

WATOTO CHILD CARE MINISTRIES

England & Wales · Charity number 1090810

Details

Other names Watoto UK

Status Registered

Legal form Trust

Registered 2002-02-27

Register [View on the Charity Commission register](#)

Contact

Address Watoto
124 City Road
London
EC1V 2NX

Phone 02032251048

Email uk@watoto.com

Website www.watoto.com

Activities

Objects: (A) TO ADVANCE THE CHRISTIAN FAITH IN ACCORDANCE WITH THE STATEMENT OF BELIEFS APPEARING IN THE SCHEDULE HERETO IN UGANDA, THE UNITED KINGDOM AND IN SUCH OTHER PARTS OF THE WORLD AS THE TRUSTEES MAY FROM TIME TO TIME THINK FIT.(B) TO RELIEVE PERSONS, PARTICULARLY (THOUGH NOT EXCLUSIVELY) ORPHAN CHILDREN, WHO ARE IN CONDITIONS OF NEED OR HARDSHIP OR WHO ARE SICK OR HOMELESS AND TO RELIEVE THE DISTRESS CAUSED THEREBY IN UGANDA OR SUCH OTHER PARTS FO THE WORLD AS THE TRUSTEES MAY FROM TIME TO TIME THINK FIT.(C) TO ADVANCE EDUCATION IN ACCORDANCE WITH CHRISTIAN PRINCIPLES BY SUCH MEANS OF ESTABLISHING AND OPERATING ANY EDUCATIONAL ESTABLISHMENT OR ESTABLISHMENT IN UGANDA OR IN SUCH OTHER PARTS FO THE WORLD AS THE TRUSTEES MAY FROM TIME TO TIME THINK FIT.(D) TO PROMOTE AND FULFIL SUCH OTHER CHARITABLE PURPOSES BENEFICIAL TO THE COMMUNITY IN UGANDA AND IN SUCH OTHER PARTS OF THE WORLD AS THE TRUSTEES MAY FROM TIME TO TIME THINK FIT.

Activities: The charity raises money through donations and sponsorship to provide holistic care for orphaned children and vulnerable women in Africa. The Model provides physical care, medical intervention including HIV/AIDS treatment, education ? formal and vocational, counselling and emotional care, and moral and spiritual discipleship. Watoto has projects in Kampala and Gulu, Uganda; and Juba, South Sudan.

Classification

- **How:** Makes Grants To Organisations, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, The Prevention Or Relief Of Poverty, Overseas Aid/famine Relief, Accommodation/housing, Religious Activities, Economic/community Development/employment
- **Who:** Children/young People, People Of A Particular Ethnic Or Racial Origin, Other Defined Groups

Geography

- **Area of benefit:** NATIONAL AND OVERSEAS
- Guernsey
- Jersey
- Northern Ireland
- Scotland
- South Sudan
- Uganda
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,120,933	£1,143,340	£151,742	6
2023-12-31	£690,137	£741,904	£174,149	5
2022-12-31	£764,340	£796,403	£225,916	5
2021-12-31	£949,340	£899,716	£257,980	5
2020-12-31	£1,097,246	£1,136,715	£208,355	8

Trustees

Name	Role	Appointed
Julius Rwotlonyo	Chair	2023-01-01
Derek Watt		2019-12-02
Gowan Wheeler		2024-04-26
Jane Elizabeth Penry		2019-07-09
Kevin Crawford		2026-05-18
Ramon Joseph Walsh		2019-12-02

WATOTO CHILD CARE MINISTRIES

England & Wales - Charity number 1090810

Accounts

WATOTO CHILD CARE MINISTRIES

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

WATOTO CHILD CARE MINISTRIES

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WATOTO CHILD CARE MINISTRIES

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2024

Trustees	J Rwotlonyo, Chairman G Skinner J Skinner J Penry R Walsh D Watt G Wheeler (appointed 26 April 2024)
Charity number	1090810
Principal office	Watoto 124 City Road London EC1V 2NX
Independent auditors	Wenn Townsend 30 St. Giles Oxford OX1 3LE
Bankers	The Royal Bank of Scotland Drummond House Redheughs Avenue Edinburgh EH12 9RH
Solicitors	Anthony Collins Solicitors 134 Edmund St. Birmingham B3 2ES

WATOTO CHILD CARE MINISTRIES

INTRODUCTORY REMARKS FOR THE YEAR ENDED 31 DECEMBER 2024

A Message From Andrew White, Executive Director, Watoto UK

We express sincere thanks for the unwavering commitment of our sponsors and donors right across the UK through these difficult economic times. Our UK sponsors are some of the most loyal supporters across the globe, and we are so grateful for their dedication to the babies, children and vulnerable women we are supporting in Uganda and South Sudan.

Your generosity reflected in donations, with £952,370 received over the course of 2024. This amounts to an incredible increase in faithful sponsors and kind donors across the UK.

2024 has been a year of significant growth and development for Watoto UK. We welcomed Eloise Meldrum, Clare Weston and Irene Nanyonga as our full-time Tour Coordinator, Sponsorship Coordinator and Visit Watoto Coordinator respectively. Additionally, our ambassador team has expanded from five to thirty-five, providing invaluable support at events across the UK and in administrative tasks. We simply could not achieve our mission without the incredible team supporting Watoto UK and are so thankful for each and every one of them.

We are seeing strong signs of a return to growth as an organisation, in large part thanks to the return of the choir and the establishment of a strong team dynamic and structure. We have also partnered with several new churches and organisations across the UK, helping to raise awareness of Watoto's work and mission and all of this has played a part in seeing growth return as expected.

Across our Watoto villages and Neighbourhood programmes, we are now caring for 120 babies, 3,404 children, 363 mothers, 1,786 Neighbourhood mothers, and 43,404 girls through the Keep A Girl in School programme. Every pound given goes towards caring for and raising these incredible women and children into being faith-filled future leaders of Africa, what a privilege and honour.

A key challenge in 2024 -- but a very welcome one -- was navigating a sudden increase in sponsors, donors, and partnerships while our team and systems were still under development. By the end of the year, however, our operations had improved significantly, and our team was well trained to manage the ongoing growth effectively.

Looking ahead to 2025, we are excited to welcome the Watoto Children's Choir back to the UK, host the first Neighbourhood Mothers tour, and sustain over 3,000 sponsors for the first time since 2018. We are also working to engage more businesses in supporting Watoto and to expand our Visit Watoto programme, which will facilitate 300 people travelling from the UK to Uganda in 2025.

James 1:27 serves as a reminder of why we do what we do, "Religion that God our Father accepts as pure and faultless is this: to look after orphans and widows in their distress and to keep oneself from being polluted by the world." Our every effort, our every waking moment is dedicated to exactly this and we praise God that we are seeing a resurgence in support for all the Lord is doing through our UK supporters.

Rejoice with us as we witness God's transformative work in the lives of the children, young people, and families we serve. Thank you for partnering with Watoto UK on this incredible journey to celebrate Christ and care for our community.



A White
Executive Director

Date: 28 October 2025

WATOTO CHILD CARE MINISTRIES

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

Objectives and Activities

Why Are We Here?

In 1984, during a time of civil war, aids epidemic and great civil upheaval, Watoto (Swahili for “children”) set up a church in Kampala, Uganda, to reach out to the poor and vulnerable of the country – women and children – in order to offer love, hope and an opportunity to enhance and change their lives through the teachings of the Bible. In 1999, Watoto Childcare Ministries was set up in the UK with a holistic approach to provide financial, spiritual and educational support to Watoto in Uganda. Since then, we have helped rescue thousands of abandoned children, placing them in loving families and we have come alongside vulnerable women, equipping them with skills and empowering them to become mothers and leaders.

The median age in Uganda is 16.9 years (UK – 40.1 years) making it the second youngest population in the world and, partly as a result, it is one of the poorest in the world with average family income less than £1,200 p.a. Watoto UK, through its sponsors and donors, helps provide a loving family, home, education, food and medical care to over 3,000 orphaned and abandoned children each year along with nearly 2,000 women. In addition, we also help support over 40,000 teen girls through our Keep A Girl In School programme.

There are similar, autonomous, organisations operating in the U.S.A., Canada, Australia, Brazil, Hong Kong and across Europe all working with the same mission.

In setting our objectives and planning activities, the Trustees have referred to the Charity Commission’s guidance on public benefit and, in particular, to its supplementary public benefit guidance on religion and education and are able to confirm their belief that the trust’s activities are of public benefit.

Our core objectives are as follows:

- To advance the Christian faith in Uganda, the UK and such other parts of the world as the Trustees may, from time to time, see fit.
- To care for and relieve distress amongst those who are suffering under conditions of hardship, sickness, homelessness and need, mainly (but not exclusively) orphaned children and widows, in Uganda or such other parts of the world as the Trustees may, from time to time, see fit.
- To advance education in accordance with Christian principles and teachings by means of establishing and operating educational establishments in Uganda or such other parts of the world as the Trustees may, from time to time, see fit.
- To promote and fulfil such other charitable purposes beneficial to communities in Uganda and in other parts of the world as the Trustees may, from time to time, see fit.

Our core funding goes towards the provision of care for orphaned babies and children and vulnerable children and women in Uganda and South Sudan meeting their holistic needs, including access to medical care, education, a family home and most importantly a church where they get to celebrate Jesus.

How do we achieve this?

We achieve our charitable objectives through multiple different streams including but not limited to grant funding, sponsorship activity and donations. We also regularly can be found giving interactive and engaging talks across the UK at churches, schools, or at concerts given by the Watoto Children’s Choir.

We also encourage individuals and teams of volunteers to go to Uganda and assist with the many projects being undertaken (e.g. construction, maintenance, education, sustainability, development) and we consider the contribution from such volunteers in terms of time and experience to be invaluable. It has been a joy to see the first few visitors returning to Uganda through our Visit Watoto programme.

Our operational costs are financed by fundraising activities, a 10% contribution from sponsorship, 10% restricted from donation receipts as well as all gift aid claimed on those sponsorship and donation receipts. Until June 2025, while operational costs are somewhat higher, it has been agreed with the Ugandan office that Watoto UK will retain an additional 8% from sponsorship to help offset costs, ahead of a return to growth and thus a plan to decrease additional retained funds to 4% of total sponsorship contributions from June 2025.

WATOTO CHILD CARE MINISTRIES

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Fundraising activities

In addition to raising awareness of Watoto and its mission, as well as encouraging new sponsorships, our primary fundraising activities centre around the annual Watoto Children's Choir tour. This includes promoting and organising the tour itself, delivering numerous talks across the UK, and selling merchandise. Most of the merchandise is handmade in Uganda by women supported through our programmes. Each year, the choir presents a new production, with the title also serving as the name of their latest album, which is made available for general sale. We were delighted to welcome the choir back to the UK for their "Better Days" tour, which ran from April to July 2024.

The Trustees use the following key performance indicators:

- The amount of donations and sponsorship received and the net movement in number of sponsors/donors during the year;
- The number of performances organised for the children's choir each year and the average returns for each performance both per venue and per capita for new sponsors, offerings and merchandise sales; and
- The cost efficiency of operations.

Cost efficiency of operations continues to be monitored in our office. With the appointment of our new UK Executive Director, Andrew White, we were thrilled to see the office begin to flourish and find its firm footing ahead of the choirs return. The team has grown steadily throughout 2024 to account for the increase in sponsors, individuals and churches signing up to Visit Watoto and the expectation of a full choir return in future years.

Future Plans

As we look forwards to 2025, we are excited to see Watoto UK continue to grow across the nation with visits expected for the 2025 choir to the Welsh parliament, the Northern Irish parliament as well as dozens of key church partners. Through our bolstered numbers of ambassadors, we are aiming to attend up to eight key large church events across the UK to help with raising awareness of the work of Watoto. Our team will grow with the appointment of a Partnership Lead as well as a growing tour team to help facilitate the increased numbers of tours taking place across the UK. The future of Watoto UK is once more looking healthy and vibrant and we look forward to seeing all that the Lord has in store.

Structure, Governance and Management

Governing Document

The Charity is constituted under a Trust Deed dated 9th March 1999, amended 6th November 2001 (charity No. 1090810) and is operated in accordance with its governing document, the deed of trust and constitutes an unincorporated charity.

The Trustee Board

The board of Trustees meets every six months to set and review the strategy of the Charity. The Executive Director is appointed by the board and to whom it delegates responsibility for the day to day running of the Charity.

The Board of Trustees is fully committed to the financial stewardship, quality and safety of the Charity.

The Trustees are guided by an agreed scheme of corporate governance which sets out their responsibilities and those of the Executive Director. The Board of Trustees regularly consider the skills mix required to support the Charity.

New Trustees are selected from long-term supporters of the Charity with the appropriate skills and are interviewed by Senior Trustees before being offered appointment. They are encouraged to visit Uganda to view the works undertaken there and they undertake an induction programme designed to ensure their understanding of the trustee role and their wider knowledge of Watoto and its philosophy.

All Trustees give of their time freely and no trustee received any remuneration during the year. Details of Trustees expenses are disclosed in note 11 in the accounts.

WATOTO CHILD CARE MINISTRIES

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Risk Management

The Trustees regularly review the risks faced by the Charity, in particular those related to financial security and operationally surrounding choir tours, to ensure that key risks have been identified, and that suitable plans are in place to prevent or manage these risks. We approach risk management on three levels; strategic, operational and at project level. This enables both Trustees and staff to undertake the identification of risk and allows clear allocation of responsibilities for managing these risks. Trustees and staff use a clear understanding of risk to help inform decision making within the Charity, including decisions regarding use of resources, tour planning, sponsor recruitment and development.

Financial Review & Trustee's Responsibilities

Overview

The year ended with a deficit of £17,108 in unrestricted funds (2023 - £10,834 deficit) and a deficit in restricted funds of £5,299 (2023 - £40,933 deficit) giving a net total deficit for the year of £22,407 (2023 - £51,767 deficit).

Income

Restricted Funds

Sponsorship donations have seen an increase of 18.8% (£96,429) on 2023 levels, which exceeded the budgeted parameters for net gains during the year. 2024 proved, as expected, to be a fruitful year for finding sponsorship promotional opportunities with our renewed team. Overall, income into restricted funds totals £609,303.

Unrestricted Funds

General donations increased by £170,849. Gift aid receipts fell by 2.7% (£2,520) from £93,291 in 2023 to £90,771 in 2024. A significant proportion of this can be attributed to the rise in sponsor numbers (as above) but we also must take into account an increasingly aging donor base and the changing financial situations of many means that they are no longer able to gift-aid their donations.

The nature of the Charity's activities means that income growth is likely to now continue on this trajectory ahead and as such the Charity is being resourced with team and funding to see that progress further.

Expenditure

Restricted Funds

In line with the increase in income, grant fund payments to Uganda increased by 11.73% to £618,802 in 2024 (2023 - £553,807). The board are delighted to see this improvement and expect this growth will continue to progress in a healthy direction going forward.

Unrestricted Funds

Overall, expenditure through Unrestricted Funds increased from £188,097 in 2023 to £524,538 in 2024. There were trustee meeting expenses of £805 in the year (2023 - £NIL).

At the year end the Charity holds reserves totalling £151,742 (2023 - £174,149), comprising restricted reserves of £118,293 (2023 - £123,592), and unrestricted reserves of £33,449 (2023 - £50,557). The Charity has a surplus General Fund at the balance sheet date of £33,449 (2023 - £6,561 surplus). The Trustees acknowledge that this figure is low and continue to look to implement processes which will restore the balance to previous levels over the coming 3-5 years.

Investment Policy

The Trustees have the power to invest in such assets as they see fit. Funds are held in UK banks to enable the Charity to access them as and when required. Accessibility of funds is very important to the Charity as, this way, we are able to allocate and distribute funds as soon as they are required. The Trustees may, from time to time, use the services of a professional investment adviser; none were required in the year under review.

Reserves Policy

All reserves are held to be applied to meet with the objectives set out above. Free reserves amounting to three months operating costs should be held as a minimum requirement. The Trustees accept that, currently, this is not the case and are planning to see that this is achieved in the shortest time frame possible with effect from 2025.

WATOTO CHILD CARE MINISTRIES

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

The Charity has three designated funds. A number of donors give monies with preference that it be used in one of three broad areas though this is not a specified restriction. These three broad areas and the funds created are:

Where Most Needed – A third group give donations freely but with an expressed preference that they be immediately available for use by the Country Director (with board approval) to put towards any emergency purpose or appeal, either in the UK or elsewhere in the world, as they see fit and appropriate. £3,639 was received into this fund during 2024. During 2024, £33,820 has been transferred to the general funds leaving a balance at the year end of £NIL.

Operational Development Fund – A number of individuals and churches give donations with a preference, in the first instance, that they be used to help advance the Christian faith and defray the costs of promoting and growing the work of Watoto in the UK. There was £NIL received into this fund during 2024. £12,900 has been transferred to the general funds leaving a balance at the year end of £NIL.

Keep The Choir On The Road – The choir has many supporters some of whom give money with the preference that, in the first instance, it be used to help defray any unforeseen (and, thus, unbudgeted) choir tour costs. £27,106 was received into this fund during 2024. £28,021 has been transferred to the general funds leaving a balance at the year end of £NIL.

The board decided that these donations should be specifically recorded and acknowledged and set up these three designated funds to record this. No minimum or maximum fund balances have been set and it was envisaged that, under normal circumstances, the majority of these donations would be utilised in the year that they are received.



J Skinner
Trustee

WATOTO CHILD CARE MINISTRIES

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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.

Approved by order of the members of the board of Trustees and signed on its behalf by:



J Skinner
Trustee

Date: October 28, 2025

WATOTO CHILD CARE MINISTRIES

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF WATOTO CHILD CARE MINISTRIES

Opinion

We have audited the financial statements of Watoto Child Care Ministries (the 'charity') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2024 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; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements, which highlights the challenges faced by the charity during Covid and the resulting deficit balance on the general fund and deficit in free reserves as at 31 December 2024, meaning that the charity was not complying with its reserves policy. As a result, a material uncertainty exists, however due to significant reductions in financial commitments including moving to a remote working model, the board plan to review the necessary reserves policy from 2025 onwards. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the trustees' assessment of the charity's ability to continue to adopt the going concern basis of accounting included a review of budgets up to 31 December 2026 and discussions with management.

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

WATOTO CHILD CARE MINISTRIES

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF WATOTO CHILD CARE MINISTRIES (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; 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.

Other matter

The comparative figures presented were unaudited.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of the financial statements which 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.

WATOTO CHILD CARE MINISTRIES

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF WATOTO CHILD CARE MINISTRIES (CONTINUED)

Auditors' 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 Auditors' 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 is detailed below:

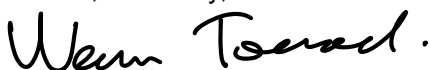
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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 for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

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 Auditors' 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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Wenn Townsend
Chartered Accounts and Statutory Auditor
30 St. Giles
Oxford
OX1 3LE

Date: 31 October 2025

Wenn Townsend are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

WATOTO CHILD CARE MINISTRIES

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donations and legacies	3	609,303	343,067	952,370	687,612
Charitable activities	4	-	104,650	104,650	-
Other trading activities	5	-	60,365	60,365	489
Investments	6	-	3,548	3,548	2,036
Total income		609,303	511,630	1,120,933	690,137
Expenditure on:					
Charitable activities	7	618,802	524,538	1,143,340	741,904
Total expenditure		618,802	524,538	1,143,340	741,904
Net expenditure		(9,499)	(12,908)	(22,407)	(51,767)
Transfers between funds	16	4,200	(4,200)	-	-
Net movement in funds		(5,299)	(17,108)	(22,407)	(51,767)
Reconciliation of funds:					
Total funds brought forward		123,592	50,557	174,149	225,916
Net movement in funds		(5,299)	(17,108)	(22,407)	(51,767)
Total funds carried forward		118,293	33,449	151,742	174,149

The Statement of Financial Activities includes all gains and losses recognised in the year.


The notes on pages 14 to 31 form part of these financial statements.

WATOTO CHILD CARE MINISTRIES

**BALANCE SHEET
AS AT 31 DECEMBER 2024**

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	12	36,598	4,592
		<u>36,598</u>	<u>4,592</u>
Current assets			
Stocks	13	10,065	5,870
Debtors	14	28,637	37,505
Cash at bank and in hand		148,860	171,077
		<u>187,562</u>	<u>214,452</u>
Creditors: amounts falling due within one year	15	(72,418)	(44,895)
		<u>115,144</u>	<u>169,557</u>
Net current assets		115,144	169,557
Total assets less current liabilities		<u>151,742</u>	<u>174,149</u>
Net assets excluding pension asset		<u>151,742</u>	<u>174,149</u>
Total net assets		<u>151,742</u>	<u>174,149</u>
Charity funds			
Restricted funds	16	118,293	123,592
Unrestricted funds	16	33,449	50,557
Total funds		<u>151,742</u>	<u>174,149</u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



J Skinner
 Trustee

Date: October 28, 2025

The notes on pages 14 to 31 form part of these financial statements.

WATOTO CHILD CARE MINISTRIES

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024**

	2024	2023
	£	£
Cash flows from operating activities		
Net cash used in operating activities	13,109	52,107
	<hr/>	<hr/>
Cash flows from investing activities		
Dividends, interests and rents from investments	3,548	2,036
Purchase of tangible fixed assets	(38,874)	(2,608)
	<hr/>	<hr/>
Net cash used in investing activities	(35,326)	(572)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	(22,217)	51,535
Cash and cash equivalents at the beginning of the year	171,077	119,542
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	148,860	171,077
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 14 to 31 form part of these financial statements

WATOTO CHILD CARE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. General information

The Charity is an unincorporated Charity registered with the Charity Commission (number 1090810), its principle address is detailed within the legal and administration section of the accounts.

2. Accounting policies

2.1 Basis of preparation of financial statements

The accounts have been prepared in accordance with the Charity's trust deed, the Charities Act 2011 and the '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)' (effective 01 January 2019). The Charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

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

2.2 Going concern

At the year end the unrestricted funds amounted to £33,449 and the deficit on free reserves amounted to £3,149 meaning that the charity was not complying with its reserves policy.

The charity outsources part of its accounting function to an external firm of accountants and post year end performance to September 2025, based on the figures prepared by the external accountants, shows a surplus for the period of £193k. The subsequent budget prepared to December 2026 shows a break-even position. Despite the current economic climate and increase in cost-of-living impacting household disposable income, the trustees are confident of achieving the budget set given the extended choir tour planned for 2026 and the associated increase in sponsorship and merchandise sales that this is expected to generate. As such the trustees consider that the charity has both adequate resources and the means of maintaining them for at least 12 months from the approved date of these accounts and it continues to be appropriate to prepare the accounts on the going concern basis.

2.3 Income

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

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the Charity's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it 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.

WATOTO CHILD CARE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.3 Income (continued)

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.4 Expenditure

Expenditure is recognised on the accruals basis and is recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure, it is probable that settlement will be required and the amount of the obligation can be measured. Where possible, expenditure is allocated directly to activities undertaken. Support costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource. The majority of support costs (80%) are apportioned on the basis of staff time spent on each activity; bank and finance charges are apportioned in line with receipts; governance costs are apportioned in an equal 3-way split.

Grants and donations paid are accounted for when paid.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Gift Aid

In the case of a Gift Aid payment made within the Group, income is accrued when the payment is payable to the Parent Charity under a legal obligation. Measurement is at the fair value receivable, which will normally be the transaction value.

Where the right to receive Gift Aid has been established, the amount receivable is recognised as Income from donations and legacies in the Statement of Financial Activities.

2.6 Taxation

The Charity is not subject to Corporation Tax. It is entitled to claim from HM Revenue and Customs the tax associated with income received under gift aid.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

WATOTO CHILD CARE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives are as follows:

Motor vehicles	-	5 years
Office furniture	-	5 years
Office equipment	-	5 years
Computer equipment	-	3 years
Choir equipment	-	3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Financial Activities.

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and 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.

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.12 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

WATOTO CHILD CARE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.13 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

2.14 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

WATOTO CHILD CARE MINISTRIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

3. Income from donations and legacies

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £
Donations and gifts	609,303	252,296	861,599
Gift aid reclaimed	-	90,771	90,771
	609,303	343,067	952,370

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Donations and gifts	512,874	81,447	594,321
Gift aid reclaimed	-	93,291	93,291
	512,874	174,738	687,612

4. Income from charitable activities

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Speaker's fees	104,650	104,650	-
	104,650	104,650	-

WATOTO CHILD CARE MINISTRIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

5. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2024 £	Total funds 2024 £
Choir tour - merchandise sales	60,365	60,365

	Unrestricted funds 2023 £	Total funds 2023 £
Choir tour - merchandise sales	489	489

6. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £
Interest receivable	3,548	3,548

	Unrestricted funds 2023 £	Total funds 2023 £
Interest receivable	2,036	2,036

WATOTO CHILD CARE MINISTRIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

7. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total 2024 £
Grant funding to Uganda	618,802	82,029	700,831
Choir Tour	-	271,543	271,543
Development and engagement	-	170,966	170,966
	<u>618,802</u>	<u>524,538</u>	<u>1,143,340</u>

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total 2023 £
Grant funding to Uganda	553,682	120,748	674,430
Choir Tour	-	32,343	32,343
Development and engagement	-	35,131	35,131
	<u>553,682</u>	<u>188,222</u>	<u>741,904</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £
Grant funding to Uganda	618,802	82,029	700,831
Choir Tour	173,072	98,471	271,543
Development and engagement	23,908	147,058	170,966
	<u>815,782</u>	<u>327,558</u>	<u>1,143,340</u>

WATOTO CHILD CARE MINISTRIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

8. Analysis of expenditure by activities (continued)

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Grant funding to Uganda	559,971	114,459	674,430
Choir Tour	1,907	30,436	32,343
Development and engagement	3,730	31,401	35,131
	<u>565,608</u>	<u>176,296</u>	<u>741,904</u>

Analysis of support costs

	Uganda Programme 2024 £	Choir Tour 2024 £	Development and engagement 2024 £	Total funds 2024 £
Staff costs	29,474	54,479	115,955	199,908
Admin and office expenses	8,250	584	9,033	17,867
Admin travel and subsistence	-	20,532	7,045	27,577
Bank and finance charges	4,909	1,810	777	7,496
Van costs	-	3,666	-	3,666
Rent, services and insurance	22,057	1,052	-	23,109
Storage, repairs and maintenance	-	4,351	-	4,351
Office and IT equipment	4,489	722	1,067	6,278
Depreciation	1,014	168	168	1,350
Legal and professional	-	-	1,906	1,906
Loss on disposal of fixed asset	729	-	-	729
Governance	11,107	11,107	11,107	33,321
	<u>82,029</u>	<u>98,471</u>	<u>147,058</u>	<u>327,558</u>

WATOTO CHILD CARE MINISTRIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Uganda Programme 2023 £	Choir Tour 2023 £	Development and engagement 2023 £	Total funds 2023 £
Staff costs	72,332	7,364	13,872	93,568
Admin and office expenses	8,297	948	948	10,193
Admin travel and subsistence	5,941	1,128	742	7,811
Bank and finance charges	5,483	607	607	6,697
Van costs	-	2,170	-	2,170
Rent, services and insurance	12,203	10,664	10,664	33,531
Storage, repairs and maintenance	-	3,087	-	3,087
Office and IT equipment	3,348	191	292	3,831
Depreciation	618	75	75	768
Legal and professional	2,325	290	289	2,904
Governance	3,912	3,912	3,912	11,736
	<u>114,459</u>	<u>30,436</u>	<u>31,401</u>	<u>176,296</u>

9. Auditors' remuneration

	2024 £	2023 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	6,000	-
Fees payable to the Charity's independent examiner for the independent examination of the Charity's annual accounts	-	6,000
	<u>6,000</u>	<u>6,000</u>

10. Staff costs

	2024 £	2023 £
Wages and salaries	176,628	89,350
Social security costs	16,289	1,780
Contribution to defined contribution pension schemes	6,991	2,438
	<u>199,908</u>	<u>93,568</u>

WATOTO CHILD CARE MINISTRIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

10. Staff costs (continued)

The average number of persons employed by the Charity during the year was as follows:

	2024	2023
	No.	No.
Employees	6	5

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024	2023
	No.	No.
In the band £60,001 - £70,000	1	-

The key management personnel of the Charity comprise the trustees and the Executive Director and the total employee benefits (including pension contributions and employer's National Insurance) of key management personnel was £81,904 (2023 - £17,300). During the period and the comparative Charity trustees were neither paid nor received any other benefits from employment with the Charity

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 December 2024, expenses totalling £116,608 were reimbursed or paid directly to 2 Trustees and key management personnel in respect of travel expenses (2023 - £NIL).

WATOTO CHILD CARE MINISTRIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

12. Tangible fixed assets

	Motor vehicles £	Office furniture £	Office equipment £	Computer equipment £	Choir equipment £	Total £
Cost or valuation						
At 1 January 2024	19,144	1,324	6,633	22,756	48,638	98,495
Additions	-	-	1,684	3,299	33,891	38,874
Disposals	-	-	(5,599)	(13,975)	(13,681)	(33,255)
At 31 December 2024	<u>19,144</u>	<u>1,324</u>	<u>2,718</u>	<u>12,080</u>	<u>68,848</u>	<u>104,114</u>
Depreciation						
At 1 January 2024	19,144	1,215	6,563	20,213	46,768	93,903
Charge for the year	-	109	84	1,164	4,778	6,135
On disposals	-	-	(5,529)	(13,335)	(13,658)	(32,522)
At 31 December 2024	<u>19,144</u>	<u>1,324</u>	<u>1,118</u>	<u>8,042</u>	<u>37,888</u>	<u>67,516</u>
Net book value						
At 31 December 2024	<u>-</u>	<u>-</u>	<u>1,600</u>	<u>4,038</u>	<u>30,960</u>	<u>36,598</u>
At 31 December 2023	<u>-</u>	<u>109</u>	<u>70</u>	<u>2,543</u>	<u>1,870</u>	<u>4,592</u>

13. Stocks

	2024 £	2023 £
Finished goods and goods for resale	<u>10,065</u>	<u>5,870</u>

14. Debtors

	2024 £	2023 £
Due within one year		
Other debtors	-	96
Prepayments and accrued income	28,637	37,409
	<u>28,637</u>	<u>37,505</u>

WATOTO CHILD CARE MINISTRIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

15. Creditors: Amounts falling due within one year

	2024 £	2023 £
Trade creditors	6,500	2,045
Other taxation and social security	5,174	25,677
Other creditors	45,552	1,776
Accruals and deferred income	15,192	15,397
	72,418	44,895
	72,418	44,895

Included in the creditors above are pension contributions of £1,473 (2023 - £25,677).

	2024 £	2023 £
Deferred income at 1 January 2024	3,556	2,264
Resources deferred during the year	6,806	9,673
Amounts released from previous periods	(7,011)	(8,381)
	3,351	3,556
	3,351	3,556

16. Statement of funds

Statement of funds - current year

	Balance at 1 January 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2024 £
Unrestricted funds					
Designated funds					
Where Most Needed fund	30,181	3,639	-	(33,820)	-
Operational Development fund	12,900	-	-	(12,900)	-
Keep Choir On The Road fund	915	27,106	-	(28,021)	-
	43,996	30,745	-	(74,741)	-
	43,996	30,745	-	(74,741)	-
General funds					
General Funds - all funds	6,561	480,885	(524,538)	70,541	33,449
	6,561	480,885	(524,538)	70,541	33,449
Total Unrestricted funds	50,557	511,630	(524,538)	(4,200)	33,449

WATOTO CHILD CARE MINISTRIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

16. Statement of funds (continued)

Restricted funds

Child	10,003	363,887	(364,687)	-	9,203
Mother	1,625	30,900	(30,731)	-	1,794
Baby	3,247	35,811	(34,888)	-	4,170
Neighbourhood child	2,038	62,160	(62,160)	-	2,038
Neighbourhood mother	2,362	19,552	(20,771)	-	1,143
Teacher	147	1,594	(1,594)	-	147
Special needs	1,071	3,990	(3,990)	-	1,071
Seeds	2,051	4,017	(4,016)	-	2,052
Watoto Uganda support fund	90,829	989	(1,485)	-	90,333
Gift pool	503	428	(2,325)	1,394	-
Gulu Project	(511)	1,623	(1,761)	649	-
Christmas appeal	3,281	2,581	(1,509)	-	4,353
Sustainability Project	-	41	(143)	102	-
Keep a girl in school	175	697	(909)	37	-
Other appeals	6,771	2,929	(11,511)	1,811	-
Visit Watoto	-	53,572	(52,433)	-	1,139
Building projects	-	24,500	(23,650)	-	850
Watoto education	-	32	(239)	207	-
	<u>123,592</u>	<u>609,303</u>	<u>(618,802)</u>	<u>4,200</u>	<u>118,293</u>
Total of funds	<u>174,149</u>	<u>1,120,933</u>	<u>(1,143,340)</u>	<u>-</u>	<u>151,742</u>

Statement of funds - prior year

	Balance at 1 January 2023 £	Income £	Expenditure £	Balance at 31 December 2023 £
Unrestricted funds				
Designated funds				
Where Most Needed fund	26,689	3,492	-	30,181
Operational Development fund	12,900	-	-	12,900
Keep Choir On The Road fund	915	-	-	915
	<u>40,504</u>	<u>3,492</u>	<u>-</u>	<u>43,996</u>

WATOTO CHILD CARE MINISTRIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

16. Statement of funds (continued)

General funds

General Funds - all funds	20,887	173,771	(188,097)	6,561
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Total Unrestricted funds

	61,391	177,263	(188,097)	50,557
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Restricted funds

Child	40,789	340,749	(371,535)	10,003
Mother	3,815	36,537	(38,727)	1,625
Baby	3,716	39,270	(39,739)	3,247
Neighbourhood child	5,039	53,934	(56,935)	2,038
Neighbourhood mother	2,415	21,756	(21,809)	2,362
Teacher	216	1,696	(1,765)	147
Special needs	1,089	6,029	(6,047)	1,071
Seeds	2,157	5,104	(5,210)	2,051
Watoto Uganda support fund	90,523	702	(396)	90,829
Gift pool	703	1,000	(1,200)	503
Gulu Project	68	1,695	(2,274)	(511)
Christmas appeal	3,274	1,773	(1,766)	3,281
Sustainability Project	-	1,006	(1,006)	-
Keep a girl in school	1,000	469	(1,294)	175
Other appeals	5,617	1,154	-	6,771
Winnie's medical appeal	13	-	(13)	-
Visit Watoto	4,091	-	(4,091)	-

	164,525	512,874	(553,807)	123,592
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Total of funds

	225,916	690,137	(741,904)	174,149
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WATOTO CHILD CARE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17. Restricted funds

Restricted funds fall into three categories:

1. Sponsorship – Sponsorship is an on-going regular commitment to support the holistic care of babies, children and mothers; either as individuals or as a general support to those areas. Sponsorship is promoted, and new sponsors gained, mainly at choir concerts and we are now developing new avenues for sponsorship income. Ninety per cent of all sponsorship income is sent directly to Uganda and the groups that we help support are:

Babies.

Children.

Children with special needs – because of their additional care costs, sponsorship of these children is higher.

Mothers.

Neighbourhood children and mothers – these are not located in our Watoto villages but in the surrounding neighbourhoods. All are single-parent families.

Teachers – education is not free in Uganda so, by employing its own teachers, Watoto can guarantee an education to all children in its care.

Watoto Uganda support fund – largely regular donations that are not restricted to any of the above but are for free distribution by Watoto Uganda.

2. Appeals – These are discrete, single purpose donations usually in response to an appeal and 100% of these donations are sent to Uganda. We run an autumn / Christmas appeal each year to enable all in our care to receive a small gift at Christmas and, in addition to this, the UK supported the following appeals during 2024:

Gift pool – any separate donation made for a child are pooled so that all children may receive a small gift on their birthday.

Gulu project – this is a specific village project in the north of Uganda.

Keep a girl in school project – provides resources to help keep young, marginalised girls in school in Uganda and South Sudan e.g. school fees, uniforms, personal hygiene, mentoring.

Watoto education programme – provides comprehensive education to Ugandan youth through Ugandan educational institutions.

3. Visit Watoto – sponsors and supporters are encouraged to visit Uganda and, if appropriate, volunteer to assist with one of our many ongoing projects. Visit Watoto is the receipt of monies to pay for travel, accommodation and subsistence on these trips and 100% of this money will be passed over to Uganda. At the outbreak of Covid-19, all visits to Uganda ceased with Uganda experiencing a much longer shut-down period than most parts of the world. As a result, visits under the scheme are expected to recommence during 2025.

18. Designated funds

Where Most Needed – this fund is available for the immediate use of the Chief Executive for any emergency purpose, either in the UK or elsewhere in the world, as he sees fit and appropriate.

Operational Development Fund – this fund is available to the Chief Executive in helping defray costs incurred in the development and growth of new fundraising activities and income streams.

Keep the Choir on the Road – this fund is available to defray any exceptional, unbudgeted choir tour costs.

WATOTO CHILD CARE MINISTRIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

19. Summary of funds

Summary of funds - current year

	Balance at 1 January 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2024 £
Designated funds	43,996	30,745	-	(74,741)	-
General funds	6,561	480,885	(524,538)	70,541	33,449
Restricted funds	123,592	609,303	(618,802)	4,200	118,293
	<u>174,149</u>	<u>1,120,933</u>	<u>(1,143,340)</u>	<u>-</u>	<u>151,742</u>

Summary of funds - prior year

	Balance at 1 January 2023 £	Income £	Expenditure £	Balance at 31 December 2023 £
Designated funds	40,504	3,492	-	43,996
General funds	20,887	173,771	(188,097)	6,561
Restricted funds	164,525	512,874	(553,807)	123,592
	<u>225,916</u>	<u>690,137</u>	<u>(741,904)</u>	<u>174,149</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	-	36,598	36,598
Current assets	118,293	69,269	187,562
Creditors due within one year	-	(72,418)	(72,418)
Total	<u>118,293</u>	<u>33,449</u>	<u>151,742</u>

WATOTO CHILD CARE MINISTRIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	4,592	4,592
Current assets	123,592	90,860	214,452
Creditors due within one year	-	(44,895)	(44,895)
Total	123,592	50,557	174,149

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	2023 £
Net expenditure for the period (as per Statement of Financial Activities)	(22,407)	(51,767)
Adjustments for:		
Depreciation charges	6,139	2,675
Dividends, interests and rents from investments	(3,548)	(2,036)
Loss on the sale of fixed assets	729	-
Increase in stocks	(4,195)	-
Decrease in debtors	8,868	107,597
Increase/(decrease) in creditors	27,728	(6,095)
Increase/(decrease) in accruals and deferred income	(205)	1,733
Net cash provided by operating activities	13,109	52,107

22. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	148,860	171,077
Total cash and cash equivalents	148,860	171,077

WATOTO CHILD CARE MINISTRIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

23. Analysis of changes in net debt

	At 1 January 2024	Cash flows	At 31 December 2024
	£	£	£
Cash at bank and in hand	171,077	(22,217)	148,860
	171,077	(22,217)	148,860

24. Operating lease commitments

At 31 December 2024 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024	2023
	£	£
Not later than 1 year	-	22,554
	-	22,554

25. Related party transactions

There were Trustee and key management personnel expenses of £116,608 during the period (2023 - £NIL). There were no amounts owing to or owed by the Trustees at the balance sheet date (2023 - £NIL). These payments are permissible under sections 19 and 20 of the Charity's trust deed.

Aggregated donations received from the Trustees and key management personnel without conditions during the period were £23,194 (2023 - £22,908).

Trustees of Watoto Child Care Ministries hold a controlling position in Watoto Uganda. Grant funding is paid to Watoto Uganda, and during the period this totalled £618,802 (2023 - £569,367). At the year end £45,552 (2023 - £NIL) was due to Watoto Uganda.

Expenses of £11,186 (2023 - £NIL) were paid during the period to related parties that are part of the Watoto Global Network. Donations received from these related parties without conditions during the period were £192,882 (2023 - £NIL).

WATOTO CHILD CARE MINISTRIES

England & Wales - Charity number 1090810

Accounts

Wātoto

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

WATOTO CHILD CARE MINISTRIES

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WATOTO CHILD CARE MINISTRIES

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2023

Trustees	J Rwotlonyo, Chairman G Skinner J Skinner J Penry R Walsh D Watt G Wheeler (appointed 26 April 2024)
Charity number	1090810
Principal office	CMS House Watlington Road Cowley Oxford OX4 6BZ
Independent examiner	Wenn Townsend 30 St. Giles Oxford OX1 3LE
Bankers	The Royal Bank of Scotland Drummond House Redheughs Avenue Edinburgh EH12 9RH
Solicitors	Anthony Collins Solicitors 134 Edmund St. Birmingham B3 2ES

WATOTO CHILD CARE MINISTRIES

INTRODUCTORY REMARKS FOR THE YEAR ENDED 31 DECEMBER 2023

A Message From Andrew White, Executive Director, Watoto UK

We express sincere thanks for the unwavering commitment of our sponsors and donors right across the UK through these difficult economic times. Our UK sponsors are some of the most loyal supporters across the globe, and we are so grateful for their dedication to the babies, children and vulnerable women we are supporting in Uganda and South Sudan.

Your generosity reflected in donations, with £687,612 received over the course of 2023. Thanks to the Gift of Love campaign in December, we could provide £1,928 to further supporting the work of the ministry.

2023 was a year of strategic development, preparing for the longer term and reawakening the organisation post-Covid. In the past year, we've sought God's guidance, humbled ourselves, and embraced the opportunities and challenges set before us. While facing a cost-of-living crisis across the UK, the trustee board took the bold approach to appoint a new UK Executive Director and have enabled me in this role to begin restructuring for the journey to growth ahead.

Innovation is thriving at Watoto with projects close to our hearts, like Keep A Girl in School, making an enormous impact and capturing the hearts of all we meet with. Across our Watoto villages and Neighbourhood programs, we are now caring for an incredible 115 babies, 3,596 children, 1,373 mothers, 226 teachers and several thousand more through Keep A Girl in School.

Looking ahead to what the Lord has in store ahead, we are excited to be stepping into new beginnings. Our team are now working remotely across the UK, enabling us to hire the very best, keep running costs low and focus our mission on growing our support once more as the need for loving and caring homes remains ever present. Despite challenges, we remain committed, understanding the pressing need as estimates suggest 54% of the central African region daily face extreme poverty.

As we sought God's guidance, we have confidently moved forwards with hiring new team and bringing Watoto back to life in the UK. These roles will allow us to oversee the logistics of the choir and ensure that our sponsorship offering is back to pre-pandemic levels. Ephesians 3:21 reminds us that God can do immeasurably more than we ask or imagine, reinforcing our faith in pursuing our ministry's calling.

Rejoice with us as we witness God's transformative work in the lives of the children, young people, and families we serve. Thank you for partnering with Watoto UK on this incredible journey to celebrate Christ and care for our community.



.....
A White
Executive Director

Date: 30 July 2024

WATOTO CHILD CARE MINISTRIES

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Objectives and Activities

Why Are We Here?

In 1984, during a time of civil war, aids epidemic and great civil upheaval, Watoto (Swahili for “children”) set up a church in Kampala, Uganda, to reach out to the poor and vulnerable of the country – women and children – in order to offer love, hope and an opportunity to enhance and change their lives through the teachings of the Bible. In 1999, Watoto Childcare Ministries was set up in the UK with a holistic approach to provide financial, spiritual and educational support to Watoto in Uganda. Since then, we have helped rescue thousands of abandoned children, placing them in loving families and we have come alongside vulnerable women, equipping them with skills and empowering them to become mothers and leaders.

The median age in Uganda is 15.9 years (UK – 40.7 years) making it the second youngest population in the world and, partly as a result, it is one of the poorest in the world with average family income less than £600 p.a. Watoto UK, through its sponsors and donors helps provide a loving family, home, education, food and medical care to over 3,000 orphaned and abandoned children each year. In addition, we also help support over 3,000 women and 15,000 children through the Watoto Neighbourhood programme.

There are similar, autonomous, organisations operating in the U.S.A., Canada, Australia, Brazil, Hong Kong and across Europe.

In setting our objectives and planning activities, the Trustees have referred to the Charity Commission’s guidance on public benefit and, in particular, to its supplementary public benefit guidance on religion and education and are able to confirm their belief that the trust’s activities are of public benefit.

Our core objectives are as follows:

- To advance the Christian faith in Uganda, the UK and such other parts of the world as the Trustees may, from time to time, see fit.
- To care for and relieve distress amongst those who are suffering under conditions of hardship, sickness, homelessness and need, mainly (but not exclusively) orphaned children and widows, in Uganda or such other parts of the world as the Trustees may, from time to time, see fit.
- To advance education in accordance with Christian principles and teachings by means of establishing and operating educational establishments in Uganda or such other parts of the world as the Trustees may, from time to time, see fit.
- To promote and fulfil such other charitable purposes beneficial to communities in Uganda and in other parts of the world as the Trustees may, from time to time, see fit.

Our core funding goes towards the provision of care for orphaned babies and children and vulnerable children and women in Uganda. Education and medical support are not free at the point of use in Uganda, so as well as helping to support the individual, we also support teachers, teaching and medical programmes. In order to achieve all this, we are also involved in the building and running of capital projects such as homes and schools and support many other local projects where the general aim is to set up self-sustaining and caring communities which can carry on the charitable objectives.

How do we achieve this?

We achieve our charitable objectives through multiple different streams including but not limited to grant funding, sponsorship activity and donations. We also regularly can be found giving interactive and engaging talks across the UK at churches, schools, or at concerts given by the Watoto Children’s Choir. Ninety per cent of the sponsorship money is then passed over to the Ugandan office of Watoto Childcare Ministries for distribution in accordance with the designated wishes of the sponsor or donor and fulfilling our core objectives as set out above.

We also encourage individuals and teams of volunteers to go to Uganda and assist with the many projects being undertaken (e.g. construction, maintenance, education, sustainability, development) and we consider the contribution from such volunteers in terms of time and experience to be invaluable. It has been a joy to see the first few visitors returning to Uganda through our Visit Watoto program, and in 2023 we sent a number of individuals and small groups to help support the work of Watoto in Uganda.

WATOTO CHILD CARE MINISTRIES

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Our operational costs are financed by fundraising activities, a 10% contribution from sponsorship and restricted donation receipts and from gift aid claimed on those sponsorship and donation receipts. Between October 2023 and December 2024, while operational costs are somewhat higher, it has been agreed with the Ugandan office that the UK office will retain an additional 8% from sponsorship and restricted donations to help offset costs, ahead of a return to growth and thus a plan to return to the 10% contributions from January 2025.

Fundraising activities

As well as raising awareness of Watoto and its objectives and raising new sponsors, our main fundraising comes from arranging and promoting the annual Watoto Children's Choir tour, the many talks given up and down the UK and from merchandise sales at both of these events. Much of the merchandise is made in Uganda by the women that we help support and, each year, the choir tour has a new production the title of which is also their latest CD and, this too, goes on general sale. We are delighted to be welcoming back from April to July 2024, the "Better Days" performance of the Watoto Children's Choir. In 2023, we have been earnestly preparing for this, and contracted a part-time Choir Tour Coordinator as part of this preparation.

The Trustees use the following key performance indicators:

- The amount of donations and sponsorship received and the net movement in number of sponsors/donors during the year:
- The number of performances organised for the children's choir each year and the average returns for each performance both per venue and per capita for new sponsors, offerings and merchandise sales; and
- The cost efficiency of operations.

Cost efficiency of operations continues to be monitored in our office. Leading into 2023, the staffing levels were in place to continue minimal operations. In the appointment of an Executive Director in late 2023, the trustees are keen to see the UK return to growth and subsequently supported the Executive Director in a reorganisation of the team as we bid farewell to two finance employees moving into retirement, and subsequently outsourced much of the financial operation to the reputable firm of James Cowper Kreston. In the absence of a Director in place for much of the year, fundraising activities were few and far between, but plans for the year ahead were coming well into place and we anticipate a substantial return to growth in the year ahead.

Future Plans

As 2023 developed, we saw continuing opportunity for Watoto to re-establish itself in the UK through a bolstered and effective team, and in appointing Andrew White as Executive Director, we are excited to see a new-look team coming together. In 2024 we anticipate the hiring of a full-time Choir Tour Coordinator, alongside a full-time Sponsorship Coordinator and even the possibility of hiring someone to come in to assist with development opportunities across the UK part-time. The choir will arrive in April 2024 and remain in the UK for three months, where we anticipate the tour performing to approximately 85,000 people across 81 different venues from northern Scotland to south-west England. Our new Executive Director plans to also conduct a UK-wide tour visiting with church leaders, sponsors and donors and we intend on exhibiting at five major Christian events across the country during the year also.

WATOTO CHILD CARE MINISTRIES

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Structure, Governance and Management

Governing Document

The Charity is constituted under a Trust Deed dated 9th March 1999, amended 6th November 2001 (charity No. 1090810) and is operated in accordance with its governing document, the deed of trust and constitutes an unincorporated charity.

The Trustee Board

The board of Trustees meets every six months to set and review the strategy of the Charity. The Executive Director is appointed by the board and to whom it delegates responsibility for the day to day running of the Charity.

The Board of Trustees is fully committed to the financial stewardship, quality and safety of the Charity.

The Trustees are guided by an agreed scheme of corporate governance which sets out their responsibilities and those of the Executive Director. The Board of Trustees regularly consider the skills mix required to support the Charity.

New Trustees are selected from long-term supporters of the Charity with the appropriate skills and are interviewed by Senior Trustees before being offered appointment. They are encouraged to visit Uganda to view the works undertaken there and they undertake an induction programme designed to ensure their understanding of the trustee role and their wider knowledge of Watoto and its philosophy.

All Trustees give of their time freely and no trustee received any remuneration during the year. Details of Trustees expenses are disclosed in note 8 in the accounts.

Risk Management

The Trustees regularly review the risks faced by the Charity, in particular those related to financial security and operationally surrounding choir tours, to ensure that key risks have been identified, and that suitable plans are in place to prevent or manage these risks. We approach risk management on three levels; strategic, operational and at project level. This enables both Trustees and staff to undertake the identification of risk and allows clear allocation of responsibilities for managing these risks. Trustees and staff use a clear understanding of risk to help inform decision making within the Charity, including decisions regarding use of resources, tour planning, sponsor recruitment and development.

WATOTO CHILD CARE MINISTRIES

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Financial Review & Trustee's Responsibilities

Overview

The year ended with a deficit of £10,834 in unrestricted funds (2022 - £27,717 deficit) and a deficit in restricted funds of £40,933 (2022 - £4,346 deficit) giving a net total deficit for the year of £51,767 (2022 - £32,063 deficit).

Income

Restricted Funds

Sponsorship donations have seen a fall of 10.48% (£58,637) on 2022 levels, which was within the budgeted parameters for net attritional losses during the year. 2023 proved, as expected, to be difficult for finding sponsorship promotional opportunities with the limited staffing resources. Overall, income into restricted funds fell by £11.87 (69,095%) in 2023.

Unrestricted Funds

General donations fell by £3,784. Gift aid receipts fell by 4.67% (£4,570) from £97,861 in 2022 to £93,291 in 2023. A significant proportion of this can be attributed to the fall in sponsor numbers (as above) but we also have an increasingly aging donor base and the changing financial situations of many means that they are no longer able to gift-aid their donations. Allied with the extended inability to re-commence any fundraising activities, the Charity suffered a total deficit for the year of £51,767 (being £40,933 through restricted funds and £10,834 through unrestricted funds).

The nature of the Charity's activities means that income growth is unlikely to be restored before mid-2024 at the earliest. In acknowledgement of this, the Charity continued to monitor and restrict expenditure wherever possible in 2023 and until such times as income generation can properly resume.

Expenditure

Restricted Funds

In line with the fall in income, grant fund payments to Uganda fell by 1.91% to £575,121 in 2023 (2022 - £586,315). The board noted that this trend was likely to continue whilst there was an inability to increase sponsorship numbers.

Unrestricted Funds

Overall, expenditure through Unrestricted Funds fell 10.47% (£21,991) from £210,088 in 2022 to £188,097 in 2023. There were trustee meeting expenses of £NIL in the year (2022 - £1,604).

At the year end the Charity holds reserves totalling £174,149 (2022 - £225,916), comprising restricted reserves of £123,592 (2022 - £164,525), and unrestricted reserves of £50,557 (2022 - £61,391). The Charity has available free reserves at the balance sheet date of £6,561 (2022 - £20,887). The Trustees acknowledge that this figure is low and continue to look to implement processes which will restore the balance to previous levels over the coming 3-5 years. With the next choir tour taking place in 2024, all efforts continue to be channelled into formulating – and holding – a break-even budget.

Investment Policy

The Trustees have the power to invest in such assets as they see fit. Funds are held in UK banks to enable the Charity to access them as and when required. Accessibility of funds is very important to the Charity as, this way, we are able to allocate and distribute funds as soon as they are required. The Trustees may, from time to time, use the services of a professional investment adviser; none were required in the year under review.

Reserves Policy

All reserves are held to be applied to meet with the objectives set out above. Free reserves amounting to three months operating costs should be held as a minimum requirement. The Trustees accept that, currently, this is not the case and are planning to see that this is achieved in the shortest time frame possible with effect from 2024 when the choir are expected to return. The effects of Covid-19 has meant that no choir tours were possible from 2021 to 2023 and the board are of the opinion that it is extremely difficult to achieve this aim until then.

WATOTO CHILD CARE MINISTRIES

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

The Charity has three designated funds. A number of donors give monies with preference that it be used in one of three broad areas though this is not a specified restriction. These three broad areas and the funds created are:

Where Most Needed – A third group give donations freely but with an expressed preference that they be immediately available for use by the Country Director (with board approval) to put towards any emergency purpose or appeal, either in the UK or elsewhere in the world, as they see fit and appropriate. £3,492 was received into this fund during 2023 and the fund had a balance at the year end of £30,181.

Operational Development Fund – A number of individuals and churches give donations with a preference, in the first instance, that they be used to help advance the Christian faith and defray the costs of promoting and growing the work of Watoto in the UK. There was £NIL received into this fund during 2023 and the fund has a balance at the year-end of £12,900.

Keep The Choir On The Road – The choir has many supporters some of whom give money with the preference that, in the first instance, it be used to help defray any unforeseen (and, thus, unbudgeted) choir tour costs. £NIL was received into this fund during 2023 and the balance on the fund at the year-end was £915.

The board decided that these donations should be specifically recorded and acknowledged and set up these three designated funds to record this. No minimum or maximum fund balances have been set and it was envisaged that, under normal circumstances, the majority of these donations would be utilised in the year that they are received. However, since all such activity has had to be suspended since 2020, the board have agreed that income should continue to accrue into these funds until such times as activities recommence, and the funds can be properly utilised.

Approved by order of the members of the board of Trustees and signed on their behalf by:


.....
J Skinner

Date: July 11, 2024

WATOTO CHILD CARE MINISTRIES

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2023**

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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.

Approved by order of the members of the board of Trustees and signed on its behalf by:



J Skinner

Date: July 11, 2024

WATOTO CHILD CARE MINISTRIES

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Independent Examiner's Report to the Trustees of Watoto Child Care Ministries ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 December 2023.

Responsibilities and Basis of Report

As the Trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent Examiner's Statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the ICAEW, which is one of the listed bodies.

Your attention is drawn to the fact that the Charity has prepared the accounts 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed: *Wenn Townsend* Dated: 12 July 2024

FCA

Wenn Townsend, Chartered Accountants, Oxford

WATOTO CHILD CARE MINISTRIES

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	3	512,874	174,738	687,612	762,314
Charitable activities	4	-	-	-	1,550
Other trading activities	5	-	489	489	60
Investments	6	-	2,036	2,036	416
Total income		512,874	177,263	690,137	764,340
Expenditure on:					
Raising funds		-	-	-	30
Charitable activities	7	553,807	188,097	741,904	796,373
Total expenditure		553,807	188,097	741,904	796,403
Net movement in funds		(40,933)	(10,834)	(51,767)	(32,063)
Reconciliation of funds:					
Total funds brought forward		164,525	61,391	225,916	257,979
Net movement in funds		(40,933)	(10,834)	(51,767)	(32,063)
Total funds carried forward		123,592	50,557	174,149	225,916

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 13 to 28 form part of these financial statements.

WATOTO CHILD CARE MINISTRIES

**BALANCE SHEET
AS AT 31 DECEMBER 2023**

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	4,592	4,659
		4,592	4,659
Current assets			
Stocks	13	5,870	5,870
Debtors	14	37,505	145,102
Cash at bank and in hand		171,077	119,542
		214,452	270,514
Creditors: amounts falling due within one year	15	(44,895)	(49,257)
		169,557	221,257
Total assets less current liabilities		174,149	225,916
Total net assets		174,149	225,916
Charity funds			
Restricted funds	16	123,592	164,525
Unrestricted funds	16	50,557	61,391
Total funds		174,149	225,916

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



J Skinner

Date: 30 July 2024

The notes on pages 13 to 28 form part of these financial statements.

WATOTO CHILD CARE MINISTRIES

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 £	2022 £
Cash flows from operating activities		
Net cash used in operating activities	52,107	(98,404)
	<hr/>	<hr/>
Cash flows from investing activities		
Dividends, interests and rents from investments	2,036	416
Purchase of tangible fixed assets	(2,608)	-
	<hr/>	<hr/>
Net cash (used in)/provided by investing activities	(572)	416
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	51,535	(97,988)
Cash and cash equivalents at the beginning of the year	119,542	217,530
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	171,077	119,542
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 13 to 28 form part of these financial statements

WATOTO CHILD CARE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. General information

The Charity is an unincorporated Charity registered with the Charity Commission (number 1090810), its principle address is detailed within the legal and administration section of the accounts.

2. Accounting policies

2.1 Basis of preparation of financial statements

The accounts have been prepared in accordance with the Charity's trust deed, the Charities Act 2011 and the '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)' (effective 01 January 2019). The Charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

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

2.2 Going concern

At the time of approving the financial statements, the Trustees foresee no material uncertainties and are confident that the Charity has both adequate resources and the means of maintaining them for at least 12 months from the approved date of these accounts. Expenditure is largely fixed by nature and, thus, fairly predictable. Sponsorship income has held-up better than expected during the pandemic and, now that the worst is now behind us, the Trustees are confident that income will start to rise over the coming 12 months. The Charity has a number of temporary measures to fall back on should recovery not be at the expected rate. These include an increase in the level of retained sponsorship and a salary reduction.

2.3 Income

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

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the Charity's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it 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.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

WATOTO CHILD CARE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.3 Income (continued)

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.4 Expenditure

Expenditure is recognised on the accruals basis and is recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure, it is probable that settlement will be required and the amount of the obligation can be measured. Where possible, expenditure is allocated directly to activities undertaken. Support costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource. The majority of support costs (80%) are apportioned on the basis of staff time spent on each activity; bank and finance charges are apportioned in line with receipts; governance costs are apportioned in an equal 3-way split.

Grant and donations paid are accounted for when paid.

All expenditure is inclusive of irrecoverable VAT.

2.5 Gift Aid

Where the right to receive Gift Aid has been established, the amount receivable is recognised as Income from donations and legacies in the Statement of Financial Activities.

2.6 Taxation

The Charity is not subject to Corporation Tax. It is entitled to claim from HM Revenue and Customs the tax associated with income received under gift aid.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives are as follows:

Motor vehicles	-	5 years
Office furniture	-	5 years
Office equipment	-	5 years
Computer equipment	-	3 years
Choir equipment	-	3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Financial Activities.

WATOTO CHILD CARE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and 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.

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.12 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

2.14 Pensions

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

WATOTO CHILD CARE MINISTRIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.15 Fund accounting (continued)

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Income from donations and legacies

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Donations and gifts	512,874	81,447	594,321
Gift aid reclaimed	-	93,291	93,291
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
	512,874	174,738	687,612
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	<i>Restricted funds 2022 £</i>	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Donations and gifts	578,326	82,484	660,810
Gift aid reclaimed	3,643	97,861	101,504
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
	581,969	180,345	762,314
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4. Income from charitable activities

	Total funds 2023 £
Speaker's fees	-
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	-
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WATOTO CHILD CARE MINISTRIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

4. Income from charitable activities (continued)

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Speaker's fees	1,550	1,550

5. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2023 £	Total funds 2023 £
Choir tour - merchandise sales	489	489

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Choir tour - merchandise sales	60	60

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Interest receivable	2,036	2,036

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Interest receivable	416	416

WATOTO CHILD CARE MINISTRIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

7. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2023 £	Unrestricte d funds 2023 £	Total 2023 £
Grant funding to Uganda	553,807	120,623	674,430
Choir Tour	-	32,343	32,343
Development and engagement	-	35,131	35,131
	<u>553,807</u>	<u>188,097</u>	<u>741,904</u>
	<i>Restricted funds 2022 £</i>	<i>Unrestricted funds 2022 £</i>	<i>Total 2022 £</i>
Grant funding to Uganda	586,315	160,780	747,095
Choir Tour	-	25,014	25,014
Development and engagement	-	24,264	24,264
	<u>586,315</u>	<u>210,058</u>	<u>796,373</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Grant funding to Uganda	560,096	114,334	674,430
Choir Tour	1,907	30,436	32,343
Development and engagement	3,730	31,401	35,131
	<u>565,733</u>	<u>176,171</u>	<u>741,904</u>

WATOTO CHILD CARE MINISTRIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

8. Analysis of expenditure by activities (continued)

	<i>Activities undertaken directly 2022 £</i>	<i>Support costs 2022 £</i>	<i>Total funds 2022 £</i>
Grant funding to Uganda	592,963	154,132	747,095
Choir Tour	2,131	22,883	25,014
Development and engagement	741	23,523	24,264
	<u>595,835</u>	<u>200,538</u>	<u>796,373</u>

Analysis of support costs

	Uganda Programme 2023 £	Choir Tour 2023 £	Developme nt and engagement 2023 £	Total funds 2023 £
Staff costs	72,332	7,364	13,872	93,568
Admin and office expenses	8,172	948	948	10,068
Admin travel and subsistance	5,941	1,128	742	7,811
Bank and finance charges	5,483	607	607	6,697
Van costs	-	2,170	-	2,170
Rent, services and insurance	12,203	10,664	10,664	33,531
Storage, repairs and maintainance	-	3,087	-	3,087
Office and IT equipment	3,348	191	292	3,831
Depreciation	618	75	75	768
Legal and professional	2,325	290	289	2,904
Governance	3,912	3,912	3,912	11,736
	<u>114,334</u>	<u>30,436</u>	<u>31,401</u>	<u>176,171</u>

WATOTO CHILD CARE MINISTRIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Uganda Programme</i> 2022 £	<i>Choir Tour</i> 2022 £	<i>Development and engagement</i> 2022 £	<i>Total funds</i> 2022 £
Staff costs	123,921	-	5,860	129,781
Admin and office expenses	4,514	2,709	1,805	9,028
Admin travel and subsistence	887	532	355	1,774
Bank and finance charges	7,311	385	901	8,597
Van costs	156	1,253	157	1,566
Rent, services and insurance	10,785	10,389	10,191	31,365
Storage, repairs and maintenance	152	2,745	153	3,050
Office and IT equipment	1,735	1,041	694	3,470
Depreciation	840	556	414	1,810
Legal and professional	1,396	838	559	2,793
Governance	2,435	2,435	2,434	7,304
	<u>154,132</u>	<u>22,883</u>	<u>23,523</u>	<u>200,538</u>

9. Independent examiner's remuneration

	2023 £	2022 £
Fees payable to the Charity's independent examiner for the independent examination of the Charity's annual accounts	<u>6,000</u>	<u>5,700</u>

10. Staff costs

	2023 £	2022 £
Wages and salaries	89,350	116,705
Social security costs	1,780	8,841
Contribution to defined contribution pension schemes	2,438	4,235
	<u>93,568</u>	<u>129,781</u>

WATOTO CHILD CARE MINISTRIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

10. Staff costs (continued)

The average number of persons employed by the Charity during the year was as follows:

	2023 No.	<i>2022 No.</i>
Employees	5	<i>5</i>

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the Charity comprise the trustees and the Chief Executive and the total employee benefits (including pension contributions and employer's National Insurance) of key management personnel was £17,300 (2022 - £55,625). During the period and the comparative Charity trustees were neither paid nor received any other benefits from employment with the Charity

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 December 2023, no Trustee expenses have been incurred (2022 - £1,604).

12. Tangible fixed assets

	Motor vehicles £	Office furniture £	Office equipment £	Computer equipment £	Choir equipment £	Total £
Cost or valuation						
At 1 January 2023	19,144	1,324	6,633	20,148	48,638	95,887
Additions	-	-	-	2,608	-	2,608
At 31 December 2023	19,144	1,324	6,633	22,756	48,638	98,495
Depreciation						
At 1 January 2023	19,144	1,084	6,488	19,651	44,861	91,228
Charge for the year	-	131	75	562	1,907	2,675
At 31 December 2023	19,144	1,215	6,563	20,213	46,768	93,903
Net book value						
At 31 December 2023	-	109	70	2,543	1,870	4,592
<i>At 31 December 2022</i>	-	<i>240</i>	<i>145</i>	<i>497</i>	<i>3,777</i>	<i>4,659</i>

WATOTO CHILD CARE MINISTRIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

13. Stocks

	2023	2022
	£	£
Finished goods and goods for resale	5,870	5,870
	<u><u>5,870</u></u>	<u><u>5,870</u></u>

14. Debtors

	2023	2022
	£	£
Due within one year		
Trade debtors	-	460
Other debtors	96	58,273
Prepayments and accrued income	37,409	86,369
	<u><u>37,505</u></u>	<u><u>145,102</u></u>

15. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	2,045	7,077
Other taxation and social security	25,677	19,340
Other creditors	1,776	9,176
Accruals and deferred income	15,397	13,664
	<u><u>44,895</u></u>	<u><u>49,257</u></u>

Included in the creditors above are pensions of £25,677 (2022 - £19,340).

	2023	2022
	£	£
Deferred income at 1 January 2023	2,264	3,694
Resources deferred during the year	9,673	8,830
Amounts released from previous periods	(8,381)	(10,260)
	<u><u>3,556</u></u>	<u><u>2,264</u></u>

WATOTO CHILD CARE MINISTRIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

16. Statement of funds

Statement of funds - current year

	Balance at 1 January 2023 £	Income £	Expenditure £	Balance at 31 December 2023 £
Unrestricted funds				
Designated funds				
Where most needed fund	26,689	3,492	-	30,181
Operational development fund	12,900	-	-	12,900
Keep Choir on the road	915	-	-	915
	<u>40,504</u>	<u>3,492</u>	<u>-</u>	<u>43,996</u>
General funds				
General Funds - all funds	20,887	173,771	(188,097)	6,561
	<u>61,391</u>	<u>177,263</u>	<u>(188,097)</u>	<u>50,557</u>
Restricted funds				
Child	40,789	340,749	(371,535)	10,003
Mother	3,815	36,537	(38,727)	1,625
Baby	3,716	39,270	(39,739)	3,247
Neighbourhood child	5,039	53,934	(56,935)	2,038
Neighbourhood mother	2,415	21,756	(21,809)	2,362
Teacher	216	1,696	(1,765)	147
Special needs	1,089	6,029	(6,047)	1,071
Seeds	2,157	5,104	(5,210)	2,051
Watoto Uganda support fund	90,523	702	(396)	90,829
Gift pool	703	1,000	(1,200)	503
Gulu Project	68	1,695	(2,274)	(511)
Christmas appeal	3,274	1,773	(1,766)	3,281
Sustainability Project	-	1,006	(1,006)	-
Keep a girl in school	1,000	469	(1,294)	175
Other appeals	5,617	1,154	-	6,771
Winnie's medical appeal	13	-	(13)	-
Visit Watoto	4,091	-	(4,091)	-
	<u>164,525</u>	<u>512,874</u>	<u>(553,807)</u>	<u>123,592</u>

WATOTO CHILD CARE MINISTRIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

16. Statement of funds (continued)

Total of funds	225,916	690,137	(741,904)	174,149
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Statement of funds - prior year

	<i>Balance at 1 January 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 December 2022 £</i>
Unrestricted funds				
General Funds - all funds	53,361	177,614	(210,088)	20,887
Where most needed fund	21,932	4,757	-	26,689
Operational development fund	12,900	-	-	12,900
Keep Choir on the road	915	-	-	915
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	89,108	182,371	(210,088)	61,391
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Restricted funds

Child	40,967	381,912	(382,090)	40,789
Mother	3,869	39,977	(40,031)	3,815
Baby	4,713	45,343	(46,340)	3,716
Neighbourhood child	5,653	60,266	(60,880)	5,039
Neighbourhood mother	2,693	25,404	(25,682)	2,415
Teacher	216	1,728	(1,728)	216
Special needs	1,632	6,456	(6,999)	1,089
Seeds	1,700	5,880	(5,423)	2,157
Watoto Uganda support fund	90,586	4,566	(4,629)	90,523
Gift pool	383	870	(550)	703
Gulu Project	1,064	3,189	(4,185)	68
Christmas appeal	4,504	2,994	(4,224)	3,274
Keep a girl in school	1,020	3,075	(3,095)	1,000
Other appeals	5,767	309	(459)	5,617
Winnie's medical appeal	13	-	-	13
Visit Watoto	4,091	-	-	4,091
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	168,871	581,969	(586,315)	164,525
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Total of funds	257,979	764,340	(796,403)	225,916
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WATOTO CHILD CARE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

17. Restricted funds

Restricted funds fall into three categories:

1. Sponsorship – Sponsorship is an on-going regular commitment to support the holistic care of babies, children and mothers; either as individuals or as a general support to those areas. Sponsorship is promoted, and new sponsors gained, mainly at choir concerts and we are now developing new avenues for sponsorship income. Ninety per cent of all sponsorship income is sent directly to Uganda and the groups that we help support are:

Babies.

Children.

Children with special needs – because of their additional care costs, sponsorship of these children is higher.

Mothers.

Neighbourhood children and mothers – these are not located in our Watoto villages but in the surrounding neighbourhoods. All are single-parent families.

Teachers – education is not free in Uganda so, by employing its own teachers, Watoto can guarantee an education to all children in its care.

Watoto Uganda support fund – largely regular donations that are not restricted to any of the above but are for free distribution by Watoto Uganda.

2. Appeals – These are discrete, single purpose donations usually in response to an appeal and 100% of these donations are sent to Uganda. We run an autumn / Christmas appeal each year to enable all in our care to receive a small gift at Christmas and, in addition to this, the UK supported the following appeals during 2022:

Gift pool – any separate donation made for a child are pooled so that all children may receive a small gift on their birthday.

Gulu project – this is a specific village project in the north of Uganda.

Keep a girl in school project – provides resources to help keep young, marginalised girls in school in Uganda and South Sudan e.g. school fees, uniforms, personal hygiene, mentoring.

Watoto education programme – provides comprehensive education to Ugandan youth through Ugandan educational institutions.

3. Visit Watoto – sponsors and supporters are encouraged to visit Uganda and, if appropriate, volunteer to assist with one of our many ongoing projects. Visit Watoto is the receipt of monies to pay for travel, accommodation and subsistence on these trips and 100% of this money will be passed over to Uganda. At the outbreak of Covid-19, all visits to Uganda ceased with Uganda experiencing a much longer shut-down period than most parts of the world. As a result, visits under the scheme are expected to recommence during 2025.

18. Designated funds

Where most needed – this fund is available for the immediate use of the Chief Executive for any emergency purpose, either in the UK or elsewhere in the world, as he sees fit and appropriate.

Operational development fund – this fund is available to the Chief Executive in helping defray costs incurred in the development and growth of new fundraising activities and income streams.

Keep the choir on the road – this fund is available to defray any exceptional, unbudgeted choir tour costs.

WATOTO CHILD CARE MINISTRIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

19. Summary of funds

Summary of funds - current year

	Balance at 1 January 2023 £	Income £	Expenditure £	Balance at 31 December 2023 £
Designated funds	40,504	3,492	-	43,996
General funds	20,887	173,771	(188,097)	6,561
Restricted funds	164,525	512,874	(553,807)	123,592
	<u>225,916</u>	<u>690,137</u>	<u>(741,904)</u>	<u>174,149</u>

Summary of funds - prior year

	<i>Balance at 1 January 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 December 2022 £</i>
Designated funds	89,108	182,371	(210,088)	61,391
Restricted funds	168,871	581,969	(586,315)	164,525
	<u>257,979</u>	<u>764,340</u>	<u>(796,403)</u>	<u>225,916</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2023 £	Unrestrict ed funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	4,592	4,592
Current assets	123,592	90,860	214,452
Creditors due within one year	-	(44,895)	(44,895)
Total	<u>123,592</u>	<u>50,557</u>	<u>174,149</u>

WATOTO CHILD CARE MINISTRIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Restricted funds 2022 £</i>	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	-	4,659	4,659
Current assets	164,525	105,989	270,514
Creditors due within one year	-	(49,257)	(49,257)
Total	164,525	61,391	225,916

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)	(51,767)	(32,063)
Adjustments for:		
Depreciation charges	2,675	3,717
Dividends, interests and rents from investments	(2,036)	(416)
Decrease in stocks	-	94
Decrease/(increase) in debtors	107,597	(49,742)
Decrease in creditors	(6,095)	(23,965)
Increase in accruals and deferred income	1,733	3,971
Net cash provided by/(used in) operating activities	52,107	(98,404)

22. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	171,077	119,542
Total cash and cash equivalents	171,077	119,542

WATOTO CHILD CARE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

23. Analysis of changes in net debt

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	119,542	51,535	171,077
	119,542	51,535	171,077

24. Operating lease commitments

At 31 December 2023 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	22,554	22,554
Later than 1 year and not later than 5 years	-	22,554
	22,554	45,108

25. Related party transactions

There were Trustee expenses of £NIL during the period (2022 - £1,604). There were no amounts owing to or owed by the Trustees or other related parties at the balance sheet date (2022 - £NIL). These payments are permissible under sections 19 and 20 of the Charity's trust deed.

Aggregated donations received from the Trustees or related parties without conditions during the period were £22,908 (2022 - £18,860).

Trustees of Watoto Child Care Ministries hold a controlling position in Watoto Uganda. Grant funding is paid to Watoto Uganda, and during the period this totalled £569,367 (2022 - £586,315).

WATOTO CHILD CARE MINISTRIES

England & Wales - Charity number 1090810

Accounts

Watoto

Watoto Child Care Ministries

Annual Report and Financial Statements

For the year ended 31 December 2022

Watoto Child Care Ministries

Annual Report and financial statements for the year ended 31 December 2022

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Watoto Child Care Ministries

Annual Report and financial statements for the year ended 31 December 2022

Legal and Administrative details

Registered Name	Watoto Childcare Ministries
Status	The organisation constitutes an unincorporated charity
Governing Document	The Charity was established under a Trust Deed dated 9 th March 1999 and amended 6 th November 2001.
Trustees	J Rwotlonyo (Chair) G Skinner J Skinner S Campbell (Resigned 31.07.23) J Penry R Walsh D Watt
Charity number	1090810
Principal address	CMS House Watlington Road Cowley Oxford OX4 6BZ
Independent Examiner	Wenn Townsend 30 St. Giles Oxford OX1 3LE
Bankers	The Royal Bank of Scotland Drummond House Redheughs Avenue Edinburgh EH12 9RH
Solicitors	Anthony Collins Solicitors 134 Edmund St. Birmingham B3 2ES

Watoto Child Care Ministries
Annual Report and financial statements for the year ended 31 December 2022
Trustees' report (including strategic report)

The Trustees present their report with the financial statements of Watoto Childcare Ministries (the Charity) for the year ended 31st December 2022. The content of the report and the financial statements comply with current statutory requirements, the Charity's governing document, deed of trust, the Charities Act 2011 and 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 (FRS102) (effective 1 January 2019).

James Skinner (Secretary) Statement

2022 was a year of significant change at Watoto UK as the charity continued to adjust to the long-term impacts of the COVID-19 pandemic in the UK, as well as in the communities in Uganda and South Sudan that depend upon Watoto's ongoing support.

At the beginning of September, the Executive Director resigned. Given the declining revenue from donations, and it being unlikely that the Watoto Children's Choir will travel to the United Kingdom until 2024, the Trustees decided to postpone the appointment of a new Executive Director until 2023. This allowed the charity to offset declining inflows by reducing operational costs, resulting in a total deficit of £32,063 in 2022.

I am happy to report that Watoto UK distributed £586,315 to Watoto Child Care Ministries in Uganda in 2022. I'm also happy to report that throughout the year Watoto UK retained only 10% of sponsorship donations to support operational costs. This emphasises our commitment to provide essential care for Africa's most disadvantaged individuals. The trustees recognise that this percentage may need to be increased at a future date and remain committed to ensuring that Watoto UK continues to operate from a position of strength, while conducting its vital work in Africa with integrity and prudence.

Watoto UK continues to prioritise support for the holistic care of orphans, widows and other vulnerable people in Uganda and South Sudan, and I'd like to express my sincere gratitude to each of our donors and partners in the United Kingdom who continued to give generously in 2022.

James Skinner
Secretary to Board of Trustees

Objectives, activities and public benefit

Objectives – why we are here

In 1984, during a time of civil war, aids epidemic and great civil upheaval, Watoto ("Watoto" is Swahili for "children") set up a church in Kampala, Uganda, to reach out to the poor and vulnerable of the country – women and children – in order to offer love, hope and an opportunity to enhance and change their lives through the teachings of the Bible. In 1999, Watoto Childcare Ministries was set up in the UK with a holistic approach to provide financial, spiritual and educational support to Watoto in Uganda. Since then, we have helped rescue thousands of abandoned children, placing them in loving families and

Watoto Child Care Ministries
Annual Report and financial statements for the year ended 31 December 2022
Trustees' report (including strategic report)

we have come alongside vulnerable women, equipping them with skills and empowering them to become mothers and leaders.

The median age in Uganda is 15.8 years (UK – 40.5 years) making it the youngest population in the world and, partly as a result, it is one of the poorest in the world with average family income less than \$800 p.a. Watoto UK, through its sponsors and donors helps provide a loving family, home, education, food and medical care to over 3,000 orphaned and abandoned children each year. In addition, we also help support over 3,000 women and 15,000 children through the Watoto Neighbourhood programme.

There are similar, autonomous, organisations operating in the U.S.A., Canada, Australasia, Brazil, Hong Kong and across Europe.

In setting our objectives and planning activities, the Trustees have referred to the Charity Commission's guidance on public benefit and, in particular, to its supplementary public benefit guidance on religion and education and are able to confirm their belief that the trust's activities are of public benefit.

Our core objectives are as follows:

- To advance the Christian faith in Uganda, the UK and such other parts of the world as the Trustees may, from time to time, see fit.
- To care for and relieve distress amongst those who are suffering under conditions of hardship, sickness, homelessness and need, mainly (but not exclusively) orphaned children and widows, in Uganda or such other parts of the world as the Trustees may, from time to time, see fit.
- To advance education in accordance with Christian principles and teachings by means of establishing and operating educational establishments in Uganda or such other parts of the world as the Trustees may, from time to time, see fit.
- To promote and fulfil such other charitable purposes beneficial to communities in Uganda and in other parts of the world as the Trustees may, from time to time, see fit.

Our core funding goes towards the provision of care for orphaned babies and children and vulnerable children and women in Uganda. Education and medical support are not free at the point of use in Uganda, so as well as helping to support the individual, we also support teachers, teaching and medical programmes. In order to achieve all this, we are also involved in the building and running of capital projects such as homes and schools and support many other local projects where the general aim is to set up self-sustaining and caring communities which can carry on the charitable objectives.

Activities, achievements and performance

How do we achieve this?

We achieve our charitable objectives through grant funding of Watoto Childcare Ministries – Ugandan office. Sponsors and donors to our various programmes are invited to join the Watoto family at talks or services given around the UK. These are given at churches, faith groups and schools, or at concerts given by the Watoto Ugandan Orphans Choir. Ninety per cent of the sponsorship money is then passed over to the Ugandan office of Watoto Childcare Ministries for distribution in accordance with the designated wishes of the sponsor or donor and fulfilling our core objectives as set out above.

We also encourage individuals and teams of volunteers to go to Uganda and assist with the many projects being undertaken (e.g. construction, maintenance, education, sustainability, development) and we consider the contribution from such volunteers in terms of time and experience to be invaluable. All visits had to stop at the outbreak of Covid-19 and national restrictions stopped all further visits until the end of 2022. Although some staff have, since then, been able to visit Uganda, we project that it will not be until 2024, at the earliest, before Visit Watoto is operational again.

Watoto Child Care Ministries
Annual Report and financial statements for the year ended 31 December 2022
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Our operational costs are financed by fundraising activities, a 10% contribution from sponsorship and restricted donation receipts and from gift aid claimed on those sponsorship and donation receipts.

Fundraising activities

As well as raising awareness of Watoto and its objectives and raising new sponsors, our main fundraising comes from arranging and promoting the annual Watoto Children's Choir tour, the many talks given up and down the UK and from merchandise sales at both of these events. Much of the merchandise is made in Uganda by the women that we help support and, each year, the choir tour has a new production the title of which is also their latest CD and, this too, goes on general sale. Due to the effects of Covid-19, we anticipate that choir tours will not be able to return again until 2024.

The Trustees use the following key performance indicators:

- The amount of donations and sponsorship received and the net movement in number of sponsors/donors during the year:
- The number of performances organised for the children's choir each year and the average returns for each performance both per venue and per capita for new sponsors, offerings and merchandise sales; and
- The cost efficiency of operations.

Cost efficiency of operations continues to be monitored in Oxford. The long-term financial impact of Covid-19 has resulted in a further reduction in staff roles as longstanding fundraising activities (such as the choir) will not be operational until 2024. The staffing levels are in place to continue operations and to effectively support strategic operational goals for 2022 and 2023. It should be noted that church gatherings – an important access for fundraising activities - were very slow in resuming, with many not fully opening up until late 2022, and churches reporting significant falls in attendance from pre-covid levels. This development continues to be monitored.

Financial review

The year ended with a deficit of £27,717 in unrestricted funds (2021: £44,807 surplus) and a deficit in restricted funds of £4,346 (2021: £4,817 surplus) giving a net total deficit for the year of £32,063 (2021: £49,624 surplus).

Income

Restricted Funds

Sponsorship donations have seen a fall of 9.3% (£58,080) on 2021 levels, which was within the budgeted parameters for net attritional losses during the year. 2022 once again proved, as expected, to be difficult for finding sponsorship promotional opportunities. Watoto UK participates in an (international) appeal each year for Uganda but, due to staffing reductions, the Charity was not fully able to engage in the 2022 appeal. Thus, appeal income fell by £13,900 (59.2%) in the year. Overall, income into restricted funds fell by £73,330 (11.2%) in 2022.

Unrestricted Funds

Sponsorship donations (unrestricted) fell by 11% (£8,256) during the year. As above, the drop was within budgeted expectations. General donations fell by £8,931 and this was entirely due to two, one-off, donations totalling £9,000 being received in 2021. Gift aid receipts fell by 22.2% (£27,862) from £125,723 in 2021 to £97,861 in 2022. A significant proportion of this can be attributed to the fall in sponsor numbers (as above) but we also have an increasingly aging donor base and the changing financial situations of many means that they are no longer able to gift-aid their donations. Finally, the beneficial effects of the government's furlough scheme in 2020 and 2021 were hugely instrumental in the survival of the Charity during those two years, and the loss of that income (£68,481 in 2021) was strongly felt in 2022. Allied with the extended inability to re-commence any fundraising activities, the Charity suffered a total deficit for the year of £32,063 (being £4,346 through restricted funds and £27,717 through unrestricted funds).

The nature of the Charity's activities means that income growth is unlikely to be restored before mid-2024 at the earliest. In acknowledgement of this, the Charity continued to monitor and restrict expenditure wherever possible in 2022 and will continue to do so through 2023/24 and until such times as income generation can properly resume.

Watoto Child Care Ministries
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Trustees' report (including strategic report)

Expenditure

Restricted Funds

In line with the fall in income, grant fund payments to Uganda fell by 9.9% to £586,315 in 2022 (£650,882 in 2021). The board noted that this trend was likely to continue whilst there was an inability to increase sponsorship numbers.

Unrestricted Funds

Overall, expenditure through Unrestricted Funds fell 15.7% (£39,146) from £249,234 in 2021 to £210,088 in 2022. This was almost entirely due to a decrease in staff costs. The CEO, Jonathan Hutchinson, left the Charity in the summer of 2022 to return to Canada with his family. The board took the decision to defer appointing a replacement until 2023, thus reducing salary costs for the remainder of the year.

Since December 2019, all Trust meetings had taken place online (due to Covid-19 restrictions). Face-to-face Trust meetings recommenced in 2022 and there were meeting expenses of £1,604 in the year (nil in 2021).

At the year end the Charity holds reserves totalling £225,916 (2021: £257,979), comprising restricted reserves of £164,525 (2021: £168,871), and unrestricted reserves of £61,391 (2021: £89,108). The Charity has available free reserves at the balance sheet date of £16,228 (2021: £44,986). The Trustees acknowledge that this figure is low and continue to look to implement processes which will restore the balance to previous levels over the coming 3-5 years. With the next choir tour extremely unlikely to take place before 2024, all efforts continue to be channelled into formulating – and holding – a break-even budget for 2023 and 2024.

Investment Policy

The Trustees have the power to invest in such assets as they see fit. Funds are held in UK banks to enable the Charity to access them as and when required. Accessibility of funds is very important to the Charity as, this way, we are able to allocate and distribute funds as soon as they are required. The Trustees may, from time to time, use the services of a professional investment adviser; none were required in the year under review.

Reserves Policy

All reserves are held to be applied to meet with the objectives set out above. Free reserves amounting to three months operating costs should be held as a minimum requirement. The Trustees accept that, currently, this is not the case and are planning to see that this is achieved in the shortest time frame possible with effect from 2024 when the choir are expected to return. The effects of Covid-19 has meant that no choir tours were possible from 2021 to 2023 and the board are of the opinion that it is extremely difficult to achieve this aim until then.

The Charity has three designated funds. A number of donors give monies with preference that it be used in one of three broad areas though this is not a specified restriction. These three broad areas and the funds created are:

Keep The Choir On The Road – The choir has many supporters some of whom give money with the preference that, in the first instance, it be used to help defray any unforeseen (and, thus, unbudgeted) choir tour costs. No sums were received into this fund during 2022 and the balance on the fund at the year-end remained at £915.

Operational Development Fund – A number of individuals and churches give donations with a preference, in the first instance, that they be used to help advance the Christian faith and defray the costs of promoting and growing the work of Watoto in the UK. There were no monies received into this fund during 2022 and the fund has a balance at the year-end of £12,900.

Where Most Needed – A third group give donations freely but with an expressed preference that they be immediately available for use by the Country Director (with board approval) to put towards any emergency purpose or appeal, either in the UK or elsewhere in the world, as they see fit and appropriate. £4,757 was received into this fund during 2022 and the fund had a balance at the year-end of £26,689.

The board decided that these donations should be specifically recorded and acknowledged and set up these three designated funds to record this. No minimum or maximum fund balances have been set and it was envisaged that, under normal circumstances, the majority of these donations would be utilised in the year that they are received. However, since all such activity has had to be suspended since 2020, the board have agreed that income should continue to accrue into these funds until such times as activities recommence, and the funds can be properly utilised.

Future Plans

As 2022 progressed, it became increasingly discernible that many previous plans to increase revenue streams for the year would have to go on hold. The Choir Tour, which was initially hoped may return in 2023 will not now take place until 2024 at the earliest. A Graduate Tour (to replace the Choir Tour) was budgeted to take place in 2022 but that had to be cancelled. National and regional events that Watoto had expected to attend have been greatly curtailed and other expected fundraising initiatives have not, as yet, materialised. The board are very cognisant of the rapidly worsening global economic situation and the effects that this will have on sponsors' finances and, thus, sponsor numbers. They are kept informed of changes in attrition rates and frequently re-model scenarios and outcomes based upon this information. New opportunities and revenue streams will be sought out in 2023/24 but will now go on hold until a new CEO is appointed. Sponsorship retention and increase will remain a focus throughout 2023 and beyond.

Structure, governance and management

Governing document

The Charity is constituted under a Trust Deed dated 9th March 1999, amended 6th November 2001(charity No. 1090810) and is operated in accordance with its governing document, the deed of trust and constitutes an unincorporated charity.

The Trustee Board

The board of Trustees meets every four months to set and review the strategy of the Charity. The Chief Executive is appointed by the board and to whom it delegates responsibility for the day to day running of the Charity.

The Board of Trustees is fully committed to the financial stewardship, quality and safety of the Charity.

The Trustees are guided by an agreed scheme of corporate governance which sets out their responsibilities and those of the Chief Executive. The Board of Trustees regularly consider the skills mix required to support the Charity.

New Trustees are selected from long-term supporters of the Charity with the appropriate skills and are interviewed by Senior Trustees before being offered appointment. They are encouraged to visit Uganda to view the works undertaken there and they undertake an induction programme designed to ensure their understanding of the trustee role and their wider knowledge of Watoto and its philosophy.

All Trustees give of their time freely and no trustee received any remuneration during the year. Details of Trustees expenses are disclosed in note 8 in the accounts.

Risk Management

The Trustees regularly review the risks faced by the Charity, in particular those related to financial security and operationally surrounding choir tours, to ensure that key risks have been identified, and that suitable plans are in place to prevent or manage these risks. We approach risk management on three levels; strategic, operational and at project level. This enables both Trustees and staff to undertake the identification of risk and allows clear allocation of responsibilities for managing these risks. Trustees and staff use a clear understanding of risk to help inform decision making within the Charity, including decisions regarding use of resources, tour planning, sponsor recruitment and development.

Covid-19

The effects of Covid-19 were felt more deeply and lock downs lasted longer in Uganda than here in the UK. Children did not return to school until April 2022 (a break of 2 years) and, because of the resulting loss of education, a decision was taken to postpone all tours until 2024. In the UK churches have generally taken a very cautious approach to coming out of lock-down and, when they have, have experienced a significant drop-off in numbers and offertory income. The capacity for Watoto to re-enter these churches has been much slower than anticipated as has the re-introduction of awareness and fundraising events that we had also expected to participate in. The board continues to be actively engaged in modelling both short and medium term effects on sponsor numbers and of having no tours and looking at possible ways of how this may be addressed.

Statement of the Board of Trustees' responsibilities for the financial statements

The Trustees are responsible for preparing a Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practices).

The law applicable to charities in England and 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 year. 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 accounting standards have been followed subject to any material departures disclosed and explained in the financial statements, and;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which 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 provision 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' report and financial statements on pages 12 to 25 were approved by the Board of Trustees on 31st October 2023 and signed on its behalf by:



J Skinner
Trustee

Dated: 31st October 2023

Watoto Child Care Ministries
Annual Report and financial statements for the year ended 31 December 2022
Independent Examiner's Report

Independent Examiner's Report to the Trustees of Watoto Child Care Ministries

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31st December 2022 which are set out on pages 9 to 25.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act'). I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the Act. I confirm that I am qualified to undertake the examination because I am a member of the ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Andrew Rodzynski FCA
Wenn Townsend
Chartered Accountants
Oxford

31st October 2023

Watoto Child Care Ministries

Annual Report and financial statements for the year ended 31 December 2022

Statement of financial activities (including income and expenditure account)

	Notes	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £
INCOME AND EXPENDITURE							
Income from:							
Donations and legacies	2	180,345	581,969	762,314	293,802	655,299	949,101
Charitable activities	3	1,550	-	1,550	-	-	-
Other trading activities	4	60	-	60	193	-	193
Investments	5	416	-	416	46	-	46
Total income		<u>182,371</u>	<u>581,969</u>	<u>764,340</u>	<u>294,041</u>	<u>655,299</u>	<u>949,340</u>
Expenditure on:							
Raising funds							
Trading costs	6	(30)	-	(30)	(82)	-	(82)
Charitable activities	7	(210,058)	(586,315)	(796,373)	(248,752)	(650,882)	(899,634)
Total expenditure		<u>(210,088)</u>	<u>(586,315)</u>	<u>(796,403)</u>	<u>(248,834)</u>	<u>(650,882)</u>	<u>(899,716)</u>
Net (expenditure) / income		<u>(27,717)</u>	<u>(4,346)</u>	<u>(32,063)</u>	<u>45,207</u>	<u>4,417</u>	<u>49,624</u>
Net movement between funds for the year		-	-	-	(400)	400	-
Net movement of funds for the year		<u>(27,717)</u>	<u>(4,346)</u>	<u>(32,063)</u>	<u>44,807</u>	<u>4,817</u>	<u>49,624</u>
Reconciliation of funds							
Balances brought forward 31 December 2020		89,108	168,871	257,979	44,301	164,054	208,355
Balances carried forward 31 December 2021		<u>61,391</u>	<u>164,525</u>	<u>225,916</u>	<u>89,108</u>	<u>168,871</u>	<u>257,979</u>

The incoming and outgoing resources relate to continuing activities.

The notes on pages 12 to 25 form part of these financial statements.

Watoto Child Care Ministries
Annual Report and financial statements for the year ended 31 December 2022
Balance sheet

	Note	2022		2021	
		£	£	£	£
Fixed assets					
Plant and equipment	10		4,659		8,376
Current assets					
Stocks of goods for resale	11	5,870		5,965	
Debtors	12	145,102		95,360	
Cash at bank and in hand		119,542		217,530	
		<u>270,514</u>		<u>318,855</u>	
Creditors: amounts falling due within one year	13	<u>(49,257)</u>		<u>(69,252)</u>	
Net current assets			221,257		249,603
Net assets			<u>225,916</u>		<u>257,979</u>
Funds					
Restricted funds	14		164,525		168,871
Unrestricted funds	15		61,391		89,108
Total funds			<u>225,916</u>		<u>257,979</u>

The notes on pages 12 to 25 form part of these financial statements.

Approved by the trustees on 31st October 2023 and signed on their behalf by



J Skinner
Trustee
Dated: 31st October 2023

Watoto Child Care Ministries
Annual Report and financial statements for the year ended 31 December 2022
Statement of Cash Flows

	Note	2022	2021
		£	£
Net cash flow from operating activities	20	(98,404)	19,229
		<u>(98,404)</u>	<u>19,229</u>
Cash flow from investing activities			
Interest received		416	46
Net cash flow used in investing activities		<u>416</u>	<u>46</u>
Net (decrease) / increase in cash & cash equivalents		<u>(97,988)</u>	<u>19,275</u>
Cash and cash equivalents as at 1st January 2021		217,530	198,255
Cash and cash equivalents as at 31st December 2022		<u><u>119,542</u></u>	<u><u>217,530</u></u>

The notes on pages 14 to 27 form part of these financial statements.

1 Accounting policies

Charity Information

The Charity is an unincorporated Charity registered with the Charity Commission (number 1090810), its principle address is detailed within the legal and administration section of the accounts.

1.1 Accounting Convention

The accounts have been prepared in accordance with the Charity's trust deed, the Charities Act 2011 and the '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)' (effective 01 January 2019). The Charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost convention.

1.2 Going concern

At the time of approving the financial statements, the Trustees foresee no material uncertainties and are confident that the Charity has both adequate resources and the means of maintaining them for at least 12 months from the approved date of these accounts. Expenditure is largely fixed by nature and, thus, fairly predictable. Sponsorship income has held-up better than expected during the pandemic and, now that the worst is now behind us, the Trustees are confident that income will start to rise over the coming 12 months. The Charity has a number of temporary measures to fall back on should recovery not be at the expected rate. These include an increase in the level of retained sponsorship and a salary reduction.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives unless the funds have been designated for other purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for a particular restricted purpose. Further explanation of the nature and purpose of each significant restricted fund is included in the notes to the financial statements.

1.4 Incoming Resources

All incoming resources are included on the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation and is used to facilitate the general work of the Charity.

Donated services are recognised at fair value, being the cost of market value.

1.5 Resources expended

Expenditure is recognised on the accruals basis and is recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure, it is probable that settlement will be required and the amount of the obligation can be measured. Where possible, expenditure is allocated directly to activities undertaken. Support costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource. The majority of support costs (80%) are apportioned on the basis of staff time spent on each activity; bank and finance charges are apportioned in line with receipts; governance costs are apportioned in an equal 3-way split.

Grant and donations paid are accounted for when paid.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is provided at rates calculated to write off the cost less estimated residual value on each asset over its expected useful life on a straight-line basis as follows:

Musical equipment	three years
Fixtures & fittings	three years
Computer equipment	five years
Laptops	three years
Office equipment	five years
Motor vehicles	five years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in net income/(expenditure) for the year.

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

1.8 Cash and cash equivalents

Cash and cash equivalents included cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The Charity only had 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 settlement value.

1.10 Retirement Benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Rentals payable under operating leases, include any lease incentives received, are charged as an expense on a straight-line basis over the term of the relevant lease.

1.12 Fund accounting

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1.13 Taxation

The Charity is not subject to Corporation Tax. It is entitled to claim from HM Revenue & Customs the tax associated with income received under gift aid.

2 Donations and legacies

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £
Donations and gifts - sponsorship	66,932	564,192	631,124	75,188	622,272	697,460
Donations and gifts - appeals	2,387	9,567	11,954	2,314	23,467	25,781
Donations and gifts - general	13,165	4,567	17,732	22,096	6,027	28,123
Gift aid reclaimed	97,861	3,643	101,504	125,723	3,533	129,256
Government furlough scheme	-	-	-	68,481	-	68,481
	180,345	581,969	762,314	293,802	655,299	949,101

3 Charitable activities

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £
Speaker's fees	1,550	-	1,550	-	-	-
	1,550	-	1,550	-	-	-

4 Trading activities

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £
Choir tour - merchandise sales	60	-	60	193	-	193
	60	-	60	193	-	193

5 Investments

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £
Interest receivable	416	-	416	46		46
	<u>416</u>	<u>-</u>	<u>416</u>	<u>46</u>	<u>-</u>	<u>46</u>

6 Raising funds

	Unrestricted Funds 2022 £	Unrestricted Funds 2021 £
Trading costs		
Merchandise purchases	30	82
	<u>30</u>	<u>82</u>

Watoto Child Care Ministries

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7) Charitable Activities

	Notes	Restricted		Unrestricted			2022 £	2021 £
		Sponsorship Programme £	Restricted - Other £	Uganda Programme £	Choir Tour £	Development & Engagement £		
Costs directly allocated to Charitable Activities								
Grant funding to Uganda		586,315	-	-	-	-	586,315	650,882
Marketing & administration		-	-	-	-	214	214	1,979
Domestic travel		-	-	-	-	527	527	133
Bank & finance charges		-	-	-	224	-	224	113
Licencing & database costs		-	-	6,648	-	-	6,648	5,954
Depreciation		-	-	-	1,907	-	1,907	1,907
Support costs allocated to Charitable Activities								
Admin staff costs		-	-	123,921	-	5,860	129,781	165,647
Admin & office exp.		-	-	4,514	2,709	1,805	9,028	9,239
Admin travel & subsistence		-	-	887	532	355	1,774	940
Bank & finance charges		-	-	7,311	385	901	8,597	9,462
Van costs		-	-	156	1,253	157	1,566	2,777
Rent, services & insurance		-	-	10,785	10,389	10,191	31,365	31,465
Storage, repairs & m'tnce		-	-	152	2,745	153	3,050	2,906
Office equipm'nt & I.T.		-	-	1,735	1,041	694	3,470	4,108
Depreciation		-	-	840	556	414	1,810	2,630
Legal & professional		-	-	1,396	838	559	2,793	3,132
Governance	8	-	-	2,435	2,435	2,434	7,304	6,360
Total expenditure		586,315	-	160,780	25,014	24,264	796,373	899,634
Charitable activities expenditure - Restricted funds			586,315					650,882
Charitable activities expenditure - Unrestricted funds						210,058		248,752

During the year the Charity paid grants to Watoto Uganda, who operate the sponsorship programme and projects that are funded by the Charity.

Expenditure on charitable activities was £796,373 (2021 - £899,634) of which, £586,315 was allocated to restricted funds (2021 - £650,882) and £210,058 (2021 - £248,752) allocated to unrestricted funds.

For support cost allocation see note 1.5.

8 Governance costs

	2022 £	2021 £
Trustees expenses	1,604	-
Audit fee	5,700	6,508
	<u>7,304</u>	<u>6,508</u>

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9 Employees

Staff costs	2022	2021
	£	£
Wages & salaries	116,845	148,822
Social security costs	8,840	10,998
Other pension costs	4,236	5,827
	<u>129,921</u>	<u>165,647</u>

Staff numbers

	2022		2021	
	F.T.E.	Number	F.T.E.	Number
Charitable activities	3.0	5.0	3.6	5.4
	<u>3.0</u>	<u>5.0</u>	<u>3.6</u>	<u>5.4</u>

F.T.E. = Full time equivalent

The following number of employees received total employment benefits during the year between:

	2022	2021
	No.	No.
£80,001 - £90,000	0	1
£70,001 - £80,000	0	0

The key management personnel of the Charity comprise the trustees and the Chief Executive and the total employee benefits (including pension contributions and employer's National Insurance) of key management personnel was £55,625 (2021: £81,942). The Charity trustees were neither paid nor received any other benefits from employment with the Charity in the year (2021: £nil) and no trustee received payment for professional or other services supplied to the Charity (2021: £nil).

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10 Fixed assets

	Choir Equipment £	Office Equipment £	Office Furniture £	Computers £	Motor Vehicles £	Total Fixed Assets £
Cost						
At 1 January 2022	48,638	6,633	1,324	20,148	19,144	95,887
Additions	-	-	-	-	-	-
At 31 December 2022	48,638	6,633	1,324	20,148	19,144	95,887
Depreciation						
At 1 January 2022	42,954	6,227	953	18,233	19,144	87,511
Charge for the year	1,907	261	131	1,418	-	3,717
At 31 December 2022	44,861	6,488	1,084	19,651	19,144	91,228
Net Book Value						
At 31 December 2022	3,777	145	240	497	-	4,659
At 31 December 2021	5,684	406	370	1,915	-	8,376

11 Stock

	2022 £	2021 £
Goods for resale	<u>5,870</u>	<u>5,965</u>

12 Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	460	60
Other debtors	58,274	56,233
Prepayments & accrued income	86,368	39,067
	<u>145,102</u>	<u>95,360</u>

13 Creditors

	2022 £	2021 £
Trade creditors	7,077	2,089
Tax & social security costs	19,340	37,672
Other creditors	9,176	19,797
Accruals	11,400	6,000
Deferred income - (see note 13b)	2,264	3,694
	<u>49,257</u>	<u>69,252</u>

13b Deferred income

	2022	2021
	£	£
Opening balance	3,694	4,518
Amount deferred in the year	8,830	9,412
Amount released to incoming resources	(10,260)	(10,236)
Closing balance	<u>2,264</u>	<u>3,694</u>

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14 Restricted funds

	Balance as at 1st Jan 2022	Incoming Resources	Resources Expended	Balance as at 31st Dec 2022	Balance as at 1st Jan 2021	Incoming Resources	Resources Expended	Balance as at 31st Dec 2021
	£	£	£	£	£	£	£	£
Sponsorship and Donations								
Child	40,967	381,912	(382,090)	40,789	39,610	420,294	(418,937)	40,967
Mother	3,869	39,977	(40,031)	3,815	3,866	42,484	(42,481)	3,869
Baby	4,713	45,343	(46,340)	3,716	5,468	50,735	(51,490)	4,713
Neighbourhood Child	5,653	60,266	(60,880)	5,039	5,410	67,542	(67,299)	5,653
Neighbourhood Mother	2,693	25,404	(25,682)	2,415	2,588	29,266	(29,161)	2,693
Teacher	216	1,728	(1,728)	216	216	1,728	(1,728)	216
Special Needs	1,632	6,456	(6,999)	1,089	1,687	6,723	(6,778)	1,632
SEED	1,700	5,880	(5,423)	2,157	1,664	6,874	(6,838)	1,700
Watoto Uganda Support Fund	90,586	4,566	(4,629)	90,523	90,743	6,027	(6,184)	90,586
Appeals								
Gift pool	383	870	(550)	703	533	160	(310)	383
Gulu project	1,064	3,189	(4,185)	68	1,109	7,216	(7,261)	1,064
Christmas appeal	4,504	2,994	(4,224)	3,274	741	4,412	(649)	4,504
Sustainability project	-	-	-	-	-	170	(170)	-
Winnie's medical appeal	13	-	-	13	13	-	-	13
Keep A Girl in School	1,020	3,075	(3,095)	1,000	1,100	223	(303)	1,020
Other appeals	5,767	309	(459)	5,617	5,215	11,846	(11,294)	5,767
Other								
Visit Watoto	4,091	-	-	4,091	4,091	-	-	4,091
	168,871	581,969	(586,315)	164,525	164,054	655,700	(650,883)	168,871

14 Restricted funds (continued)

Restricted funds fall into three categories:

1. **Sponsorship** – Sponsorship is an on-going regular commitment to support the holistic care of babies, children and mothers; either as individuals or as a general support to those areas. Sponsorship is promoted, and new sponsors gained, mainly at choir concerts and we are now developing new avenues for sponsorship income. Ninety per cent of all sponsorship income is sent directly to Uganda and the groups that we help support are:
 - Babies
 - Children
 - Children with special needs – because of their additional care costs, sponsorship of these children is higher.
 - Mothers
 - Neighbourhood children and mothers – these are not located in our Watoto villages but in the surrounding neighbourhoods. All are single-parent families.
 - Teachers – education is not free in Uganda so, by employing its own teachers, Watoto can guarantee an education to all children in its care.
 - Watoto Uganda support fund – largely regular donations that are not restricted to any of the above but are for free distribution by Watoto Uganda.
2. **Appeals** – These are discrete, single purpose donations usually in response to an appeal and 100% of these donations are sent to Uganda. We run an autumn / Christmas appeal each year to enable all in our care to receive a small gift at Christmas and, in addition to this, the UK supported the following appeals during 2022:
 - Gift pool – any separate donation made for a child are pooled so that all children may receive a small gift on their birthday.
 - Gulu project – this is a specific village project in the north of Uganda.
 - Keep a girl in school project – provides resources to help keep young, marginalised girls in school in Uganda & South Sudan e.g. school fees, uniforms, personal hygiene, mentoring.
 - Watoto education programme – provides comprehensive education to Ugandan youth through Ugandan educational institutions.

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3. Other

Visit Watoto – sponsors and supporters are encouraged to visit Uganda and, if appropriate, volunteer to assist with one of our many ongoing projects. Visit Watoto is the receipt of monies to pay for travel, accommodation and subsistence on these trips and 100% of this money is passed over to Uganda. At the outbreak of Covid-19, all visits to Uganda ceased with Uganda experiencing a much longer shut-down period than most parts of the world. As a result, visits under the scheme are not expected to recommence until sometime in 2024 at the earliest.

15 Unrestricted funds

		Balance			Transfer	Balance	Balance			Balance
		as at 1st	Incoming	Resources	To Other	as at 31st	as at 1st	Incoming	Resources	as at 31st
Unrestricted funds	Notes	Jan 2022	Resources	Expended	Funds	Dec 2022	Jan 2021	Resources	Expended	Dec 2021
		£	£	£	£	£	£	£	£	£
General fund		53,361	177,614	(210,088)		20,887	14,940	287,255	(248,834)	53,361
Designated funds	16									
Where most needed fund		21,932	4,757	-	-	26,689	16,174	6,158	(400)	21,932
Operational development fund		12,900	-	-	-	12,900	12,400	500	-	12,900
Keep Choir on the road		915	-	-	-	915	787	128	-	915
		<u>89,108</u>	<u>182,371</u>	<u>(210,088)</u>	<u>-</u>	<u>61,391</u>	<u>44,301</u>	<u>294,041</u>	<u>(249,234)</u>	<u>89,108</u>

16 Designated funds

Where most needed – this fund is available for the immediate use of the Chief Executive for any emergency purpose, either in the UK or elsewhere in the world, as he sees fit and appropriate.

Operational development fund – this fund is available to the Chief Executive in helping defray costs incurred in the development and growth of new fundraising activities and income streams.

Keep the choir on the road – this fund is available to defray any exceptional, unbudgeted choir tour costs.

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17a Analysis of net assets between funds (current year)

	Restricted £	General Unrestricted £	Designated Funds £	Total 2022
Fixed Assets	-	4,659	-	4,659
Net Current Assets	164,525	16,228	40,504	221,257
	<u>164,525</u>	<u>20,887</u>	<u>40,504</u>	<u>225,916</u>

17b Analysis of net assets between funds (previous year)

	Restricted £	General Unrestricted £	Designated Funds £	Total 2021
Fixed Assets	-	8,376	-	8,376
Net Current Assets	168,871	44,985	35,747	249,603
	<u>168,871</u>	<u>53,361</u>	<u>35,747</u>	<u>257,979</u>

Within current assets is £119,543 (2021: £168,871) of cash which is held to cover restricted funds.

18 Operating lease commitments

At the reporting end date, the Charity had outstanding commitments for futures minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Leases due to expire in:		
Less than one year	22,554	22,554
Between two & five years	22,554	45,108
	<u>45,108</u>	<u>67,662</u>

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19 Related party transaction

There were Trustee expenses of £1,604 in 2022 (2021: £nil). There were no amounts owing to or owed by the Trustees or other related parties at the balance sheet date (2021: £nil). These payments are permissible under sections 19 and 20 of the Charity's trust deed.

Aggregated donations received from the Trustees or related parties without conditions were £18,860 (2021: £26,492).

Trustees of Watoto Child Care Ministries hold a controlling position in Watoto Uganda. Grant funding is paid to Watoto Uganda, and in 2022 this totalled £586,315 (2021: £650,882).

20 Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2022	2021
	£	£
Net incoming/(outgoing) resources before revaluations	(32,063)	49,624
Depreciation of tangible assets	3,717	4,537
Interest received	(416)	(46)
Decrease/(increase) in stocks	94	82
Decrease/(increase) in debtors	(49,742)	58,920
(Decrease)/increase in creditors within one year	(23,965)	(84,557)
(Decrease)/increase in accruals and deferred income	3,971	(9,331)
Net cash (outflow)/inflow from operating activities	<u>(98,404)</u>	<u>19,229</u>

WATOTO CHILD CARE MINISTRIES

England & Wales - Charity number 1090810

Accounts

Watoto

Watoto Child Care Ministries

Annual Report and Financial Statements

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Watoto Child Care Ministries

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Watoto Child Care Ministries

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Legal and Administrative details

Registered Name	Watoto Childcare Ministries
Status	The organisation constitutes an unincorporated charity
Governing Document	The Charity was established under a Trust Deed dated 9 th March 1999 and amended 6 th November 2001.
Trustees	G Skinner (Chair) J Skinner S Campbell J Penry R Walsh D Watt J Rwotlonyo
Charity number	1090810
Principal address	CMS House Watlington Road Cowley Oxford OX4 6BZ
Independent Examiner	Wenn Townsend 30 St. Giles Oxford OX1 3LE
Bankers	The Royal Bank of Scotland Drummond House Redheughs Avenue Edinburgh EH12 9RH
Solicitors	Anthony Collins Solicitors 134 Edmund St. Birmingham B3 2ES

Watoto Child Care Ministries
Annual Report and financial statements for the year ended 31 December 2021
Trustees' report (including strategic report)

The Trustees present their report with the financial statements of Watoto Childcare Ministries (the Charity) for the year ended 31st December 2021. The content of the report and the financial statements comply with current statutory requirements, the Charity's governing document, deed of trust, the Charities Act 2011 and 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 (FRS102) (effective 1 January 2019).

James Skinner (Secretary) Statement

In 2021 Watoto UK continued to navigate the challenges of a global pandemic and the economic uncertainty associated with it. It was necessary to manage a declining sponsorship base and the loss of expected revenue generated by the Watoto Children's Choir which has traditionally formed the foundation of Watoto's fundraising strategies in the United Kingdom. In the absence of a regular choir tour in 2021 priority was placed on maintaining relationships with our current sponsors and donors, many of whom have remained remarkably loyal through what has been a very difficult year for many people in the United Kingdom and around the world.

Watoto UK continues to prioritise the ongoing support for Watoto Child Care Ministries in Uganda as they provide essential holistic care for orphans, widows and other vulnerable people in Uganda and South Sudan. To that end in 2021 Watoto retained 10% percent of sponsorship donations to apply towards the operations of Watoto in the United Kingdom, the remaining 90% were sent to Uganda to help Watoto achieve its very important work there.

I am happy to report that in 2021 Watoto distributed £650,882 to Watoto Child Care Ministries in Uganda. While this represents a decline of almost 7 percent from the previous year the Board of Trustees is satisfied that the diligent and competent work of the staff at Watoto UK, along with the loyal support of our faithful sponsors and donors throughout the United Kingdom, has helped us to weather these storms admirably.

To achieve these results, it was necessary to manage our operational costs in the United Kingdom in line with declining inflows of revenue. We do not anticipate receiving the Children's Choir until 2024. The Trustees, therefore, recognise the need to manage current rates of sponsorship attrition and its impact on operational costs. In the future it may be necessary to adjust the percentage of sponsorship funds retained in the United Kingdom. The Trustees are committed to managing this balance in a manner that ensures the ongoing health of Watoto UK while continuing to generously distribute grant funds to Uganda where it is applied to provide essential support for some of Africa's most vulnerable individuals.

I'd like to thank Jonathan Hutchison and the staff at Watoto UK for their excellent work in difficult circumstances. I'd also like to recognise the unwavering support of our faithful sponsors and donors throughout the United Kingdom.

James Skinner
Secretary to Board of Trustees

Objectives, activities and public benefit

Objectives – why we are here

In 1984, during a time of civil war, aids epidemic and great civil upheaval, Watoto ("Watoto" is Swahili for "children") set up a church in Kampala, Uganda, to reach out to the poor and vulnerable of the country – women and children – in order to offer love, hope and an opportunity to enhance and change their lives through the teachings of the Bible. In 1999, Watoto Childcare Ministries was set up in the UK with a holistic approach to provide financial, spiritual and educational support to Watoto in Uganda. Since then, we have helped rescue thousands of abandoned children, placing them in loving families and

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Trustees' report (including strategic report)

we have come alongside vulnerable women, equipping them with skills and empowering them to become mothers and leaders.

The median age in Uganda is 15.8 years (UK – 40.5 years) making it the youngest population in the world and, partly as a result, it is one of the poorest in the world with average family income less than \$800 p.a. Watoto UK, through its sponsors and donors helps provide a loving family, home, education, food and medical care to over 3,000 orphaned and abandoned children each year. In addition, we also help support over 3,000 women and 15,000 children through the Watoto Neighbourhood programme.

There are similar, autonomous, organisations operating in the U.S.A., Canada, Australasia, Brazil, Hong Kong and across Europe.

In setting our objectives and planning activities, the Trustees have referred to the Charity Commission's guidance on public benefit and, in particular, to its supplementary public benefit guidance on religion and education and are able to confirm their belief that the trust's activities are of public benefit.

Our core objectives are as follows:

- To advance the Christian faith in Uganda, the UK and such other parts of the world as the Trustees may, from time to time, see fit.
- To care for and relieve distress amongst those who are suffering under conditions of hardship, sickness, homelessness and need, mainly (but not exclusively) orphaned children and widows, in Uganda or such other parts of the world as the Trustees may, from time to time, see fit.
- To advance education in accordance with Christian principles and teachings by means of establishing and operating educational establishments in Uganda or such other parts of the world as the Trustees may, from time to time, see fit.
- To promote and fulfil such other charitable purposes beneficial to communities in Uganda and in other parts of the world as the Trustees may, from time to time, see fit.

Our core funding goes towards the provision of care for orphaned babies and children and vulnerable children and women in Uganda. Education and medical support are not free at the point of use in Uganda, so as well as helping to support the individual, we also support teachers, teaching and medical programmes. In order to achieve all this, we are also involved in the building and running of capital projects such as homes and schools and support many other local projects where the general aim is to set up self-sustaining and caring communities which can carry on the charitable objectives.

Activities, achievements and performance

How do we achieve this?

We achieve our charitable objectives through grant funding of Watoto Childcare Ministries – Ugandan office. Sponsors and donors to our various programmes are invited to join the Watoto family at talks or services given around the UK. These are given at churches, faith groups and schools, or at concerts given by the Watoto Ugandan Orphans Choir (the choir tours the UK annually). Ninety per cent of the sponsorship money is then passed over to the Ugandan office of Watoto Childcare Ministries for distribution in accordance with the designated wishes of the sponsor or donor and fulfilling our core objectives as set out above.

We also encourage individuals and teams of volunteers to go to Uganda and assist with the many projects being undertaken (e.g. construction, maintenance, education, sustainability, development) and we consider the contribution from such volunteers in terms of time and experience to be invaluable. In 2020, there was one small visit at the start of the year before

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Covid-19 and the resulting national restrictions stopped all further tours and visits. We project that it will not be until 2023, at the earliest, before Visit Watoto teams are operational again.

Our operational costs are financed by fundraising activities, a 10% contribution from sponsorship and restricted donation receipts and from gift aid claimed on those sponsorship and donation receipts.

Fundraising activities

As well as raising awareness of Watoto and its objectives and raising new sponsors, our main fundraising comes from arranging and promoting the annual Watoto Children's Choir tour, the many talks given up and down the UK and from merchandise sales at both of these events. Much of the merchandise is made in Uganda by the women that we help support and, each year, the choir tour has a new production the title of which is also their latest CD and, this too, is on general sale. In 2020 the choir toured and shared the story of God's transforming love with their "We Will Go" production. Due to the effects of Covid-19, we anticipate that choir tours will not be able to return again until 2024.

The Trustees use the following key performance indicators:

- The amount of donations and sponsorship received and the net movement in number of sponsors/donors during the year:
- The number of performances organised for the children's choir each year and the average returns for each performance both per venue and per capita for new sponsors, offerings and merchandise sales; and
- The cost efficiency of operations.

Cost efficiency of operations continues to be monitored in Oxford. The financial impact of Covid-19 has resulted in a further reduction in staff roles as longstanding fundraising activities (such as the choir) will not be operational until 2024. The staffing levels are in place to continue operations and to effectively support strategic fundraising goals for 2022. It must be noted that church gatherings resuming is critical to 2022 strategic goals and this development continues to be monitored.

Financial review

The year ended with a surplus of £44,807 in unrestricted funds (2020: £26,185 deficit) and a surplus in restricted funds of £4,817 (2020: £13,284 deficit) giving a net total surplus for the year of £49,624 (2020: £39,469 deficit).

Income

The annual choir tour has been the largest contributor to the UK's Unrestricted Income (through offertories and merchandise sales) and, by far, the biggest generator of new sponsors (and, thus, Restricted Income).

Since the sudden curtailment of the 2020 Choir Tour (due to Covid-19), it has been unable to return to the UK and now is unlikely to do so until 2024. Monies received from the Government furlough scheme during the year of £68,481 (2020: £78,321) were vital to the operational sustainability of the UK office. In addition to this, a number of large donations were received (totalling £13,000) which were gifted for the express purpose of keeping the Charity operational. A number of new fundraising initiatives were planned for 2022 but, unfortunately, these were not able to proceed.

Total unrestricted income for the year was £293,801 which was £57,238 (16.3%) down on the 2020 figure of £351,039. This net fall is almost entirely attributable to there being no tour income during the year. Restricted income (£655,299) fell by £49,244 (7%) from the 2020 level of £704,543. This, in small part was due to there being no Visit Watoto activity in 2021, but is mainly due to sponsor attrition – both natural and additional due to the effects of Covid-19 and its impact upon individual's financial circumstances. The attrition rate amongst UK sponsors of 6.5% was lower than budget expectations and also considerably less than that experienced by other global offices.

Expenditure

Overall, expenditure through Unrestricted Funds fell from £400,743 in 2020 to £248,751 in 2021 – a fall of £151,992 (37.9%).

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Whilst this is due, in large, to there being no Choir Tour during the year; with no other fundraising activity able to take place during 2021, the Charity was able to restructure administrative staff and office costs. The board are well aware, however, of the fact that these costs will need to be reinstated when fundraising activities (including Choir tours) restart and are mindful of the fact that they will have to be budgeted for accordingly.

Grant funding fell by 6.8% (£47,659) in the year (2020: £698,541 to 2021: £650,882) in line with the fall in sponsorship receipts and it was noted by the board that this trend was likely to continue whilst there was an inability to increase sponsorship numbers.

There were no Trustee expenses in 2021 (2020: nil) as all meetings were held online during the year.

At the year end the Charity holds reserves totalling £257,979 (2020: £208,355), comprising restricted reserves of £168,871 (2020: £164,054), and unrestricted reserves of £89,108 (2020: £44,301). The Charity has available free reserves at the balance sheet date of £44,986 (2020: £2,027). The Trustees acknowledge that this figure, whilst improving upon the 2020 position, is still low and continue to implement a process of restoring the balance to previous levels over the coming 3-5 years. Unfortunately, ongoing Covid-19 restrictions have made this process very difficult. With the next choir tour extremely unlikely to take place before 2024, all efforts continue to be channelled into formulating – and holding – a break-even budget for 2022 and 2023.

Investment Policy

The Trustees have the power to invest in such assets as they see fit. Funds are held in UK banks to enable the Charity to access them as and when required. Accessibility of funds is very important to the Charity as, this way, we are able to allocate and distribute funds as soon as they are required. The Trustees may, from time to time, use the services of a professional investment adviser; none were required in the year under review.

Reserves Policy

All reserves are held to be applied to meet with the objectives set out above. Free reserves amounting to three months operating costs should be held as a minimum requirement. The Trustees accept that, currently, this is not the case and are planning to see that this is achieved in the shortest time frame possible with effect from 2024 when the choir are expected to return. Because of the effects of Covid-19 and no choir tour possible from 2021 to 2023, the board are of the opinion that it is extremely difficult to achieve this aim until then.

The Charity has three designated funds. A number of donors give monies with preference that it be used in one of three broad areas though this is not a specified restriction. These three broad areas and the funds created are:

Keep The Choir On The Road – The choir has many supporters some of whom give money with the preference that, in the first instance, it be used to help defray any unforeseen (and, thus, unbudgeted) choir tour costs. The sum of £128 was received into this fund in 2021 and the balance on the fund at the year-end is £915.

Operational Development Fund – A number of individuals and churches give donations with a preference, in the first instance, that they be used to help advance the Christian faith and defray the costs of promoting and growing the work of Watoto in the UK. The sum of £500 was received into this fund during 2021 and the fund has a balance at the year-end of £12,900.

Where Most Needed – A third group give donations freely but with an expressed preference that they be immediately available for use by the Country Director (with board approval) to put towards any emergency purpose or appeal, either in the UK or elsewhere in the world, as he sees fit and appropriate. £6,158 was received into this fund during 2021 and the sum of £400 was used to augment the Watoto Christmas Appeal.

The board decided that these donations should be specifically recorded and acknowledged and set up these three designated funds to record this. No minimum or maximum fund balances have been set and it was envisaged that, under normal circumstances, the majority of these donations would be utilised in the year that they are received. However, Covid-19 has meant that all such activities have had to cease for the majority of 2021 and 2022 and so the board have agreed that income should continue to accrue into these funds until such times as activities re-commence and the funds can be properly utilised.

Future Plans

As 2021 progressed, it became increasingly discernible that many previous plans to increase revenue streams for 2022 onwards would have to go on hold. The Choir Tour, which was hoped to return in 2023 will not now take place until 2024. A

Watoto Child Care Ministries

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Trustees' report (including strategic report)

Graduate Tour (to replace the Choir Tour) was budgeted to take place in 2022 but that will now not happen until 2023 at the earliest. National and regional events that Watoto had expected to attend have been greatly curtailed and other expected fundraising initiatives have not, as yet, materialised. The board are very cognisant of the rapidly worsening global economic situation and the effects that this will have on sponsors' finances and, thus, sponsor numbers. They are kept informed of changes in attrition rates and frequently re-model scenarios and outcomes based upon this information. New opportunities and revenue streams will continue to be sought out for 2022 and beyond and sponsorship retention and increase will remain a focus throughout 2022 and beyond.

Structure, governance and management

Governing document

The Charity is constituted under a Trust Deed dated 9th March 1999, amended 6th November 2001(charity No. 1090810) and is operated in accordance with its governing document, the deed of trust and constitutes an unincorporated charity.

The Trustee Board

The board of Trustees meets every four months to set and review the strategy of the Charity. The Chief Executive is appointed by the board and to whom it delegates responsibility for the day to day running of the Charity.

The Board of Trustees is fully committed to the financial stewardship, quality and safety of the Charity.

The Trustees are guided by an agreed scheme of corporate governance which sets out their responsibilities and those of the Chief Executive. The Board of Trustees regularly consider the skills mix required to support the Charity.

New Trustees are selected from long-term supporters of the Charity with the appropriate skills and are interviewed by Senior Trustees before being offered appointment. They are encouraged to visit Uganda to view the works undertaken there and they undertake an induction programme designed to ensure their understanding of the trustee role and their wider knowledge of Watoto and its philosophy.

All Trustees give of their time freely and no trustee received any remuneration during the year. Details of Trustees expenses are disclosed in note 8 in the accounts.

Risk Management

The Trustees regularly review the risks faced by the Charity, in particular those related to financial security and operationally surrounding choir tours, to ensure that key risks have been identified, and that suitable plans are in place to prevent or manage these risks. We approach risk management on three levels; strategic, operational and at project level. This enables both Trustees and staff to undertake the identification of risk and allows clear allocation of responsibilities for managing these risks. Trustees and staff use a clear understanding of risk to help inform decision making within the Charity, including decisions regarding use of resources, tour planning, sponsor recruitment and development.

Covid-19

The effects of Covid-19 were felt more deeply and lock downs lasted longer in Uganda than here in the UK. Children did not return to school until April 2022 (a break of 2 years) and, because of the resulting loss of education, a decision was taken to postpone all tours until 2024. In the UK churches have generally taken a very cautious approach to coming out of lock-down and, when they have, have experienced a significant drop-off in numbers and offertory income. The capacity for Watoto to re-enter these churches has been much slower than anticipated as has the re-introduction of awareness and fundraising events that we had also expected to participate in. The board continues to be actively engaged in modelling both short and medium term effects on sponsor numbers and of having no tours and looking at possible ways of how this may be addressed.

Watoto Child Care Ministries
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Trustees' report (including strategic report)

Statement of the Board of Trustees' responsibilities for the financial statements

The Trustees are responsible for preparing a Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practices).

The law applicable to charities in England and 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 year. 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 accounting standards have been followed subject to any material departures disclosed and explained in the financial statements, and;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which 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 provision 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' report and financial statements on pages 12 to 25 were approved by the Board of Trustees on 31st October 2022 and signed on its behalf by:



J Skinner
Trustee
Dated: 16th December 2022

Watoto Child Care Ministries
Annual Report and financial statements for the year ended 31 December 2021
Independent Examiner's Report

Independent Examiner's Report to the Trustees of Watoto Child Care Ministries

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31st December 2021 which are set out on pages 9 to 25.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act'). I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the Act. I confirm that I am qualified to undertake the examination because I am a member of the ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Andrew Rodzynski FCA
Wenn Townsend
Chartered Accountants
Oxford

21st December 2022

Watoto Child Care Ministries

Annual Report and financial statements for the year ended 31 December 2021

Statement of financial activities (including income and expenditure account)

	Notes	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £
INCOME AND EXPENDITURE							
Income from:							
Donations and legacies	2	293,802	655,299	949,101	351,039	704,543	1,055,582
Charitable activities	3	-	-	-	-	5,186	5,186
Other trading activities	4	193	-	193	36,238	-	36,238
Investments	5	46	-	46	240	-	240
Total income		<u>294,041</u>	<u>655,299</u>	<u>949,340</u>	<u>387,517</u>	<u>709,729</u>	<u>1,097,246</u>
Expenditure on:							
Raising funds							
Trading costs	6	(82)	-	(82)	(12,959)	-	(12,959)
Charitable activities	7	<u>(248,752)</u>	<u>(650,882)</u>	<u>(899,634)</u>	<u>(400,743)</u>	<u>(723,013)</u>	<u>(1,123,756)</u>
Total expenditure		<u>(248,834)</u>	<u>(650,882)</u>	<u>(899,716)</u>	<u>(413,702)</u>	<u>(723,013)</u>	<u>(1,136,715)</u>
Net (expenditure) / income		<u>45,207</u>	<u>4,417</u>	<u>49,624</u>	<u>(26,185)</u>	<u>(13,284)</u>	<u>(39,469)</u>
Net movement between funds for the year		<u>(400)</u>	<u>400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement of funds for the year		<u>44,807</u>	<u>4,817</u>	<u>49,624</u>	<u>(26,185)</u>	<u>(13,284)</u>	<u>(39,469)</u>
Reconciliation of funds							
Balances brought forward 31 December 2020		44,301	164,054	208,355	70,486	177,338	247,824
Balances carried forward 31 December 2021		<u>89,108</u>	<u>168,871</u>	<u>257,979</u>	<u>44,301</u>	<u>164,054</u>	<u>208,355</u>

The incoming and outgoing resources relate to continuing activities.

The notes on pages 12 to 25 form part of these financial statements.

Watoto Child Care Ministries
Annual Report and financial statements for the year ended 31 December 2021
Balance sheet

	Note	2021		2020	
		£	£	£	£
Fixed assets					
Plant and equipment	10		8,376		12,913
Current assets					
Stocks of goods for resale	11	5,965		6,047	
Debtors	12	95,360		154,280	
Cash at bank and in hand		217,530		198,255	
		<u>318,855</u>		<u>358,582</u>	
Creditors: amounts falling due within one year	13	<u>(69,252)</u>		<u>(163,140)</u>	
Net current assets			249,603		195,442
Net assets			<u>257,979</u>		<u>208,355</u>
Funds					
Restricted funds	14		168,871		164,054
Unrestricted funds	15		89,108		44,301
Total funds			<u>257,979</u>		<u>208,355</u>

The notes on pages 12 to 25 form part of these financial statements.

Approved by the trustees on 31st October 2022 and signed on their behalf by



J Skinner
Trustee

Dated: 16th December 2022

Watoto Child Care Ministries
Annual Report and financial statements for the year ended 31 December 2021
Statement of Cash Flows

	Note	2021	2020
		£	£
Net cash flow from operating activities	20	19,229	(18,914)
		<hr/> 19,229	<hr/> (18,914)
Cash flow from investing activities			
Payments to acquire tangible assets	10	-	(10,072)
Interest received		46	240
Net cash flow used in investing activities		<hr/> 46	<hr/> (9,832)
Net (decrease) / increase in cash & cash equivalents		<hr/> 19,275	<hr/> (28,746)
Cash and cash equivalents as at 1st January 2021		198,255	227,001
Cash and cash equivalents as at 31st December 2021		<hr/> <u>217,530</u>	<hr/> <u>198,255</u>

The notes on pages 14 to 27 form part of these financial statements.

1 Accounting policies

Charity Information

The Charity is an unincorporated Charity registered with the Charity Commission (number 1090810), its principle address is detailed within the legal and administration section of the accounts.

1.1 Accounting Convention

The accounts have been prepared in accordance with the Charity's trust deed, the Charities Act 2011 and the '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)' (effective 01 January 2019). The Charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost convention.

1.2 Going concern

At the time of approving the financial statements, the Trustees foresee no material uncertainties and are confident that the Charity has both adequate resources and the means of maintaining them for at least 12 months from the approved date of these accounts. Expenditure is largely fixed by nature and, thus, fairly predictable. Sponsorship income has held-up better than expected during the pandemic and, now that the worst is now behind us, the Trustees are confident that income will start to rise over the coming 12 months. The Charity has a number of temporary measures to fall back on should recovery not be at the expected rate. These include an increase in the level of retained sponsorship and a salary reduction.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives unless the funds have been designated for other purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for a particular restricted purpose. Further explanation of the nature and purpose of each significant restricted fund is included in the notes to the financial statements.

1.4 Incoming Resources

All incoming resources are included on the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation and is used to facilitate the general work of the Charity.

Donated services are recognised at fair value, being the cost of market value.

1.5 Resources expended

Expenditure is recognised on the accruals basis and is recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure, it is probable that settlement will be required and the amount of the obligation can be measured. Where possible, expenditure is allocated directly to activities undertaken. Support costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource. The majority of support costs (80%) are apportioned on the basis of staff time spent on each activity; bank and finance charges are apportioned in line with receipts; governance costs are apportioned in an equal 3-way split.

Grant and donations paid are accounted for when paid.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is provided at rates calculated to write off the cost less estimated residual value on each asset over its expected useful life on a straightline basis as follows:

Musical equipment	three years
Fixtures & fittings	three years
Computer equipment	five years
Office equipment	five years
Motor vehicles	five years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in net income/(expenditure) for the year.

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

1.8 Cash and cash equivalents

Cash and cash equivalents included cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The Charity only had 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 settlement value.

1.10 Retirement Benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Rentals payable under operating leases, include any lease incentives received, are charged as an expense on a straight-line basis over the term of the relevant lease.

1.12 Fund accounting

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1.13 Taxation

The Charity is not subject to Corporation Tax. It is entitled to claim from HM Revenue & Customs the tax associated with income received under gift aid.

2 Donations and legacies

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £
Donations and gifts - sponsorship	75,188	622,272	697,460	84,539	665,544	750,083
Donations and gifts - appeals	2,314	23,467	25,781	58,081	26,981	85,062
Donations and gifts - general	22,096	6,027	28,123	21,202	7,602	28,804
Gift aid reclaimed	125,723	3,533	129,256	108,896	4,416	113,312
Government furlough scheme	68,481	-	68,481	78,321	-	78,321
	<u>293,802</u>	<u>655,299</u>	<u>949,101</u>	<u>351,039</u>	<u>704,543</u>	<u>1,055,582</u>

3 Charitable activities

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £
Visit Watoto	-	-	-	-	5,186	5,186
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,186</u>	<u>5,186</u>

4 Trading activities

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £
Choir tour - merchandise sales	193	-	193	36,238	-	36,238
	<u>193</u>	<u>-</u>	<u>193</u>	<u>36,238</u>	<u>-</u>	<u>36,238</u>

5 Investments

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £
Interest receivable	46	-	46	240		240
	<u>46</u>	<u>-</u>	<u>46</u>	<u>240</u>	<u>-</u>	<u>240</u>

6 Raising funds

	Unrestricted Funds 2021 £	Unrestricted Funds 2020 £
Trading costs		
Merchandise purchases	82	12,959
	<u>82</u>	<u>12,959</u>

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Notes to the financial statements

7 Charitable activities

	Notes	Restricted		Unrestricted			2021 £	2020 £
		Sponsorship Programme £	Restricted - Other £	Uganda Programme £	Choir Tour £	Development & Engagement £		
Costs directly allocated to Charitable Activities								
Grant funding to Uganda		650,882	-	-	-	-	650,882	698,541
Visit Watoto costs		-	-	-	-	-	-	24,472
Frazerborough - (bible purchases)		-	-	-	-	-	-	-
Marketing & administration		-	-	-	-	1,979	1,979	1,415
Choir - living expenses & subsistence		-	-	-	-	-	-	19,613
Choir - international travel		-	-	-	-	-	-	16,525
Domestic travel		-	-	-	-	133	133	14,275
Choir - equipment (hire & rep's)		-	-	-	-	-	-	3,384
Bank & finance charges		-	-	-	113	-	113	473
Licencing & database costs		-	-	5,954	-	-	5,954	8,207
Depreciation		-	-	-	1,907	-	1,907	2,756
Support costs allocated to Charitable Activities								
Admin staff costs		-	-	151,916	-	13,731	165,647	253,071
Admin & office exp.		-	-	4,619	2,772	1,848	9,239	12,756
Admin travel & subsistence		-	-	470	282	188	940	2,396
Bank & finance charges		-	-	8,149	370	943	9,462	12,528
Van costs		-	-	278	2,221	278	2,777	1,211
Rent, services & insurance		-	-	10,820	10,422	10,223	31,465	31,755
Storage, repairs & m'tnce		-	-	145	2,616	145	2,906	2,273
Office equipm'nt & I.T.		-	-	2,054	1,232	822	4,108	3,752
Depreciation		-	-	1,250	802	578	2,630	3,141
Legal & professional		-	-	1,566	940	626	3,132	4,704
Governance	8	-	-	2,120	2,120	2,120	6,360	6,508
Total expenditure		650,882	-	189,341	25,797	33,614	899,634	1,123,756
Charitable activities expenditure - Restricted funds			650,882					723,013
Charitable activities expenditure - Unrestricted funds					248,752			400,743

During the year the Charity paid grants to Watoto Uganda, who operate the sponsorship programme and projects that are funded by the Charity.

Expenditure on charitable activities was £899,634 (2020 - £1,123,756) of which, £650,882 was allocated to restricted funds (2020 – £723,013) and £248,752 (2020 - £400,743) allocated to unrestricted funds.

For support cost allocation see note 1.5.

8 Governance costs

	2021 £	2020 £
Trustees expenses	-	-
Audit fee	6,508	6,508
	<u>6,508</u>	<u>6,508</u>

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9 Employees

Staff costs	2021	2020
	£	£
Wages & salaries	148,822	227,381
Redundancy and termination costs	-	-
Social security costs	10,998	18,004
Other pension costs	5,827	7,686
	<u>165,647</u>	<u>253,071</u>

Staff numbers

	2021		2020	
	F.T.E.	Number	F.T.E.	Number
Charitable activities	3.6	5.4	6.6	8.5
	<u>3.6</u>	<u>5.4</u>	<u>6.6</u>	<u>8.5</u>

F.T.E. = Full time equivalent

The following number of employees received total employment benefits during the year between:

	2021	2020
	No.	No.
£80,001 - £90,000	1	1
£70,001 - £80,000	0	0

The key management personnel of the Charity comprise the trustees and the Chief Executive and the total employee benefits (including pension contributions and employer's National Insurance) of key management personnel was £81,942 (2020: £81,565). The Charity trustees were neither paid nor received any other benefits from employment with the Charity in the year (2020: £nil) and no trustee received payment for professional or other services supplied to the Charity (2020: £nil).

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10 Fixed assets

	Choir Equipment	Office Equipment	Office Furniture	Computers	Motor Vehicles	Total Fixed Assets
	£	£	£	£	£	£
Cost						
At 1 January 2021	48,638	6,633	1,324	20,148	19,144	95,887
Additions	-	-	-	-	-	-
At 31 December 2021	48,638	6,633	1,324	20,148	19,144	95,887
Depreciation						
At 1 January 2021	41,047	5,966	823	15,994	19,144	82,974
Charge for the year	1,907	261	130	2,239	-	4,537
At 31 December 2021	42,954	6,227	953	18,233	19,144	87,511
Net Book Value						
At 31 December 2021	5,684	406	371	1,915	-	8,376
At 31 December 2020	7,591	667	501	4,154	-	12,913

11 Stock

	2021	2020
	£	£
Goods for resale	<u>5,965</u>	<u>6,047</u>

12 Debtors

	2021	2020
	£	£
Due within one year		
Other debtors	56,233	30,622
Prepayments & accrued income	39,067	123,658
	<u>95,360</u>	<u>154,280</u>

13 Creditors

	2021	2020
	£	£
Trade creditors	2,089	7,422
Tax & social security costs	37,672	19,643
Other creditors	19,797	117,049
Accruals	6,000	14,508
Deferred income - (see note 13b)	3,694	4,518
	<u>69,252</u>	<u>163,140</u>

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Notes to the financial statements

13b Deferred income

	2021	2020
	£	£
Opening balance	4,518	1,437
Amount deferred in the year	9,412	12,526
Amount released to incoming resources	<u>(10,236)</u>	<u>(9,445)</u>
Closing balance	<u>3,694</u>	<u>4,518</u>

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Notes to the financial statements

14 Restricted funds

	Balance as at 1st Jan 2021 £	Incoming Resources £	Resources Expended £	Transfer From Other Funds £	Balance as at 31st Dec 2021 £	Balance as at 1st Jan 2020 £	Incoming Resources £	Resources Expended £	Balance as at 31st Dec 2020 £
Sponsorship and Donations									
Child	39,610	420,294	(418,937)		40,967	42,003	452,328	(454,721)	39,610
Mother	3,866	42,484	(42,481)		3,869	3,707	46,129	(45,970)	3,866
Baby	5,468	50,735	(51,490)		4,713	4,146	55,625	(54,303)	5,468
Neighbourhood Child	5,410	67,542	(67,299)		5,653	5,269	67,127	(66,986)	5,410
Neighbourhood Mother	2,588	29,266	(29,161)		2,693	2,581	32,352	(32,345)	2,588
Teacher	216	1,728	(1,728)		216	162	1,926	(1,872)	216
Special Needs	1,687	6,723	(6,778)		1,632	553	6,722	(5,588)	1,687
SEED	1,664	6,874	(6,838)		1,700	480	6,501	(5,317)	1,664
Watoto Uganda Support Fund	90,743	6,027	(6,184)		90,586	92,013	7,601	(8,871)	90,743
Appeals									
Gift pool	533	160	(310)		383	323	1,250	(1,040)	533
Gulu project	1,109	7,216	(7,261)		1,064	375	8,018	(7,284)	1,109
Christmas appeal	741	4,012	(649)	400	4,504	2,349	363	(1,971)	741
Sustainability project	-	170	(170)		-	-	896	(896)	-
Winnie's medical appeal	13	-	-		13	-	13	-	13
Keep A Girl in School	1,100	223	(303)		1,020	-	1,806	(706)	1,100
Other appeals	5,215	11,846	(11,294)		5,767	-	15,886	(10,671)	5,215
Other									
Visit Watoto	4,091	-	-		4,091	23,377	5,186	(24,472)	4,091
	164,054	655,300	(650,883)	400	168,871	177,338	709,729	(723,013)	164,054

14 Restricted funds (continued)

Restricted funds fall into three categories:

1. **Sponsorship** – Sponsorship is an on-going regular commitment to support the holistic care of babies, children and mothers; either as individuals or as a general support to those areas. Sponsorship is promoted, and new sponsors gained, mainly at choir concerts and we are now developing new avenues for sponsorship income. Ninety per cent of all sponsorship income is sent directly to Uganda and the groups that we help support are:
 - Babies
 - Children
 - Children with special needs – because of their additional care costs, sponsorship of these children is higher.
 - Mothers
 - Neighbourhood children and mothers – these are not located in our Watoto villages but in the surrounding neighbourhoods. All are single-parent families.
 - Teachers – education is not free in Uganda so, by employing its own teachers, Watoto can guarantee an education to all children in its care.
 - Watoto Uganda support fund – largely regular donations that are not restricted to any of the above but are for free distribution by Watoto Uganda.
2. **Appeals** – These are discrete, single purpose donations usually in response to an appeal and 100% of these donations are sent to Uganda. We run an autumn / Christmas appeal each year to enable all in our care to receive a small gift at Christmas and, in addition to this, the UK supported the following appeals during 2021:
 - Gift pool – any separate donation made for a child are pooled so that all children may receive a small gift on their birthday.
 - Gulu project – this is a specific village project in the north of Uganda.
 - Sustainability project – for providing support to sustainable projects such as provision of solar panels in Uganda.
 - Keep a girl in school project – provides resources to help keep young, marginalised girls in school in Uganda & South Sudan e.g. school fees, uniforms, personal hygiene, mentoring.

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Watoto education programme – provides comprehensive education to Ugandan youth through Ugandan educational institutions.
Winnie Appeal – during 2019 monies were raised in order that one of our young people, Winnie Namugala, was able to travel to America for a life-saving blood transfusion. A small donation to this appeal was received in 2020.

3. Other

Visit Watoto – sponsors and supporters are encouraged to visit Uganda and, if appropriate, volunteer to assist with one of our many ongoing projects. Visit Watoto is the receipt of monies to pay for travel, accommodation and subsistence on these trips and 100% of this money is passed over to Uganda. There was one small trip at the beginning of 2020 and then, due to the pandemic, all further visits ceased until further notice.

15 Unrestricted funds

		Balance			Transfer	Balance	Balance			Balance
	Notes	as at 1st	Incoming	Resources	To Other	as at 31st	as at 1st	Incoming	Resources	as at 31st
Unrestricted funds		Jan 2021	Resources	Expended	Funds	Dec 2021	Jan 2020	Resources	Expended	Dec 2020
		£	£	£	£	£	£	£	£	£
General fund		14,940	287,255	(248,834)		53,361	59,161	369,481	(413,702)	14,940
Designated funds	16									
Where most needed fund		16,174	6,158	-	(400)	21,932	8,325	7,849	-	16,174
Operational development fund		12,400	500	-		12,900	3,000	9,400	-	12,400
Keep Choir on the road		787	128	-		915	-	787	-	787
		<u>44,301</u>	<u>294,041</u>	<u>(248,834)</u>	<u>(400)</u>	<u>89,108</u>	<u>70,486</u>	<u>387,517</u>	<u>(413,702)</u>	<u>44,301</u>

16 Designated funds

Where most needed – this fund is available for the immediate use of the Chief Executive for any emergency purpose, either in the UK or elsewhere in the world, as he sees fit and appropriate.

Operational development fund – this fund is available to the Chief Executive in helping defray costs incurred in the development and growth of new fundraising activities and income streams.

Keep the choir on the road – this fund is available to defray any exceptional, unbudgeted choir tour costs.

Watoto Child Care Ministries
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17a Analysis of net assets between funds (current year)

	Restricted	General Unrestricted	Designated Funds	Total 2021
	£	£	£	
Fixed Assets	-	8,376	-	8,376
Net Current Assets	168,871	44,985	35,747	249,603
	<u>168,871</u>	<u>53,361</u>	<u>35,747</u>	<u>257,979</u>

17b Analysis of net assets between funds (previous year)

	Restricted	General Unrestricted	Designated Funds	Total 2020
	£	£	£	
Fixed Assets	-	12,913	-	12,913
Net Current Assets	150,770	15,311	29,361	195,442
	<u>150,770</u>	<u>28,224</u>	<u>29,361</u>	<u>208,355</u>

Within current assets is £168,871 (2020: £164,054) of cash which is held to cover restricted funds.

18 Operating lease commitments

At the reporting end date, the Charity had outstanding commitments for futures minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021	2020
	£	£
Leases due to expire in:		
Less than one year	-	-
Between two & five years	67,662	90,216
	<u>67,662</u>	<u>90,216</u>

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19 Related party transaction

There were no Trustee expenses (£ nil) in 2021 (2020: £nil) as all meetings were held online. There were no amounts owing to or owed by the Trustees or other related parties at the balance sheet date (2020: £nil). These payments are permissible under sections 19 and 20 of the Charity's trust deed.

Aggregated donations received from the Trustees or related parties without conditions were £26,492 (2020: £18,492).

Trustees of Watoto Child Care Ministries hold a controlling position in Watoto Uganda. Grant funding is paid to Watoto Uganda, and in 2020 this totalled £650,882 (2020: £698,541).

20 Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2021	2020
	£	£
Net incoming/(outgoing) resources before revaluations	49,624	(39,469)
Depreciation of tangible assets	4,537	5,897
Interest received	(46)	(240)
Decrease/(increase) in stocks	82	(902)
Decrease/(increase) in debtors	58,920	(38,403)
(Decrease)/increase in creditors within one year	(84,557)	44,614
(Decrease)/increase in accruals and deferred income	(9,331)	9,589
Net cash (outflow)/inflow from operating activities	19,229	(18,914)

WATOTO CHILD CARE MINISTRIES

England & Wales - Charity number 1090810

Accounts

Watoto

Watoto Child Care Ministries

Annual Report and Financial Statements

For the year ended 31 December 2020

Watoto Child Care Ministries

Annual Report and financial statements for the year ended 31 December 2020

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Legal and Administrative details

Registered Name	Watoto Childcare Ministries
Status	The organisation constitutes an unincorporated charity
Governing Document	The Charity was established under a Trust Deed dated 9 th March 1999 and amended 6 th November 2001.
Trustees	G Skinner (Chair) C Norman J Skinner S Campbell J Penry R Walsh D Watt J Rowotlunyo
Charity number	1090810
Principal address	CMS House Watlington Road Cowley Oxford OX4 6BZ
Auditor	Wenn Townsend 30 St. Giles Oxford OX1 3LE
Bankers	The Royal Bank of Scotland Drummond House Redheughs Avenue Edinburgh EH12 9RH
Solicitors	Anthony Collins Solicitors 134 Edmund St. Birmingham B3 2ES

Watoto Child Care Ministries

Annual Report and financial statements for the year ended 31 December 2020

Trustees' report (including strategic report)

The Trustees present their report with the financial statements of Watoto Childcare Ministries (the Charity) for the year ended 31st December 2020. The content of the report and the financial statements comply with current statutory requirements, the Charity's governing document, deed of trust, the Charities Act 2011 and 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 (FRS102) (effective 1 January 2019).

James Skinner (Secretary) Statement

The year 2020 saw a time of great change and development for Watoto here in the UK and we thank God that we were able to adapt and provide continuity throughout circumstances that could not have been predicted at the start of 2020.

The arrival of the choir in early 2020 was accompanied with a wonderful response from the UK. The choir was fully booked and objectives were being met operationally during the choir tour. In March 2020, after 1/3 of concert dates being completed the Country Director in consultation with the Board made the important decision to send the choir home early due to the uncertainty of Covid-19. This was prudent as international border closed within a few days of the choir arriving home to Uganda as well a full lockdown being implemented in the UK. This had obvious outcomes on meeting budgetary goals for 2020. After full lockdown, most of the staff were placed on furlough for the duration of the Government furlough scheme. This government provision helped mitigate the cost of an incomplete choir tour and helped keep the UK office operationally active. While there was a net deficit in funds for 2020, this would have been much worse if it had not been for the government's furlough scheme.

An unexpected highlight is that general appeals to donors and supporters received the most the UK has ever received in an office campaign and we are grateful for this generous response from each donor. We are also thankful to our UK sponsors and donors who continue to faithfully support the ministry through these unusual times of disruption. Our attrition rate is lower than normal and this reflects on UK office staff who all work so hard to ensure the vital relationship between sponsors and Watoto children and mothers.

Finally, I would like to thank my fellow Trustees and Jonathan Hutchison for all their dedication and hard work over the past year in highly unusual circumstances.

James Skinner

Secretary to Board of Trustees

Objectives, activities and public benefit

Objectives – why we are here

In 1984, during a time of civil war, aids epidemic and great civil upheaval, Watoto ("Watoto" is Swahili for "children") set up a church in Kampala, Uganda, to reach out to the poor and vulnerable of the country – women and children – in order to offer love, hope and an opportunity to enhance and change their lives through the teachings of the Bible. In 1999, Watoto Childcare Ministries was set up in the UK with a holistic approach to provide financial, spiritual and educational support to Watoto in Uganda. Since then, we have helped rescue thousands of abandoned children, placing them in loving families and we have come alongside vulnerable women, equipping them with skills and empowering them to become mothers and leaders.

The median age in Uganda is 15.8 years (UK – 40.5 years) making it the youngest population in the world and, partly as a result, it is one of the poorest in the world with average family income less than \$800 p.a. Watoto UK, through its sponsors and donors helps to support nearly 5,000 vulnerable babies, children and women as well as helping to keep another, near, 15,000 girls in full-time education.

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There are similar, autonomous, organisations operating in the U.S.A., Canada, Australasia, Brazil, Hong Kong and across Europe.

In setting our objectives and planning activities, the Trustees have referred to the Charity Commission's guidance on public benefit and, in particular, to its supplementary public benefit guidance on religion and education and are able to confirm their belief that the trusts activities are of public benefit.

Our core objectives are as follows:

- To advance the Christian faith in Uganda, the UK and such other parts of the world as the Trustees may, from time to time, see fit.
- To care for and relieve distress amongst those who are suffering under conditions of hardship, sickness, homelessness and need, mainly (but not exclusively) orphaned children and widows, in Uganda or such other parts of the world as the Trustees may, from time to time, see fit.
- To advance education in accordance with Christian principles and teachings by means of establishing and operating educational establishments in Uganda or such other parts of the world as the Trustees may, from time to time, see fit.
- To promote and fulfil such other charitable purposes beneficial to communities in Uganda and in other parts of the world as the Trustees may, from time to time, see fit.

Our core funding goes towards the provision of care for orphaned babies and children and vulnerable children and women in Uganda. Education and medical support are not free at the point of use in Uganda, so as well as helping to support the individual, we also support teachers, teaching and medical programmes. In order to achieve all this, we are also involved in the building and running of capital projects such as homes and schools and support many other local projects where the general aim is to set up self-sustaining and caring communities which can carry on the charitable objectives.

Activities, achievements and performance

How do we achieve this?

We achieve our charitable objectives through grant funding of Watoto Childcare Ministries – Ugandan office.

Sponsors and donors to our various programmes are invited to join the Watoto family at talks or services given around the UK. These are given at churches, faith groups and schools, or at concerts given by the Watoto Ugandan Orphans Choir (the choir tours the UK annually). Ninety per cent of the sponsorship money is then passed over to the Ugandan office of Watoto Childcare Ministries for distribution in accordance with the designated wishes of the sponsor or donor and fulfilling our core objectives as set out above.

We also encourage individuals and teams of volunteers to go to Uganda and assist with the many projects being undertaken (e.g. construction, maintenance, education, sustainability, development) and we consider the contribution from such volunteers in terms of time and experience to be invaluable. In 2020, there was one small visit at the start of the year before Covid-19 and the resulting national restrictions stopped all further tours and visits. We project that it will not be until mid-2022, at the earliest, before Visit Watoto teams are operational again.

Our operational costs are financed by fundraising activities, a 10% contribution from sponsorship and restricted donation receipts and from gift aid claimed on those sponsorship and donation receipts.

Fundraising activities

As well as raising awareness of Watoto and its objectives and raising new sponsors, our main fundraising comes from arranging and promoting the annual Watoto Children's Choir tour, the many talks given up and down the UK and from merchandise sales at both of these events. Much of the merchandise is made in Uganda by the women that we help support

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and, each year, the choir tour has a new production the title of which is also their latest CD and, this too, is on general sale. In 2020 the choir toured and shared the story of God's transforming love with their "We Will Go" production. Due to the effects of Covid-19, we anticipate that choir tours will not be able to return again until 2023.

The Trustees use the following key performance indicators:

- The amount of donations and sponsorship received and the net movement in number of sponsors/donors during the year:
- The number of performances organised for the children's choir each year and the average returns for each performance both per venue and per capita for new sponsors, offerings and merchandise sales; and
- The cost efficiency of operations.

Cost efficiency of operations continues to be monitored in Oxford. The financial impact of Covid-19 has resulted in a further reduction in staff roles as longstanding fundraisers activities, such as the choir, will not be operationally until late 2022. The staffing levels are in place to continue operations and to effectively support strategic fundraising goals for 2021 and 2022. It must be noted that church gathering resuming is critical to 2022 strategic goals and this development continues to be monitored.

Financial review

The year ended with a deficit of £26,185 in unrestricted funds (2019: £140,274 deficit) and a deficit in restricted funds of £13,284 (2019: £13,604 surplus) giving a net total deficit for the year of £39,469 (2019: £126,670 deficit).

Income

The annual choir tour is the largest contributor to the UK's Unrestricted Income (through offertories and merchandise sales) and, by far, the biggest generator of new sponsors (and, thus, Restricted Income).

The choir's sudden return to Uganda in March due to Covid-19 came just under half-way through the tour and, at that point, the tour was comfortably ahead of budget expectations on all fiscal measures. Monies received from the Government furlough scheme during the year of £78,321 were vital to the operational sustainability of the UK office and almost covered the projected shortfall in tour income. As a result, Unrestricted Income rose slightly by £14,622 (3.6%) on 2019 (2019: £738,631). Sponsorship, as well as being hit by the loss of potential new sponsors from the remaining (cancelled) part of the tour, also saw a loss of existing sponsors whose financial circumstances had changed as a result of the pandemic (the attrition rate experienced in the UK was a lot less than experienced by other global offices). As a result, Restricted Income fell by £51,831 (6.8%) on the previous year (2019: £253,681).

Expenditure

Covid-19 lockdown restrictions caused delays in transferring monies to Uganda during the middle of the year. This, allied with a fall in sponsorship income, meant that the total handed over to Uganda was down by 3.3% (£24,953) for the year to £723,013 (2019: £747,956).

Total choir variable expenditure fell by 27.5% to £54,208 in 2020 (2019: £74,807) and this was due, in whole, to a reduction in travel costs. A portion of international flight costs had been defrayed and all domestic travel ceased as soon as the choir returned to Uganda.

Similarly, admin travel and subsistence costs ceased when lockdowns came into force, resulting in a 79.2% reduction (£9,143) to £2,397 for 2020 (2019: £11,540).

Admin staff costs fell by £46,067 (15.4%) in 2020 to £253,071 (2019: £299,138) and this was due to the continued restructuring of staffing levels during the year. Also, as a partial result of both lockdowns and staffing restructuring, Marketing & Administration costs fell by 92.5% (£17,431) to £1,415 for the year (2019: £18,846).

The move to premises in Oxford during 2019 came with an initial rent-free period. This meant that 2020 saw the first year of full rental costs and, thus, rent and services charges went up by £12,998 (69.2%) to £31,756 (2019: £18,768). There were no Trustee expenses in 2020 (2019: £1,821) as all meetings were held online during the year.

Overall, expenditure through Unrestricted Funds fell in the year by £102,396 (20.4%) to £400,743 (2019: £503,139).

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At the year end the Charity holds reserves totalling £208,355 (2019: £247,824), comprising restricted reserves of £164,054 (2019: £177,338), and unrestricted reserves of £44,301 (2019: £70,486). The Charity has available free reserves at the balance sheet date of £2,027 (2019: £61,749). The Trustees acknowledge that this figure is low and had begun to implement a process of restoring the balance to previous levels over the coming 3-5 years. Unfortunately, Covid-19 brought those plans to an abrupt halt. With the next choir tour extremely unlikely to take place before 2023 (at the earliest), all efforts are now being channelled into formulating – and holding – a break-even budget for 2021 and 2022.

Investment Policy

The Trustees have the power to invest in such assets as they see fit. Funds are held in UK banks to enable the Charity to access them as and when required. Accessibility of funds is very important to the Charity as, this way, we are able to allocate and distribute funds as soon as they are required. The Trustees may, from time to time, use the services of a professional investment adviser; none were required in the year under review.

Reserves Policy

All reserves are held to be applied to meet with the objectives set out above. Free reserves amounting to three months operating costs should be held as a minimum requirement. The Trustees accept that, currently, this is not the case and are planning to see that this is achieved in the shortest time frame possible with effect from 2023 when the choir are expected to return. Because of the effects of Covid-19 and no choir tour possible in 2021 and 2022, the board are of the opinion that it is extremely difficult to achieve this aim until then.

During 2019, two new designated funds were set-up and a third added in 2020. A number of donors give monies with preference that it be used in one of three broad areas though this is not a specified restriction. These three broad areas and the funds created are:

Keep The Choir On The Road (new to 2020) – The choir has many supporters some of whom give money with the preference that, in the first instance, it be used to help defray any unforeseen (and, thus, unbudgeted) choir tour costs. The sum of £787 was received into this fund in 2020.

Operational Development Fund – A number of individuals and churches give donations with a preference, in the first instance, that they be used to help advance the Christian faith and defray the costs of promoting and growing the work of Watoto in the UK. The sum of £9,400 was received into this fund during 2020.

Where Most Needed – A third group give donations freely but with an expressed preference that they be immediately available for use by the Country Director (with board approval) to put towards any emergency purpose or appeal, either in the UK or elsewhere in the world, as he sees fit and appropriate. £7,849 was received into this fund during 2020.

The board decided that these donations should be specifically recorded and acknowledged and set up these three designated funds to record this. No minimum or maximum fund balances have been set and it was envisaged that, under normal circumstances, the majority of these donations would be utilised in the year that they are received. However, Covid-19 has meant that all such activities have had to cease for the majority of 2020 and 2021 and so the board have agreed that income should continue to accrue into these funds until such times as activities re-commence and the funds can be properly utilised.

Future Plans

As 2020 progressed, it became increasingly discernible that all previous plans to increase revenue streams from 2021 would have to go on hold. The 2021 choir tour was cancelled early on and, as time advanced, it became clear that the 2022 tour would also not be able to take place. All efforts will now go into securing a tour for early 2023 and ensuring that it is the best tour yet. New opportunities and revenue streams will continue to be sought out in 2022. Watoto UK will attend Elim churches and national conferences as an Elim Approved Missions Partner. This gives access to over 500 local churches in the UK. As well, Watoto will have presence at other denominational and national events such as Big Church Day Out, Spring Harvest, and other national gatherings. Local school fundraising is in development with a pilot project of five UK partnership schools that will hopefully be able to effectively scaled up and rolled out across several school boards. Finally, as Covid restrictions ease, the desire within our UK church partners is for “Watoto Sunday’s” to re-start once again. The goal is that these programs will be an effective way of raising sponsorship and general donations for Watoto UK. Sponsorship retention will continue to be a focus as well as public general appeals that will take place in Spring and Autumn of 2022.

Structure, governance and management

Governing document

The Charity is constituted under a Trust Deed dated 9th March 1999, amended 6th November 2001(charity No. 1090810) and is operated in accordance with its governing document, the deed of trust and constitutes an unincorporated charity.

The Trustee Board

The board of Trustees meets quarterly to set and review the strategy of the Charity. The UK Country Director (Jonathan Hutchison) is appointed by the board and to whom it delegates responsibility for the day to day running of the Charity.

The Board of Trustees is fully committed to the financial stewardship, quality and safety of the Charity.

The Trustees are guided by an agreed scheme of corporate governance which sets out their responsibilities and those of the Country Director. The Board of Trustees regularly consider the skills mix required to support the Charity. New Trustees are selected from long-term supporters of the Charity with the appropriate skills and are interviewed by Senior Trustees before being offered appointment. They are encouraged to visit Uganda to view the works undertaken there and they undertake an induction programme designed to ensure their understanding of the trustee role and their wider knowledge of Watoto and its philosophy.

All Trustees give of their time freely and no trustee received any remuneration during the year. Details of Trustees expenses are disclosed in note 8 in the accounts.

Risk Management

The Trustees regularly review the risks faced by the Charity, in particular those related to financial security and operationally surrounding choir tours, to ensure that key risks have been identified, and that suitable plans are in place to prevent or manage these risks. We approach risk management on three levels; strategic, operational and at project level. This enables both Trustees and staff to undertake the identification of risk and allows clear allocation of responsibilities for managing these risks. Trustees and staff use a clear understanding of risk to help inform decision making within the Charity, including decisions regarding use of resources, tour planning, sponsor recruitment and development.

Covid-19

During the latter part of February 2020 – and in the middle of the 2020 choir tour – the board became increasingly aware of the rapidly developing pandemic and immediately started to monitor the situation on a daily basis. The main concerns, at that point, were for choir safety. By the beginning of March, the situation was rapidly worsening and the board (in conjunction with Uganda) decided to repatriate the choir as soon as possible. However, the first available flights out of the country were not until 16th March. National lockdown began on 23rd March and the board were thankful to have managed to return the (UK) choir home before then as other choirs around the world had become stranded in their tour country. The board have been very cognisant of the effect on finances (both in UK and in Uganda) that the early termination would have and have sought to mitigate both the loss of tour income and potential sponsors due the pandemic. As the effects of Covid-19 appear to be very wide reaching and long-term, it is foreseen that the 2021 choir tour will not be able to take place and that the 2022 and beyond tours are in jeopardy. The board are actively engaged in modelling both short and medium term effects on sponsor numbers and of having no choir tour and looking at possible ways of how this may be addressed.

Watoto Child Care Ministries

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Trustees' report (including strategic report)

Statement of the Board of Trustees' responsibilities for the financial statements

The Trustees are responsible for preparing a Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practices).

The law applicable to charities in England and 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 year. 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 accounting standards have been followed subject to any material departures disclosed and explained in the financial statements, and;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which 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 provision 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.

Statement of disclosure of Information to Auditors

We confirm that, in so far as the Trustees are aware:

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

The Trustees' report and financial statements on pages 14 to 27 were approved by the Board of Trustees on 31st October 2021 and signed on its behalf by:



J Skinner
Trustee

Dated: 31st October 2021

Independent Auditor's report to the Trustees of Watoto Child Care Ministries

Opinion

We have audited the financial statements of Watoto Child Care Ministries (the 'charity') for the year ended 31st December 2020 which comprise the statement of financial activities, the balance sheet, the cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 charity's affairs as at 31st December 2020, 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; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 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.

Conclusion relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report¹, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

[continued...]

Watoto Child Care Ministries
Annual Report and financial statements for the year ended 31 December 2020
Independent Auditors Report

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you 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; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees are responsible for the preparation of financial statements which 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 regulations made under section 154 of that Act.

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

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

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance around actual and potential litigation and claims;
- Enquiry of entity management to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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.

[continued...]

Watoto Child Care Ministries
Annual Report and financial statements for the year ended 31 December 2020
Independent Auditors Report

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.

Wenn Townsend

Wenn Townsend
Chartered Accountants and Statutory Auditor
30 St Giles
Oxford
OX1 3LE

3 November.....2021

Wenn Townsend is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Watoto Child Care Ministries

Annual Report and financial statements for the year ended 31 December 2020

Statement of financial activities (including income and expenditure account)

	Notes	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total 2019 £
INCOME AND EXPENDITURE							
Income from:							
Donations and legacies	2	351,039	704,543	1,055,582	337,543	738,631	1,076,174
Charitable activities	3	-	5,186	5,186	-	22,929	22,929
Other trading activities	4	36,238	-	36,238	64,034	-	64,034
Investments	5	240	-	240	562	-	562
Total income		<u>387,517</u>	<u>709,729</u>	<u>1,097,246</u>	<u>402,139</u>	<u>761,560</u>	<u>1,163,699</u>
Expenditure on:							
Raising funds							
Trading costs	6	(12,959)	-	(12,959)	(39,274)	-	(39,274)
Charitable activities	7	(400,743)	(723,013)	(1,123,756)	(503,139)	(747,956)	(1,251,095)
Total expenditure		<u>(413,702)</u>	<u>(723,013)</u>	<u>(1,136,715)</u>	<u>(542,413)</u>	<u>(747,956)</u>	<u>(1,290,369)</u>
Net (expenditure) / income		<u>(26,185)</u>	<u>(13,284)</u>	<u>(39,469)</u>	<u>(140,274)</u>	<u>13,604</u>	<u>(126,670)</u>
Net movement of funds for the year		<u>(26,185)</u>	<u>(13,284)</u>	<u>(39,469)</u>	<u>(140,274)</u>	<u>13,604</u>	<u>(126,670)</u>
Reconciliation of funds							
Balances brought forward 31 December 2019		70,486	177,338	247,824	210,760	163,734	374,494
Balances carried forward 31 December 2020		<u>44,301</u>	<u>164,054</u>	<u>208,355</u>	<u>70,486</u>	<u>177,338</u>	<u>247,824</u>

The incoming and outgoing resources relate to continuing activities.

The notes on pages 14 to 27 form part of these financial statements.

Watoto Child Care Ministries
Annual Report and financial statements for the year ended 31 December 2020
Balance sheet

	Note	2020		2019	
		£	£	£	£
Fixed assets					
Plant and equipment	10		12,913		8,737
Current assets					
Stocks of goods for resale	11	6,047		5,146	
Debtors	12	154,280		115,877	
Cash at bank and in hand		<u>198,255</u>		<u>227,001</u>	
		358,582		348,024	
Creditors: amounts falling due within one year	13	<u>(163,140)</u>		<u>(108,937)</u>	
Net current assets			195,442		239,087
Net assets			<u>208,355</u>		<u>247,824</u>
Funds					
Restricted funds	14		164,054		177,338
Unrestricted funds	15		44,301		70,486
Total funds			<u>208,355</u>		<u>247,824</u>

The notes on pages 14 to 27 form part of these financial statements.

Approved by the trustees on 31st October 2021 and signed on their behalf by



J Skinner
Trustee
Dated: 31st October 2021

Watoto Child Care Ministries**Annual Report and financial statements for the year ended 31 December 2020****Statement of Cash Flows**

	Note	2020	2019
		£	£
Net cash flow from operating activities	20	(18,914)	(40,234)
		<hr/>	<hr/>
		(18,914)	(40,234)
Cash flow from investing activities			
Payments to acquire tangible assets	10	(10,072)	(8,295)
Interest received		240	562
		<hr/>	<hr/>
Net cash flow used in investing activities		(9,832)	(7,733)
		<hr/>	<hr/>
Net (decrease) / increase in cash & cash equivalents		(28,746)	(47,967)
		<hr/>	<hr/>
Cash and cash equivalents as at 1st January 2020		227,001	274,968
		<hr/>	<hr/>
Cash and cash equivalents as at 31st December 2020		<u>198,255</u>	<u>227,001</u>

The notes on pages 14 to 27 form part of these financial statements.

1 Accounting policies

Charity Information

The Charity is unincorporated Charity registered with the Charity Commission (number 1090810), its principle address is detailed within the legal and administration section of the accounts.

1.1 Accounting Convention

The accounts have been prepared in accordance with the Charity's trust deed, the Charities Act 2011 and the '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)' (effective 01 January 2019). The Charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost convention.

1.2 Going concern

At the time of approving the financial statements, the Trustees foresee no material uncertainties and are confident that the Charity has both adequate resources and the means of maintaining them for at least 12 months from the approved date of these accounts. Expenditure is largely fixed by nature and, thus, fairly predictable. Sponsorship income has held-up better than expected during the pandemic and, now that the worst is now behind us, the Trustees are confident that income will start to rise over the coming 12 months. The Charity has a number of temporary measures to fall back on should recovery not be at the expected rate. These include an increase in the level of retained sponsorship and a salary reduction.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives unless the funds have been designated for other purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for a particular restricted purpose. Further explanation of the nature and purpose of each significant restricted fund is included in the notes to the financial statements.

1.4 Incoming Resources

All incoming resources are included on the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation and is used to facilitate the general work of the Charity.

Donated services are recognised at fair value, being the cost of market value.

1.5 Resources expended

Expenditure is recognised on the accruals basis and is recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure, it is probable that settlement will be required and the amount of the obligation can be measured. Where possible, expenditure is allocated directly to activities undertaken. Support costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource. The majority of support costs (80%) are apportioned on the basis of staff time spent on each activity; bank and finance charges are apportioned in line with receipts; governance costs are apportioned in an equal 3-way split.

Grant and donations paid are accounted for when paid.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is provided at rates calculated to write off the cost less estimated residual value on each asset over its expected useful life on a straightline basis as follows:

Musical equipment	three years
Fixtures & fittings	three years
Computer equipment	five years
Office equipment	five years
Motor vehicles	five years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in net income/(expenditure) for the year.

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

1.8 Cash and cash equivalents

Cash and cash equivalents included cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The Charity only had 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 settlement value.

1.10 Retirement Benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Rentals payable under operating leases, include any lease incentives received, are charged as an expense on a straight-line basis over the term of the relevant lease.

1.12 Fund accounting

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1.13 Taxation

The Charity is not subject to Corporation Tax. It is entitled to claim from HM Revenue & Customs the tax associated with income received under gift aid.

2 Donations and legacies

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total 2019 £
Donations and gifts - sponsorship	84,539	665,544	750,083	87,937	691,554	779,491
Donations and gifts - appeals	58,081	26,981	85,062	83,862	30,782	114,644
Donations and gifts - general	21,202	7,602	28,804	39,344	9,340	48,684
Gift aid reclaimed	108,896	4,416	113,312	126,400	6,955	133,355
Government furlough scheme	78,321	-	78,321	-	-	-
	<u>351,039</u>	<u>704,543</u>	<u>1,055,582</u>	<u>337,543</u>	<u>738,631</u>	<u>1,076,174</u>

3 Charitable activities

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total 2019 £
Visit Watoto	-	5,186	5,186	-	19,329	19,329
Frazerborough Church - Bible purchases	-	-	-	-	3,600	3,600
	<u>-</u>	<u>5,186</u>	<u>5,186</u>	<u>-</u>	<u>22,929</u>	<u>22,929</u>

4 Trading activities

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total 2019 £
Choir tour - merchandise sales	36,238	-	36,238	64,034	-	64,034
	<u>36,238</u>	<u>-</u>	<u>36,238</u>	<u>64,034</u>	<u>-</u>	<u>64,034</u>

5 Investments

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total 2019 £
Interest receivable	240	-	240	562		562
	<u>240</u>	<u>-</u>	<u>240</u>	<u>562</u>	<u>-</u>	<u>562</u>

6 Raising funds

	Unrestricted Funds 2020 £	Unrestricted Funds 2019 £
Trading costs		
Merchandise purchases	12,959	32,017
Stock write-off	-	7,257
	<u>12,959</u>	<u>39,274</u>

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Notes to the financial statements

7 Charitable activities	Notes	Restricted		Unrestricted			2020 £	2019 £
		Sponsorship Programme £	Restricted - Other £	Uganda Programme £	Choir Tour £	Development & Engagement £		
Costs directly allocated to Charitable Activities								
Grant funding to Uganda		698,541	-	-	-	-	698,541	725,447
Visit Watoto costs		-	24,472	-	-	-	24,472	18,909
Frazerborough - (bible purchases)		-	-	-	-	-	-	3,600
Marketing & administration		-	-	-	703	712	1,415	18,846
Choir - living expenses & subsistence		-	-	-	19,613	-	19,613	19,240
Choir - international travel		-	-	-	16,525	-	16,525	24,655
Domestic travel		-	-	-	13,489	786	14,275	27,872
Choir - equipment (hire & rep's)		-	-	-	3,384	-	3,384	2,278
Bank & finance charges		-	-	-	473	-	473	762
Licencing & database costs		-	-	8,207	-	-	8,207	3,903
Depreciation		-	-	-	2,756	-	2,756	1,393
Support costs allocated to Charitable Activities								
Admin staff costs		-	-	170,901	60,254	21,916	253,071	299,138
Admin & office exp.		-	-	6,378	3,827	2,551	12,756	10,687
Admin travel & subsistence		-	-	1,198	719	479	2,396	11,540
Bank & finance charges		-	-	10,138	1,076	1,314	12,528	12,886
Van costs		-	-	120	970	121	1,211	3560
Rent, services & insurance		-	-	10,955	10,511	10,289	31,755	18,768
Storage, repairs & m'tnce		-	-	117	2,041	115	2,273	10,047
Office equipm't & I.T.		-	-	1,876	1,126	750	3,752	13,376
Depreciation		-	-	1,508	955	678	3,141	5,227
Legal & professional		-	-	2,352	1,411	941	4,704	8,540
Governance	8	-	-	2,169	2,169	2,170	6,508	10,421
Total expenditure		698,541	24,472	215,919	142,002	42,822	1,123,756	1,251,095
Charitable activities expenditure - Restricted funds			723,013					747,956
Charitable activities expenditure - Unrestricted funds						400,743		503,139

During the year the Charity paid grants to Watoto Uganda, who operate the sponsorship programme and projects that are funded by the Charity.

Expenditure on charitable activities was £1,123,756 (2019 - £1,251,009) of which, £723,013 was allocated to restricted funds (2019 – £747,956) and £400,743 (2019 - £503,139) allocated to unrestricted funds.

For support cost allocation see note 1.5.

8 Governance costs

	2020 £	2019 £
Trustees expenses	-	1,821
Audit fee	6,508	7,200
Auditors - subsidiary undertakings	-	1,400
	<u>6,508</u>	<u>10,421</u>

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Notes to the financial statements

9 Employees

Staff costs	2020	2019
	£	£
Wages & salaries	227,381	243,140
Redundancy and termination costs	-	28,699
Social security costs	18,004	20,204
Other pension costs	7,686	7,095
	253,071	299,138

During 2019, there were redundancy payments of £28,699 and were charged to unrestricted funds. Redundancies arose due to the relocation of the Charity from London to Oxford.

Staff numbers

	2020		2019	
	F.T.E.	Number	F.T.E.	Number
Charitable activities	6.6	8.5	9.1	10.0
	6.6	8.5	9.1	10.0

The following number of employees received total employment benefits during the year between:

	2020	2019
	No.	No.
£80,001 - £90,000	1	0
£70,001 - £80,000	0	0

The key management personnel of the Charity comprise the trustees and the Chief Executive and the total employee benefits (including pension contributions and employer's National Insurance) of key management personnel was £81,565 (2019: £54,026). The Charity trustees were neither paid nor received any other benefits from employment with the Charity in the year (2019: £nil) and no trustee received payment for professional or other services supplied to the Charity (2019: £nil).

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10 Fixed assets

	Choir Equipment £	Office Equipment £	Office Furniture £	Computers £	Motor Vehicles £	Total Fixed Assets £
Cost						
At 1 January 2020	39,349	6,504	1,324	19,494	19,144	85,815
Additions	9,289	129	-	654	-	10,072
At 31 December 2020	48,638	6,633	1,324	20,148	19,144	95,887
Depreciation						
At 1 January 2020	38,291	5,724	692	13,226	19,144	77,077
Charge for the year	2,756	242	131	2,768	-	5,897
At 31 December 2020	41,047	5,966	823	15,994	19,144	82,974
Net Book Value						
At 31 December 2020	7,591	667	501	4,154	-	12,913
At 31 December 2019	1,058	779	632	6,268	-	8,737

11 Stock

	2020 £	2019 £
Goods for resale	6,047	5,146

12 Debtors

	2020 £	2019 £
Due within one year		
Other debtors	30,622	3,906
Prepayments & accrued income	123,658	111,971
	154,280	115,877

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Notes to the financial statements

13 Creditors

	2020	2019
	£	£
Trade creditors	7,422	8,801
Tax & social security costs	19,643	2,681
Other creditors	117,049	88,018
Accruals	14,508	8,000
Deferred income - (see note 13b)	4,518	1,437
	<u>163,140</u>	<u>108,937</u>

13b Deferred income

	2020	2019
	£	£
Opening balance	1,437	-
Amount deferred in the year	12,526	1,860
Amount released to incoming resources	(9,445)	(423)
Closing balance	<u>4,518</u>	<u>1,437</u>

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Notes to the financial statements

14 Restricted funds	Balance as at 1st Jan 2020		Incoming Resources		Resources Expended		Balance as at 31st Dec 2020		Balance as at 1st Jan 2019		Incoming Resources		Resources Expended		Balance as at 31st Dec 2019		
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Sponsorship and Donations																	
Child	42,003	452,328	(454,721)	39,610	33,609	477,507	(469,113)	42,003									
Mother	3,707	46,129	(45,970)	3,866	3,834	48,327	(48,454)	3,707									
Baby	4,146	55,625	(54,303)	5,468	4,854	54,263	(54,971)	4,146									
Neighbourhood Child	5,269	67,127	(66,986)	5,410	5,528	66,960	(67,219)	5,269									
Neighbourhood Mother	2,581	32,352	(32,345)	2,588	3,033	35,197	(35,649)	2,581									
Teacher	162	1,926	(1,872)	216	180	1,944	(1,962)	162									
Special Needs	553	6,722	(5,588)	1,687	623	7,161	(7,231)	553									
SEED	480	6,501	(5,317)	1,664	521	5,987	(6,028)	480									
Watoto Uganda Support Fund	92,013	7,601	(8,871)	90,743	85,100	9,341	(2,428)	92,013									
Appeals																	
Gift pool	323	1,250	(1,040)	533	414	1,163	(1,254)	323									
Gulu project	375	8,018	(7,284)	1,109	683	7,576	(7,884)	375									
Christmas appeal	2,349	363	(1,971)	741	1,355	2,754	(1,760)	2,349									
Sustainability project	-	896	(896)	-	49	9,066	(9,115)	-									
Winnie's medical appeal	-	13	-	13	-	9,504	(9,504)	-									
Keep A Girl in School	-	1,806	(706)	1,100	-	-	-	-									
Other appeals	-	15,886	(10,671)	5,215	664	1,881	(2,545)	-									
Other																	
Visit Watoto	23,377	5,186	(24,472)	4,091	23,287	19,329	(19,239)	23,377									
Frazerburgh Church Funds	-	-	-	-	-	3,600	(3,600)	-									
	<u>177,338</u>	<u>709,729</u>	<u>(723,013)</u>	<u>164,054</u>	<u>163,734</u>	<u>761,560</u>	<u>(747,956)</u>	<u>177,338</u>									

14 Restricted funds (continued)

Restricted funds fall into three categories:

- Sponsorship** – Sponsorship is an on-going regular commitment to support the holistic care of babies, children and mothers; either as individuals or as a general support to those areas. Sponsorship is promoted, and new sponsors gained, mainly at choir concerts and we are now developing new avenues for sponsorship income. Ninety per cent of all sponsorship income is sent directly to Uganda and the groups that we help support are:
 - Babies
 - Children
 - Children with special needs – because of their additional care costs, sponsorship of these children is higher.
 - Mothers
 - Neighbourhood children and mothers – these are not located in our Watoto villages but in the surrounding neighbourhoods. All are single-parent families.
 - Teachers – education is not free in Uganda so, by employing its own teachers, Watoto can guarantee an education to all children in its care.
- Watoto Uganda support fund** – largely regular donations that are not restricted to any of the above but are for free distribution by Watoto Uganda.
- Appeals** – These are discrete, single purpose donations usually in response to an appeal and 100% of these donations are sent to Uganda. We run an autumn / Christmas appeal each year to enable all in our care to receive a small gift at Christmas and, in addition to this, the UK supported the following appeals during 2020:
 - Gift pool** – any separate donation made for a child are pooled so that all children may receive a small gift on their birthday.
 - Gulu project** – this is a specific village project in the north of Uganda.
 - Sustainability project** – for providing support to sustainable projects such as provision of solar panels in Uganda.
 - Keep a girl in school project** – provides resources to help keep young, marginalised girls in school in Uganda & South Sudan e.g. school fees, uniforms, personal hygiene, mentoring.

Watoto Child Care Ministries
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Watoto education programme – provides comprehensive education to Ugandan youth through Ugandan educational institutions.
 Winnie Appeal – during 2019 monies were raised in order that one of our young people, Winnie Namugala, was able to travel to America for a life-saving blood transfusion. A small donation to this appeal was received in 2020.

3. Other

Visit Watoto – sponsors and supporters are encouraged to visit Uganda and, if appropriate, volunteer to assist with one of our many ongoing projects. Visit Watoto is the receipt of monies to pay for travel, accommodation and subsistence on these trips and 100% of this money is passed over to Uganda. There was one small trip at the beginning of 2020 and then, due to the pandemic, all further visits ceased until further notice.

15 Unrestricted funds

	Notes	Balance as at 1st Jan 2020		Incoming Resources Expended Dec 2020		Balance as at 31st Dec 2020		Incoming Resources Expended Dec 2019		Balance as at 31st Dec 2019	
		£	£	£	£	£	£	£	£	£	£
Unrestricted funds		59,161	369,481	(413,702)	14,940	210,760	390,815	(542,414)	59,161		
General fund											
Designated funds	16										
Where most needed fund		8,325	7,849	-	16,174	-	8,325	-	8,325		
Operational development fund		3,000	9,400	-	12,400	-	3,000	-	3,000		
Keep Choir on the road		-	787	-	787	-	-	-	-		
		<u>70,486</u>	<u>387,517</u>	<u>(413,702)</u>	<u>44,301</u>	<u>210,760</u>	<u>402,140</u>	<u>(542,414)</u>	<u>70,486</u>		

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16 Designated funds

Where most needed – this fund is available for the immediate use of the Country Director for any emergency purpose, either in the UK or elsewhere in the world, as he sees fit and appropriate.

Operational development fund – this fund is available to the Country Director in helping defray costs incurred in the development and growth of new fundraising activities and income streams.

Keep the choir on the road – this fund is available to defray any exceptional, unbudgeted choir tour costs.

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17a Analysis of net assets between funds (current year)

	Restricted £	General Unrestricted £	Designated Funds £	Total 2020
Fixed Assets	-	12,913	-	12,913
Net Current Assets	164,054	2,027	29,361	195,442
	<u>164,054</u>	<u>14,940</u>	<u>29,361</u>	<u>208,355</u>

17b Analysis of net assets between funds (previous year)

	Restricted £	General Unrestricted £	Designated Funds £	Total 2019
Fixed Assets	-	8,737	-	8,737
Net Current Assets	177,338	50,424	11,325	239,087
	<u>177,338</u>	<u>59,161</u>	<u>11,325</u>	<u>247,824</u>

Within current assets is £176,721 (2019: £177,338) of cash which is held to cover restricted funds

18 Operating lease commitments

At the reporting end date, the Charity had outstanding commitments for futures minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Leases due to expire in:		
Less than one year	-	-
Between two & five years	90,216	112,770
	<u>90,216</u>	<u>112,770</u>

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19 Related party transaction

There were no Trustee expenses (£ nil) in 2020 (2019: £1,821) as all meetings were held online. There were no amounts owing to or owed by the Trustees or other related parties at the balance sheet date (2019: £nil). These payments are permissible under sections 19 and 20 of the Charity's trust deed.

Aggregated donations received from the Trustees or related parties without conditions were £18,492 (2019: £1,771).

Trustees of Watoto Child Care Ministries hold a controlling position in Watoto Uganda. Grant funding is paid to Watoto Uganda, and in 2020 this totalled £724,847 (2019: £725,447).

20 Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2020	2019
	£	£
Net incoming/(outgoing) resources before revaluations	(39,469)	(126,670)
Depreciation of tangible assets	5,897	6,621
Interest received	(240)	(562)
Decrease/(increase) in stocks	(901)	24,372
Decrease/(increase) in debtors	(38,403)	(10,932)
(Decrease)/increase in creditors within one year	44,614	70,897
(Decrease)/increase in accruals and deferred income	9,589	(3,960)
Net cash (outflow)/inflow from operating activities	<u>(18,914)</u>	<u>(40,234)</u>