

# ***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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## **Watoto Child Care Ministries**

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

#### **Legal and Administrative details**

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

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The Trustees present their report with the financial statements of Watoto Childcare Ministries (the Charity) for the year ended 31<sup>st</sup> 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 9<sup>th</sup> March 1999, amended 6<sup>th</sup> 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 16<sup>th</sup> March. National lockdown began on 23<sup>rd</sup> 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.



**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 31<sup>st</sup> October 2021 and signed on its behalf by:



J Skinner  
Trustee

Dated: 31<sup>st</sup> 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 report<sup>1</sup>, 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...]

**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](http://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**

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**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 £
<b>INCOME AND EXPENDITURE</b>							
<b>Income from:</b>							
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
<b>Total income</b>		<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>
<b>Expenditure on:</b>							
<b>Raising funds</b>							
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)
<b>Total expenditure</b>		<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>
<b>Net (expenditure) / income</b>		<u>(26,185)</u>	<u>(13,284)</u>	<u>(39,469)</u>	<u>(140,274)</u>	<u>13,604</u>	<u>(126,670)</u>
<b>Net movement of funds for the year</b>		<u>(26,185)</u>	<u>(13,284)</u>	<u>(39,469)</u>	<u>(140,274)</u>	<u>13,604</u>	<u>(126,670)</u>
<b>Reconciliation of funds</b>							
Balances brought forward 31 December 2019		70,486	177,338	247,824	210,760	163,734	374,494
<b>Balances carried forward 31 December 2020</b>		<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	
		£	£	£	£
<b>Fixed assets</b>					
Plant and equipment	10		12,913		8,737
<b>Current assets</b>					
Stocks of goods for resale	11	6,047		5,146	
Debtors	12	154,280		115,877	
Cash at bank and in hand		198,255		227,001	
		<u>358,582</u>		<u>348,024</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(163,140)</u>		<u>(108,937)</u>	
<b>Net current assets</b>			195,442		239,087
<b>Net assets</b>			<u>208,355</u>		<u>247,824</u>
<b>Funds</b>					
Restricted funds	14		164,054		177,338
Unrestricted funds	15		44,301		70,486
<b>Total funds</b>			<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 31<sup>st</sup> October 2021 and signed on their behalf by



J Skinner

Trustee

Dated: 31<sup>st</sup> October 2021

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

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

# Watoto Child Care Ministries

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

### Notes to the financial statements

#### 7 Charitable activities

	Notes	Restricted		Unrestricted			2020 £	2019 £
		Sponsorship Programme £	Restricted - Other £	Uganda Programme £	Choir Tour £	Development & Engagement £		
<b>Costs directly allocated to Charitable Activities</b>								
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
<b>Support costs allocated to Charitable Activities</b>								
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
<b>Total expenditure</b>		698,541	24,472	215,919	142,002	42,822	<b>1,123,756</b>	<b>1,251,095</b>
<b>Charitable activities expenditure - Restricted funds</b>			<b>723,013</b>					<b>747,956</b>
<b>Charitable activities expenditure - Unrestricted funds</b>						<b>400,743</b>		<b>503,139</b>

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>

## **9 Employees**

<b>Staff costs</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
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
	<u>253,071</u>	<u>299,138</u>

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**

	<b>2020</b>		<b>2019</b>	
	<b>F.T.E.</b>	<b>Number</b>	<b>F.T.E.</b>	<b>Number</b>
Charitable activities	6.6	8.5	9.1	10.0
	<u>6.6</u>	<u>8.5</u>	<u>9.1</u>	<u>10.0</u>

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

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
£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).

**Watoto Child Care Ministries****Annual Report and financial statements for the year ended 31 December 2020****Notes to the financial statements****10 Fixed assets**

	<b>Choir Equipment £</b>	<b>Office Equipment £</b>	<b>Office Furniture £</b>	<b>Computers £</b>	<b>Motor Vehicles £</b>	<b>Total Fixed Assets £</b>
<b>Cost</b>						
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	<b>48,638</b>	<b>6,633</b>	<b>1,324</b>	<b>20,148</b>	<b>19,144</b>	<b>95,887</b>
<b>Depreciation</b>						
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	<b>41,047</b>	<b>5,966</b>	<b>823</b>	<b>15,994</b>	<b>19,144</b>	<b>82,974</b>
<b>Net Book Value</b>						
At 31 December 2020	<b>7,591</b>	<b>667</b>	<b>501</b>	<b>4,154</b>	<b>-</b>	<b>12,913</b>
At 31 December 2019	<b>1,058</b>	<b>779</b>	<b>632</b>	<b>6,268</b>	<b>-</b>	<b>8,737</b>

**11 Stock**

	<b>2020 £</b>	<b>2019 £</b>
Goods for resale	<b>6,047</b>	<b>5,146</b>

**12 Debtors**

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

**Watoto Child Care Ministries****Annual Report and financial statements for the year ended 31 December 2020****Notes to the financial statements**

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**13 Creditors**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
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**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
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>

**Watoto Child Care Ministries**  
**Annual Report and financial statements for the year ended 31 December 2020**  
**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 £
<b>Sponsorship and Donations</b>								
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
<b>Appeals</b>								
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)	-
<b>Other</b>								
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:

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 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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**Notes to the financial statements**

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**

Unrestricted funds	Notes	Balance		Incoming Resources		Balance		Incoming Resources		Balance	
		as at 1st		Dec 2020		Jan 2019		Dec 2019		as at 31st	
		£	Jan 2020	£	Expended	£	Jan 2019	£	Expended	£	Dec 2019
General fund		59,161		369,481	(413,702)	14,940	210,760	390,815	(542,414)	59,161	
<b>Designated funds</b>	<b>16</b>										
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>	

**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.

**Watoto Child Care Ministries****Annual Report and financial statements for the year ended 31 December 2020****Notes to the financial statements**

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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>

## **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>