners) located both within and outside of England and Wales, which promote purposes which are exclusively charitable under the law of England and Wales.

The Foundation prioritises support for the Priority Countries, which are predominantly countries in which Croda International has offices, manufacturing, and/or technology or where Croda International's products are sourced or used. The Trustees consider that the Foundation can make the greatest impact in these Priority Countries.

To be eligible for support from the Foundation, projects must meet all of the following conditions:

- meet both requirements under the Core Criteria (as described below);
- meet at least 2 requirements under the Selecting Criteria (as described below); and support the Foundation's charitable purposes.

Croda Foundation Priority Countries:

Argentina	India	Senegal	USA
Australia	Indonesia	Singapore	Vietnam
Brazil	Italy	South Africa	Wales
Canada	Ivory Coast	Spain	Zambia
Cameroon	Japan	Sri Lanka	
Chile	Kenya	Sweden	
China	Korea	Tanzania	
Denmark	Mexico	Thailand	
England	Netherlands	Togo	
France	Peru	Turkey	
Germany	Philippines	Uganda	
Ghana	Poland	United Arab Emirates	

Core Criteria

Any potential projects for the Foundation must:

- support at least two Priority SDGs; and be viable to be self-sustaining and continue independently after the Foundation funding and/or support finishes.

Selecting Criteria

Nominated projects must meet at least 2 of the 4 Selecting Criteria below to be eligible for support:

1 **Social Impact:** There is a need for the project and the project would produce a sufficiently positive impact on the beneficiary community.
2 **Community:** The proposed beneficiary community is within a priority identified by the Foundation.
3 **Smart Science:** It is likely that the project could produce a positive impact by using Croda International's expertise (which would generally be provided to the Foundation through a non-cash donation of services or know-how from Croda International).
4 **Foundation Changemakers:** The project would benefit from support being provided from Staff volunteers and/or secondees (as applicable) under the Foundation Changemakers programme.

Grants will be a minimum of £20,000 per project. There is no maximum grant amount, and each project is evaluated by the Trustees against the Foundation's grant making criteria and the annual budget.

All grants made are restricted fund grants to be applied to a specific purpose, to ensure that delivery by grantees supports the Foundation's charitable purposes and meet the grant making criteria set out by the Trustees.

Principal activities of the charity and public benefit

The Trustees have considered Charity Commission published guidance on the operation of the public benefit requirement. The Trustees have considered how our funded projects will contribute to the Foundation's grant criteria. All projects funded fall under the purposes defined by the Charities Act 2011. The Trustees are committed to ensuring our income is used efficiently, effectively, and responsibly to provide public benefit.

Achievements and performance

Croda Foundation Grant Portfolio:

Croda Foundation has a learning portfolio of 13 grants and Trustees are conducting several workshops and meetings to reflect on our initial grant portfolio to clearly outline our priorities and targets for the coming year.

Amref Health Africa

A grant of £214,546 has been granted to Amref's Coronavirus: Stop the Spread in Uganda project. This money will be used to provide the infrastructure and to train healthcare workers across 20 districts in Northern Uganda improving the health and wellbeing of 750,000 people. This will be achieved through training 1,000 village health team members and 500 frontline health workers on the prevention and case management of COVID-19 cases.

America's Grow a Row (AGAR)

A grant of £50,000 has been awarded by the Croda Foundation to purchase fruit and vegetable seeds for America's Grow-A-Row Fresh Produce Initiative (FPI) hunger relief and educational programme.

With Croda Foundation support, this project is acquiring seeds and using donated seed coating technology from Croda International Plc and know-how to increase yields and provide even more nutritious fruit and vegetables for those facing food insecurity across New Jersey and the greater region, in the United States of America.

Association of Women in Agriculture Kenya (AWAK)

AWAK has been granted £30,000 to support their Resilient Recovery project for vulnerable mothers living in urban slums, providing them with alternative sources of livelihoods that include smart urban farming, food processing, environmentally friendly briquette making for clean energy.

Beyond Suncare

A grant of £30,000 has been awarded to Beyond Suncare for their work with people with albinism (PWA) in Uganda. Vulnerable to discrimination and very early death from skin cancer, PWA are among the most marginalised in Uganda. This project aims to reduce skin cancer, train health workers on albinism and skin cancer prevention, and build awareness around the issue of albinism. The grant will enable training for 90 health workers including 54 clinicians, 18 senior health officials, 9 public health workers, 9 nurses are to support regular skin cancer screening and a district-wide engagement. The training will support 508 people with albinism.

Blind SA

A grant of £71,083 has been awarded to Blind SA's Start and Improve Your Business programme. 97% of blind and partially sighted people in South Africa are unemployed with employment opportunities in the labour market being very limited. The project will provide training for 40 unemployed blind and partially sighted people with the aim of them becoming micro entrepreneurs. The project will assist blind and partially sighted people to participate in the local economy and have sustainable livelihoods.

British Asian Trust (BAT)

Croda Foundation has granted £500,000 in November 2021 for a strategic project working with BAT to accelerate and strengthen vaccine infrastructure in underserved communities across five states with a high incidence of COVID-19 and low rates of vaccination in India. The grant will fund the training of 22,300 vaccination personnel providing key staff for over 3,700 vaccination centres and providing access to vaccinations for over 53.5 million people.

The British Asian Trust have been awarded a further grant in February 2022 of £200,000 for their work in strengthening the vaccine and healthcare infrastructure in rural India. This specific project will administer COVID vaccines to adolescents (aged 15-18) in underserved rural communities and in turn will help prevent school dropouts and reduce the spread of infection in schools. The project not only supports India's health infrastructure it also strengthens the education infrastructure too. The grant will provide vaccinations to 80,000 15-18-year-olds and 20,000 adults.

Instituto Amazonas

A grant of £68,000 has been awarded to Instituto Amazonas for a project which targets both adults and children to create educational materials in various indigenous languages to engage tribal chiefs to explain the importance of vaccination and for the tribal chiefs to lead by example. By securing buy-in from tribal leaders who will be involved in the design of the programme and training community champions in the region the aim is to increase vaccination take up of both COVID-19 and Flu vaccines.

An additional grant of £92,000 has been awarded to Instituto Amazonas to target ten tribes in the Brazilian Amazonia. This project will reach approximately 7,400 people and aims to break monoculture, improve local diets and restore food security. Working alongside elders and tribal women, the project will map old indigenous gardens, harvest wild species, and reintroduce native plants via germplasm banks.

Neverthirst

Neverthirst have been awarded a grant of £37,000 to improve access to clean water, hygiene, and sanitation in Uganda. This project will enable the drilling of two new boreholes and installing hand pumps as well has rehabilitating two existing boreholes. This will provide a safe water source for up to 1,200 people. In addition to the pumps, four water committees will be trained in the maintenance of the pumps and up to 250 people will be trained in improved sanitation and to build household latrines.

Treedom

A grant of £39,399 has been awarded to Treedom for a sustainable agroforestry model in rural Tanzania. This project will give 60 families (360 people), the opportunity to start running agroforestry projects and in doing so, improve their crops. By using a mixture of forest and fruit trees, these families will be able to use future fruits as a source of alimentation and, a source of income by selling in local markets.

UNDP Indonesia

UNDP Indonesia have been awarded a grant of £114,570 to provide 525 tanks of medical oxygen for hospitals and technical assistance in West Java Province Indonesia. UNDP is working with private sector and charity organisations to leverage expertise and funding for large health initiatives in the region.

This project will reach 10 public hospitals in West Java Province who are treating COVID-19 patients ages 12-80+. The oxygen will be targeted to districts/cities with high number of COVID-19 patients. UNDP estimates the project will impact approximately 105,000 patients in West Java Province.

The Foundation does not deliver programmes directly but through grantees. There is a safeguarding policy and serious incident policy for the Foundation which grantees through their grant contracts agree to notify Croda Foundation of any safeguarding or serious incident issues which may arise during the grant.

Financial review

During the reporting period, The Foundation received £3,005,000 in donations from Croda International Plc period ending 31 March 2022. £1,005,000 of this was unrestricted and £2,000,000 was restricted to supporting healthcare infrastructure and vaccine hesitancy programmes. The net result at end of year for restricted was £902,884 and unrestricted was £389,141. The financial position at year end and funds carried forward is £1,392,025.

The Foundation gave grants to organisations (detailed in the Achievements and Performance section) with total donations amounting to £1,471,598 in the reporting period ending 31 March 2022. The Foundation intends to work closely with project partners to ensure the greatest impact of the funds it invests in projects.

Croda Foundation supported 13 projects during this reporting period. The project objectives and outputs are set out in a signed Grant agreement with the project partners. Progress against project objectives is monitored by the Grant Manager through project status reports from the project partners and grant monitoring visits.

Services provided by Croda International Plc

In addition to financial contributions from Croda International Plc, the company's employees provide time, expertise and resources to Croda Foundation in direct support of its grant making

activities and in the administration of its affairs. The services are provided free of charge and are subject to the Grant and Resource Sharing Agreement (GRSA) between Croda Foundation and Croda International Plc. The estimated value of services in this reporting period is £179,783.

Principal risks and uncertainties

The Foundation has conducted a review of the major risks to which it is exposed. Risks are assessed based on their likelihood and potential impact, along with the mitigation strategies in place to manage them in line with the board's risk appetite. They are recorded in a risk register which will be reviewed by the Trustees regularly and updated and approved annually. Where appropriate systems or procedures have been established to manage the risks, the charity faces. The Executive Director continually monitors changes in risk levels or emergence of new risks that may impact upon the organisation and escalates any concerns to the Trustees. The Trustees consider the following to be key risks to Croda Foundation:

Risk 1: Adverse publicity for Croda Foundation

Mitigation(s):

- Reference to charitable objectives to ensure that these are being maximised and public benefits are being delivered
- All grant agreements put an onus on the grantee to notify the Foundation as it relates to Safeguarding and Serious Incident issues
- Regular grant check in calls done by Grant Manager
- Foundation utilises a Crisis Communications company and has a crisis management process in place to manage any issues

Risk 2: Adverse publicity for donor and sole member (Croda International Plc)

Mitigation(s):

- Donor has its own PR plans in place to prevent and mitigate this and will inform the Foundation of any relevant issues
- Annual review of mutual PR plans and potential issues with sole member's communications team

Risk 3: Grantee and/or Project Failure

Mitigation(s):

- Due diligence completed before making grant to ensure grantee is competent to deliver planned project
- Regular reporting requirements for grantees and monitoring visits to most grantees to monitor and assess project progress
- Grant set up calls and regular informal check-ins with Grant Manager to verify project deliverables.

Risk 4: Grantee non-compliance with grant conditions

Mitigation(s):

- Formal grant agreement specifies nature of the donation and terms and conditions.
- Extensive due diligence completed on potential grantees, including references taken up on grantees in certain cases
- No follow-on grant instalments paid or renewal of grant until satisfactory interim/final project report received, and review conducted by Grant Manager

Risk 5: Foundation or volunteers harmed while traveling on Foundation business

Mitigation(s):

- Appropriate security support when Foundation staff are abroad included in insurance package
- Appropriate insurance in place for Foundation staff, employees on Foundation business and board members when travelling
- Risk assessment completed before high-risk trips

Reserves policy and going concern

Our reserves policy sets out the minimum balance of readily available cash held by Croda Foundation to achieve the required risk reward profile for the Foundation.

The purpose of setting a reserves level is to protect Croda Foundation against drops in income.

The policy explains why we set some money aside rather than spending it on our charity's aims.

Setting our reserves level

We will always hold accessible cash reserves sufficient to cover:

- Unexpected liabilities which may arise for the Foundation
- Costs to wind down the Foundation in the unlikely situation that our income reduces or stops so that Croda Foundation is no longer financially viable.
- We estimate this to be £100,000 to cover three months of operating costs plus legal and audit expenses to shut down our operations.
- Croda Foundation has protections in the Grant and Resource Agreement (GRSA) between the Foundation and Croda International Plc where it pertains to all committed expenditure to grantees. These are the funds required to meet our contractual financial obligations to grantees.
- Croda International Plc agrees to provide funding to the Foundation to meet these commitments (provided that the Foundation does not enter into any such arrangements after a termination notice is served and does not extend any existing arrangements).

Monitoring and reporting reserves levels

The reserves level is reviewed twice a year by the Foundation Board of Trustees at their May and September meetings. The Foundation's current free reserves are £489,141 against a target of £100,000. The Trustees have prioritised spending on healthcare infrastructure and livelihood projects in the coming months to reach the target reserves level.

Going Concern

No material uncertainties that cast significant doubt about the ability of the Foundation to continue as a going concern have been identified by the Trustees. The Trustees are also of the view that COVID-19 does not impact the Charity's ability to continue as a going concern.

Fundraising

Croda Foundation does not fundraise from the public or use any professional fundraisers or commercial participators. Therefore, the charity is not registered with the Fundraising Regulator and received no complaints in this reporting period.

Plans for the future

Trustees will review our initial grant portfolio as part of a strategic review process taking place in the next financial year. As part of the process Trustees will develop and approve a Theory of Change and identify those funding areas where the Foundation can continue to have the biggest impact. The Foundation will publish a strategy for 2023-2026 outlining its key targets for the next strategic period.

Structure, governance and management

Legal status

The charitable, limited by guarantee, company was incorporated in the UK on 23 December 2020 with company number 13097522 and registered in England & Wales with the Charity Commission on 8 November 2021 with charity number 1196455. The Foundation is governed by the Company Memorandum and Articles of Association.

Trustees

Trustees are appointed on a need basis. As the sole Member of the Foundation, Croda International Plc appoints one Trustee to the Trustee Board. The Memorandum and Articles of Association support a minimum of three Trustees.

Trustees attend suitable induction and training as well as familiarisation sessions to ensure they have a clear understanding of the charity, its governance, and the context within which it operates. The Foundation's approach to governance and decision making is framed by the terms set out in its Articles of Association.

Management

The Trustees delegate day to day management to the Executive Director of Croda Foundation and his team. The Executive Director presents a management update at every Trustee meeting and accounts are made available to the Board. The Executive Director and Grant Manager support the effective running of the Foundation by managing relationships with partner organisations. They make grant recommendations to the Trustees in accordance with the grant making policy. Trustees make decisions about grants at Trustee investment meetings. There are six trustee meetings per year, Trustee governance meetings are held three times a year and Trustee investment meetings to decide on grant giving and social investments are held three times a year.

Related parties and relationships with other organisations

The charitable company's sole member is Croda International Plc and the Foundation receives all of its income from Croda International Plc and its shareholders. The Trustees recognise their charitable responsibilities, and the charity's activities will always be consistent with achieving its objects. Any benefit which may accrue to Croda International Plc from the Foundation's activities will be incidental and outweighed by the contribution to the Foundation's charitable objectives and purpose.

The Foundation's Articles of Association and Conflict of Interest policy ensures that any Member conflicted Trustee can take part in the discussions but not the vote on matters or issues linked to the sole member. The Foundation keeps a record of all discussions and decisions about a conflict of interests and this is reported in the minutes of the meeting. All trustees must declare interests at the beginning of each Board and Investment meeting. This is to ensure that anyone who is conflicted cannot vote in final decisions.

Remuneration policy for key management personnel

The Foundation employees' pay, and remuneration are set with reference to sector benchmarks and will be reviewed annually by the Trustees. The Executive Director is supported by a Grant Manager and Foundation Changemakers who are employees of Croda International Plc. Foundation Changemakers are invited to get involved in the Foundation as volunteers and this includes secondments to support the Foundation's operations such as Finance and Communications as well as volunteers to support partner organisations funded by the Foundation.

Statement of responsibilities of the trustees

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the 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:

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

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

Auditor

Sayer Vincent LLP was appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity. The directors' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 27 June 2022 and signed on their behalf by

The Honourable Philip Noel Nigel Turner

Chair – Board of Trustees

Independent auditor's report

To the members of

Croda Foundation

Opinion

We have audited the financial statements of Croda Foundation (the 'charitable company') for the period ended 31 March 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure for the period then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Croda Foundation'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 trustees' 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the board of trustees, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.

- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- 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 tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Noelia Serrano (Senior statutory auditor)
Date: 6 July 2022
for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Croda Foundation

Statement of financial activities (incorporating an income and expenditure account)

For the period ended 31 March 2022

	Note	Unrestricted £'000	Restricted £'000	15 Month Period ended 31 March 2022 Total £'000
Income from:				
Donations	2	1,185	2,000	**3,185**
Total income		1,185	2,000	**3,185**
Expenditure on:				
Charitable Activities	3	696	1,097	**1,793**
Total expenditure		696	1,097	**1,793**
Net income and movement in funds		489	903	**1,392**
Reconciliation of funds:				
Total funds brought forward		-	-	**-**
Total funds carried forward		489	903	**1,392**

All of the above results are derived from continuing activities. There were no other recognised gains or losse other than those stated above. Movements in funds are disclosed in Note 14 to the financial statements.

Croda Foundation

Balance sheet

Company no. 13097522

As at 31 March 2022

	Note	2022 £'000	£'000
Current assets:			
Debtors	10	5	
Cash at bank and in hand		3,315	
		3,320	
Liabilities:			
Creditors: amounts falling due within one year	11	(1,928)	
Net current assets			1,392
Total net assets	13		1,392
The funds of the charity:	14		
Restricted income funds			903
Unrestricted income funds:			
General funds		489	
Total unrestricted funds			489
Total charity funds			1,392

Approved by the trustees on 27 June 2022 and signed on their behalf by

The Honourable Philip Noel Nigel Turner
Chair - Board of Trustees

Croda Foundation

Statement of cash flows

For the period ended 31 March 2022

	2022 £'000	£'000
Cash flows from operating activities		
Net income for the reporting period	1,392	
(Increase) in debtors	(5)	
Increase in creditors	1,928	
Net cash provided by operating activities		3,315
Change in cash and cash equivalents in the year		3,315
Cash and cash equivalents at the beginning of the year		–
Cash and cash equivalents at the end of the year		3,315

1 Accounting policies

a) Statutory information

Croda Foundation is a charitable company limited by guarantee and is incorporated in England.

The registered office address is Cowick Hall, Snaith, Goole, East Yorkshire DN14 9AA

b) Basis of preparation

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

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

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

Key judgements that the charity has made which have a significant effect on the accounts include. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The Trustees are also of the view that COVID-19 does not impact the Charity's ability to continue as a going concern.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1 Accounting policies (continued)

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs of grant making undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. As the only activity of the Foundation is grant making, all support costs have been allocated accordingly as per Note 3.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

1 Accounting policies (continued)

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

l) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

m) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

n) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

o) Pensions

The Foundation does not operate its own pension scheme. The Foundation contributes on behalf of the employees to a Nest defined contribution scheme. The charge in the statement of financial activities represents the actual amount of the contribution payable to the pension schemes in respect of the accounting year. There is no liability in excess of this.

2 Income from donations

	Unrestricted £'000	Restricted £'000	2022 Total £'000
Gifts	1,005	2,000	**3,005**
Donated services	180	–	**180**
	1,185	2,000	**3,185**

Donated services comprise of seconded staff costs and legal and professional fees associated with Croda Foundations start up cost.

3 Analysis of expenditure (current year)

	Charitable activities £'000	Governance costs £'000	Support costs £'000	**2022 Total £'000**
Staff costs (Note 6)	141	–	–	**141**
Grant making (Note 4)	1,472	–	–	**1,472**
Legal & professional fees	70	9	71	**150**
Computer costs	29	–	–	**29**
Travel costs	1	–	–	**1**
	1,713	9	71	**1,793**
Support costs	71	–	(71)	**–**
Governance costs	9	(9)	–	**–**
Total expenditure 2022	**1,793**	**–**	**–**	**1,793**

4 Grant making (current year)

	2022 £'000
America's Grow a Row (AGAR)	50
Amref Health Africa	215
Association of Women in Agriculture Kenya (AWAK)	30
Beyond Suncare	30
Blind South Africa	71
British Asian Trust	500
British Asian Trust	200
British Heart Foundation	25
Instituto Amazonas- Vaccine Proj	68
Instituto Amazonas-Agro Forestry Proj	92
Neverthirst	37
Treedom	39
United Nations Development Programme-Indonesia	115
At the end of the year	1,472

All grants were awarded to institutions

5 Net income for the year

This is stated after charging:

	£'000
Auditor's remuneration (excluding VAT):	
Audit	8

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management

Staff costs were as follows:

	2022 £'000
Salaries and wages	105
Social security costs	10
Employer's contribution to defined contribution pension schemes	5
	120
Donated staff costs	21
Total staff costs	141

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2022 No.
£90,000 - £99,999	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £113,390.

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year. No charity trustee received payment for professional or other services supplied to the charity.

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 2.

8 Related party transactions

Croda International Public Limited Company is a related party as it is the sole member of the company and ultimate controlling party and parent entity. As the Foundation has a charitable status, the Foundation is excluded from Croda International's group consolidation due to the severe long- term restrictions which substantially hinder the exercise of the rights of Croda International over the Foundation.

Donations of £3,005,000 were received or receivable during the year from Croda International. In addition, donated services worth £180,000 were provided to the Foundation from Croda International. A further £1,000,000 donation was received in relation to the following accounting year, and as such has been held within deferred income.

9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10 Debtors

	2022 £'000
Prepayments	5
	5

11 Creditors: amounts falling due within one year

	2022 £'000
Trade creditors	68
Grants payable	838
Accruals	22
Deferred income (note 12)	1,000
	1,928

12 Deferred income

Deferred income comprises of grant funding received in advance of the year it relates to.

	2022 £'000
Balance at the beginning of the year	–
Amount released to income in the year	–
Amount deferred in the year	1,000
Balance at the end of the year	1,000

13 Analysis of net assets between funds (current year)

	General unrestricted £'000	Designated £'000	Restricted £'000	Total funds £'000
Net current assets	489	–	903	1,392
Net assets at 31 March 2022	**489**	**–**	**903**	1,392

14 Movements in funds (current year)

	At 1 January 2021 £'000	Income & gains £'000	Expenditure & losses £'000	At 31 March 2022 £'000
Restricted funds:				
Croda International PLC	–	2,000	(1,097)	**903**
Total restricted funds	–	2,000	(1,097)	**903**
Unrestricted funds:				
General funds	–	1,185	(696)	**489**
Total unrestricted funds	–	1,185	(696)	**489**
Total funds	–	3,185	(1,793)	**1,392**

The narrative to explain the purpose of each fund is given at the foot of the note below.

Purposes of restricted funds
For Croda Foundation to utilise in vaccine and health infrastructure projects. This can include increasing access to vaccinations, medical support and tackling vaccine hesitancy for those in rural and hard to reach communities who have little or no access to medical facilities.

15 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.