

THEIRWORLD
(a charitable company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

Company Number 4422413
Charity Number 1092312

THEIRWORLD

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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LEGAL AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees

S Brown
D J Boutcher MBE
L Doughty
Dr. I Laing
Prof. N Modi
T Sowa CBE
A Weir

Secretary and registered address

D. J. Boutcher, Third Floor, The Broadgate Tower, 20
Primrose Street, London, EC2A 2RS

Company number:

4422413

Charity number:

1092312

Auditors

Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

Bankers

Lloyds Bank
City Office Branch
P O Box 1000, BX1 1LT

Solicitors

Farrer & Co
66 Lincoln's Inn Fields
London
WC2A 3LH

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees have pleasure in presenting their report and audited financial statements of the Charity and group for the 12-month period ended 31 December 2022. The financial statements have been prepared in accordance with the accounting policies set out on pages 17 to 19 and comply with the current statutory requirements, the Memorandum and Articles of Association 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 (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Structure, governance and management

The company was incorporated on 23 April 2002. It is registered with the Charity Commission under the Charities Act 2011 and received its charitable status on 31 May 2002.

Management of the Charity is by a Board of Directors ("Trustees"). The Trustees, who have served during the period and since the period end, are set out in this report.

The Trustees are appointed by invitation on to the Board by existing Trustees. On appointment, an induction is given by an existing Trustee explaining the grant making processes and procedures as well as an overview of the administrative procedures employed by the Charity. In addition, all new Trustees are given a copy of the Code of Conduct for a Trustee, explaining in detail their role and responsibilities.

Trustees

The following were on the Board of Trustees during the period ended 31 December 2022 and to the date of this report unless as otherwise stated:

S Brown
D J Boutcher MBE
L Doughty
Dr I Laing
Prof. N Modi
T Sowa CBE
A Weir

Objectives and activities

The governing document of the Charity is its Memorandum and Articles of Association dated 22 April 2002. This sets out the objects of the charity which are principally the relief of poor or infirm children and young people and the advancement of the education of children and young people. The Trustees continue to support fundraising for an awareness of some of the most exciting and innovative charity ventures for children.

Grant making policy

During the period ended 31 December 2022 the Trustees adopted a grants policy pursuant to which the Charity will prioritise projects relating to the health, education and welfare of children and young people.

Activities and performance for the public benefit

The Trustees confirm that they have had due regard to the Charity Commission guidance and this report sets out a summary of the work of the Charity in furtherance of the public benefit.

As Theirworld marked its 20th anniversary in 2022, this presented an opportunity to reflect on the Charity's achievements to date, raise the profile of the Charity in marking this milestone, and to set a path for the future with the new five-year Strategic Plan.

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The Charity has maintained its focus on the improvement for children and young people in early years, safe schools, and youth skills in its activities in the past year and in taking time to develop its new strategic framework. Theirworld also continued to adapt with a hybrid working format to accommodate the resulting impact of the Covid-19 pandemic with its priority to protect staff and to enable project work and campaigns to continue successfully. Its policies have been reviewed and updated during the year in line with best practice.

Since 2003, Theirworld has invested over £4.7million in a research programme at the Jennifer Brown Research Laboratory (JBRL) at the University of Edinburgh. Under the excellent leadership of Professor James Boardman, the flagship project is the Theirworld Edinburgh Birth Cohort (TEBC) study, through which the research team investigates risk and resilience after preterm birth by charting the lives of premature children and their families in a study that will span 25 years. Information is collected about pregnancy, maternal and neonatal physiology, genetics, brain development, socioeconomic context, and neuropsychological and educational outcomes, and then enables different studies of mothers and infants in an integrated way. The study recruited over 4,000 families between 2016 and 2021 and completed the nine-month follow-up phase and began seeing the first recruits at five years old in 2022. The TEBC study is having a significant impact on the medical and scientific communities, evidenced by over 50 publications that push the frontiers of knowledge about premature birth, training the next generation of perinatal scientists through PhDs, and building a community of families affected by preterm birth in South East Scotland. Theirworld is raising £750,000 to fund the project period 2021-26, with matching funds from the University of Edinburgh and other sources over the same period. The Office of Gordon and Sarah Brown and the Doughty Family Foundation have continued to contribute substantially to the JBRL. Theirworld also secured extensive positive coverage of the JBRL in support of its Appeal during the charity's anniversary year, and a new film was made describing the work of the JBRL.

Theirworld's advocacy and campaigns agenda during 2022 was focused on the creation and development of the Let Me Learn campaign to drive greater support for global education financing, and the successful launch of the International Financing Facility for Education at the Transforming Education Summit in New York. The campaign benefited from the creative and professional pro bono support of the Omnicom Group (BBDO, Hall & Partners, Porter Novelli, Mother Tongue, OneHundred Agency and RappCode).

At the United Nations General Assembly (UNGA) in September 2022, Theirworld hosted several high-level Let Me Learn events including a dinner to celebrate the outcomes of the Transforming Education Summit, co-hosted with President Julius Maada Bio and the First Lady of Sierra Leone and in collaboration with the Global Business Coalition for Education, UNICEF's Generation Unlimited, the Global Partnership for Education, Education Cannot Wait and the Education Commission. The event was also attended by UN Deputy Secretary-General Amina J. Mohammed and leaders from international organisations and major companies, including Kristalina Georgieva, Managing Director of the International Monetary Fund; David Beasley, Executive Director of the World Food Programme; Philippe Lazzarini, Commissioner-General of UNRWA; Jenny Ohlsson, State Secretary of Sweden; and Jutta Urpilainen, Commissioner International Partnerships at the European Commission. Theirworld Global Youth Ambassadors presented the Unlocking Big Change Award to Elias Bou Saab, former Education Minister of Lebanon.

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FOR THE YEAR ENDED 31 DECEMBER 2022

During the UNGA Week a session was also held on Early Childhood Development (attended by Charity Trustee Professor Neena Modi) and co-hosted with Peter Laugharn, President and CEO of the Conrad N Hilton Foundation. With over 30 NGOs in attendance, the purpose of the meeting was to identify how various organisations and actors across sectors could cooperate to drive progress through a global campaign effort in 2023 in the early years.

Theirworld continued its work on Early Years and saw its campaigning efforts recognised by the UNESCO World Conference on Early Childhood Care and Education held in Uzbekistan with the 10% budget commitment for early years education. The Charity has also continued in Kenya to work to secure 10% of education budgets be directed to early years with a view to expanding this target globally. A report was published on early childhood development in partnership with the REAL Centre at Cambridge University.

The Charity responded to the crisis for children's education because of the conflict in Ukraine by taking part in a delegation visit to Moldova with Education Cannot Wait and developing to completion the largest education investment in Ukrainian education with the provision of laptops and software with the Global Business Coalition for Education, Microsoft, HP and supporting local learning content providers like Smart Osvita.

The Charity also supports a range of early years, safe schools and youth skills education projects – both building on past success and developing new initiatives with local NGOs and local partners for vulnerable out of school learners and young people. The Charity ensures that it provides skills, funding, puts in place safeguarding and governance provisions, and works to invest in local talent, ideas, project delivery and learning opportunities. The 2022 project partners were: Amna (Greece), Ana Aqra (Lebanon), AREAi (Nigeria), BRAC (Tanzania), Chance for Childhood (Ghana and Kenya), Earth Warriors (Botswana and Zambia), Edinburgh Business School and Heriot Watt University (Lebanon), Hatua Network (Kenya), Kidogo (Kenya), Lebanese Alternative Learning (Lebanon), Maya Vakfi (Turkey), MOSAIK Education (Lebanon and Jordan), SKILD Center (Lebanon), Smart Osvita (Ukraine), Thaki (Lebanon), UNICEF (Greece), Women in Technology (Uganda), Youth for Technology Foundation (Kenya and Nigeria), Zana Africa Foundation (Kenya).

The first cohort of the Refugee MBA programme was completed with the Edinburgh Business School at Heriot Watt University for refugees and Lebanese nationals living in Lebanon. In addition, a highly successful recruitment for the second cohort took place. The programme is now jointly funded by the players of the Postcode Lottery Group and a new grant from the abdrn charitable foundation.

The five Innovation Award Winners, who were selected in 2021, completed their programme of masterclasses, mentoring and grants in July 2022. Together these organisations have reached well over two million young learners. The winners in 2022 are: AREAi (Nigeria), Children on the Edge (Uganda), Lebanese Alternative Learning (Lebanon), NABU (Kenya) and Ubongo (Uganda).

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Trustees have also approved £121,895 to the following organisations in our Small Grants programme plus additional funding accompanying a tailored communications plan for a selection of recipients: Awaii Community Foundation (Kenya); Chelma Advisory Institute (Kenya); Chinansungwi Relief Hand Organisation; Edinburgh Direct Aid (Lebanon); Khula Development Group (South Africa); Mama Care (Ghana); NPO Think About Education (Rwanda); Reach Out Youth; Teapot Trust (UK); The Sapphires Development Initiative (Nigeria); Unique Foundation (Gambia); Worship Centre International Ministries Trust (Zimbabwe); and Blessed Life Foundation (Uganda).

The current Global Youth Ambassador active network was comprised of 2,069 GYAs in 124 countries at the end of 2022. During the year, the Theirworld GYA team onboarded 1,029 new GYAs into the programme. Theirworld has continued to invest in strengthening the GYA programme so that its membership can build their skills and have access to opportunities to advocate for education. The programme enables them to take action in their communities, as well as on the international stage, becoming leaders in the drive to end the global education crisis.

As part of its commitment to create more resources for schools and students, Theirworld launched its new Schools Hub to help school leaders encourage and guide their pupils to campaign for change. The tool is a one-stop shop for teachers and students to better understand how education unlocks solutions to all the major crises we face today, including climate change, inequality and poverty. The Hub includes Teaching Resources – a series of free, UK-focused teaching packs for students aged from seven to 16 and features other resources for older secondary students. Theirworld was chosen as one of two charities to participate in the annual Conference of Headmasters and Headmistresses (HMC) in Edinburgh in October 2022. Three of our Global Youth Ambassadors – Yara, Shazia and Kainat – led a seminar discussion speaking passionately about our GYA programme and their work advocating for education. Mary Contini and Shannon de Boissard from the Theirworld Advisory Board also attended.

The Global Business Coalition for Education (GBC-Education), the movement of businesses committed to ending the global education crisis, is a US registered corporation with exemption from Federal Income Tax under section 501(C)(3) of the Internal Revenue Code. Theirworld is the founding and sole member. GBC-Education's programmatic work in 2022 included four key initiatives: diversity, equality and inclusion; environmental, social and governmental (ESG) and social impact; youth skills development; and disaster relief and education for refugees and displaced children. GBC-Education works with business leaders to champion tangible action towards ending the global education crisis. It develops and deploys evidence-based tools and products that enhance engagement between business and education sectors and facilitates strategic partnerships bridging the divide between those sectors. Furthermore, it identifies impactful partnership opportunities across its core mission areas, and in 2022 it has led the Digital Equity for Ukraine initiative to distribute 74,000 HP laptops and Microsoft software to Ukrainian refugees and displaced children and teachers and is grateful for the assistance of the Olena Zelenska Foundation and the Ukraine House Foundation. GBC-Education continues to work with the generous support of the BHP Foundation on its Business Investment in Education initiative. The 'Big Ideas, Bright Cities' programme has continued with Dell Technologies and Deloitte's generous support and included the announcement of the Top Skills Friendly Cities for Young People in the USA during 2022.

The Trustees would also like to thank the members of the Theirworld Advisory Board for their support and express their gratitude to the Ambassadors who contribute their time and support to the Charity's campaigns and advocacy work to ensure that it gains greater prominence. Particular thanks are given to Arabella Weir and Nick Sharratt who took part in the launch year of Theirworld Your Walk, and to Steve Nguyen for making a film for Theirworld in its 20th anniversary year. Matt Lucas also generously provided his time and talent to record a film being prepared for the 2023 Early Years campaign.

We also thank Ed Balls for hosting this year's Reed Smith Quiz Night which raised funds for the Charity and comedian Sarah Keyworth for the entertainment. Grateful thanks to the Reed Smith Choir, Yomi Adegoke, Tamara Box, Gordon Brown, Bill Nighy, June Sarpong, and Arabella Weir for taking part in the new carol concert supporting the Charity.

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The continuing support from Valvona & Crolla in Edinburgh, under Francesca Contini's leadership, reached new heights this year as the family business lent their support with a supporters' dinner to mark Theirworld's 20th Anniversary milestone, a Theirworld hamper on sale during the year, and the Valvona & Crolla team entering the Edinburgh Marathon. Luxury jewellery company, Astley Clarke continued to support Theirworld with the dedicated range to mark the 20th anniversary too. We are also grateful to Advisory Board members Tracey Woodward, Christianne Cavaliere and Imad Ghandhour who created a luxury beauty box of 20 generously donated products that went on sale to raise charity funds. Loyal supporter, busker Nicola Haxby surpassed a £10,000 fundraising milestone during the year and continues to share her music supporting Theirworld's education in emergencies work.

The Trustees would also like to thank Dr Lisa Belzberg, David Boutcher MBE, Sarah Brown, Edward J Estrada and Joyce Malombe for their service on the GBC-Education Executive Board, and during 2022 for their support and judgement for Theirworld's new Innovation Awards. They also extend their gratitude to all the members of the Advisory Board for their guidance and engagement, and note particular thanks during 2022 to Alex Cho, President of Personal Systems, HP and Microsoft for supporting the Ukrainian refugee laptop project.

The Trustees would additionally like to thank the following organisations who have generously supported the work of Theirworld, Dubai Cares, Conrad N. Hilton Foundation, the Nationale Postcode Loterij, Players of the People's Postcode Lottery, The Prism Foundation, Reed Smith law firm, SAP UK, Wandelbots and those organisations who have supported the work of GBC-Education, Aliko Dangote Foundation, BHP Foundation, Dell, Deloitte, Dubai Cares, HP Inc., Lexis Nexis and SAP.

Plans for the Future

Following the discussion with the Trustees in November and further consultation, a proposed strategic framework for 2023-2027 has been finalised and received formal approval by the Trustees.

With our primary focus on ending the global education crisis and investing in the health and wellbeing of children and their families to achieve this end, we will maintain our sharp focus on campaigns, advocacy, research, projects, and youth training in this area. As we recognise the consequences of global health challenges, climate change, emerging conflicts, and global issues around inequality, we are aligning our work to build alliances in these areas and ensure that our work has synergy for integrated outcomes. We will continue to support local partnerships with grants, learning materials, shared collaborations, mentorship and self-learning. We will also continue to focus on taking down barriers to learning and child development including gender, prejudice, physical ability and learning differences, wellbeing and mental health, and trauma support.

We will continue our global and advocacy campaigning work for global education and in 2023 invest our time and resources to build a global campaign for Early Years with a focus on commitments at the United Nation's General Assembly and other key staging posts for international donors. We will continue to work in Kenya to progress models for change on pre-primary education. We will publish a new report on Making the Case for Early Years to coincide with the World Bank Spring meetings.

In 2023, Theirworld plans to implement 18-25 projects and support 10 innovation award grantees. The goal is to directly reach 100,000 learners, educators, and/or caregivers across the three Theirworld pillars and include a climate focus in some of the projects. The Charity will start the year supporting eight new partners: Kidogo, Chance For Childhood Ghana, Mosaik, Junior Achievement Africa, Earth Warriors, Zana Africa, Hatua, and Thaki.

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We will support new scholarships with Edinburgh Business School at Heriot Watt University for refugees and Lebanese nationals living in Lebanon to study for a Master of Business Administration degree and look forward to the first graduations of the original cohort in 2023.

Our small grants programme will continue with applications invited via our website. We continue to invest in innovation projects with local partners including those in Nigeria, Uganda, Kenya, Tanzania, Lebanon and the UK. We are undertaking a second round of the Innovation Awards with an expert panel of judges including Theirworld Trustees to continue to find new innovative education and early learning projects where we will offer larger grants and mentorship.

We will nurture and support the Theirworld Global Youth Ambassadors to invest in their advocacy expertise so that we can work together on future opportunities to unlock big change. Theirworld will enrol another 1,000 members to the GYA programme this year to maintain an active network of 2,000 at any one time. By the end of 2023, there will be 4,000 current and former GYAs. Theirworld will support two newly created task teams of GYAs focusing on education and its links to health and climate. The teams will raise awareness on Theirworld's policy areas, the importance of education in and beyond the education space, and work to secure commitments at regional and national levels.

The Global Business Coalition for Education will continue to develop growth targets for its services for its member companies, build a new 4 tier approach, further its response to education in emergencies including the Ukrainian conflict, continue its skills-friendly cities US programme and develop its programme for increasing corporate impact in global education.

At Theirworld, we will continue to invest in our online resource, The Key, to highlight the relevance and impact of education investment to all 17 of the United Nations' Sustainable Development Goals. We will build additional sets of Schools' resources to provide useful project, essay and dissertation support materials that match secondary/high school requirements in the UK and internationally. We had a presence as a selected charity at the Conference of Headmasters and Headmistresses for school head teachers/principals at the British Library, London in May 2023.

In support of the Charity's communications, we will continue to maintain and improve its website, Global Youth Ambassador digital resources, and digital media and marketing activities.

As part of Theirworld's internal development we will pursue a significant investment into our own database following data protection protocols, and our finance systems. Safeguarding remains an important priority wherever and however we work and will continue to be firmly embedded in our daily practice. This will be a significant data initiative which will better meet our organisational needs for campaigning, fundraising, external engagement, digital content delivery and constituent management.

As part of our commitment to improving work-life balance, creating the most productive work environment, and recruiting and retaining top talent, we will be trialing a four-day work week in our UK and US offices in 2023. This will be based on the 100/80/100 model of 100% productivity, 80% working time, and 100% of salary. We will continue to monitor and review all policies to ensure they maintain the highest standards of good governance and best practice.

Following its initial early launch in 2022, Theirworld will further invest in its own development and fundraising with a new team in place and develop its new mass participation event Theirworld, Your Walk. The Charity will support and maintain its valued relationships with trusts and foundations to keep its strong financial position and will also steadily build broader funding sources with grateful thanks to all the individuals and organisations who run, walk, jump, skip and bake to support the Charity.

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We are delighted that the new fundraising team has secured support in the BBC Radio 4 charity appeal which aired on 1 January 2023 with, actor and long-time Theirworld supporter, David Tennant recording the appeal.

Theirworld has commitments to continue to benefit from legal support and office space in London and New York and other pro-bono services from the global law firm Reed Smith. Theirworld's agreement with the Omnicom Group continues so that we can build a global Early Years campaign, and continue to benefit from the creative assets of the Let Me Learn campaign to support our work around safe schools and education financing.

We will benefit from the players of the People's Postcode Lottery in Great Britain whose support enables us to work creatively, boldly, and effectively to support our mission. The Dutch Postcode Lottery also will continue to support Theirworld's core work which makes a remarkable difference for our impact. Support from the Conrad N. Hilton Foundation with a new two-year grant enables us to create and build a global Early Years campaign. We have the support of the abrdn Foundation to support the next exciting phase of the MBA programme for Syrian refugees and vulnerable young people from Lebanon. Our partnership and friendship with the team at Dubai Cares continues with a focus on educational opportunity for young people who otherwise miss out.

The Theirworld Advisory Board will continue to enhance our campaign, advocacy, and fundraising activities. We will continue to benefit from the support of Theirworld's Ambassadors for our campaigns, communications, and public events.

We greatly value our internal team and external supporters as we combine to create the opportunity for Theirworld to focus on ending the global education crisis and to unlock big change.

Financial review

Total income for the period was £7,957,244 (2021: £8,332,511) with total expenditure of £6,356,276 (2021 - £6,231,705). Funds held increased by £1,875,270 (2021: increase of £2,064,068).

Unrestricted funds held are £3,017,253 (2021: £3,852,361) with restricted funds at £9,179,217 (2021: £6,468,839) - this figure includes £222,214 (2021: £270,357) for the Jennifer Brown Research Laboratory, £7,786,258 (2021: £6,106,233) for the Global Education campaign, and £1,170,745 (2021: £92,249) for the Global Business Coalition for Education.

Theirworld is reliant on voluntary donations received and receipts from fundraising events, as well as grants made by Trusts and Foundations. These funds are held in bank deposit accounts so as to obtain the best available rates of interest and mitigate investment risk.

The fundraising events during the period generated funds of £42,497 (2021: £914,080), which have been treated as unrestricted income in the financial statements. The Trustees are not aware of any restrictions placed on this income but are mindful that certain individual donors may have considered that their donation would be used to support the Jennifer Brown Research Laboratory or Global Education projects. As stated in the

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Reserves Policy note below, in considering future grants to the University of Edinburgh Development Trust for the Jennifer Brown Research Laboratory or for Global Education, the Trustees will have access to the excess unrestricted funds.

Reserves policy

The Trustees aim to keep reserves to a minimum, in excess of ongoing grant commitments, in order to ensure that most of the income generated is distributed. The Charity operates on minimal overheads with some services and facilities provided free of charge. A reserve will be maintained to cover unforeseen costs. Total reserves at 31 December 2022 amounted to £12,196,470 (2021: £10,321,200) of which £9,179,217 are restricted (2021: £6,468,839) and £20,546 are held in fixed assets (2021: £18,430). This leaves unrestricted general funds, being unrestricted funds less unrestricted fixed assets, of £2,996,707 (2021: £3,833,931). The Trustees continue to review the level of free reserves held and, will look to hold a balance to maintain core cash flow for a period of nine months. Any unrestricted reserves in excess of this will be donated to the University of Edinburgh Development Trust for the benefit of the Jennifer Brown Research Laboratory and to ongoing Global Education and project work.

Fundraising

The Trustees have regularly reviewed the requirements of the Fundraising Regulator, and the decision was taken by the Trustees to register the charity with the Fundraising Regulator in 2019. No complaints have been received in respect of the Charity's fundraising activity. The Charity does not utilise professional fundraisers or commercial participators, though the Trustees note that Theirworld Projects Limited was the recipient of lottery funds run by the People's Postcode Lottery until December 2020.

Pay policy

The Trustees consider the Board of Trustees and the Leadership Team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Charity on a day to day basis. All Trustees give of their time freely and no Trustee received remuneration in the period. Details of Trustees' expenses, which are nil, and related party transactions are disclosed in note 10 to the accounts.

The pay of the Directors and all staff are reviewed annually and normally increased in accordance with average earnings to reflect a cost of living adjustment. In view of the nature of the Charity, the Charity benchmarks against pay levels in similar charities. The remuneration bench-mark is the mid-point of the range paid for similar roles in similar charities and sizes.

Risk management

A risk assessment has previously been undertaken and the principal risks associated with the Charity's activities have been identified and assessed. The Trustees are satisfied that adequate reporting structures and procedures are in place to manage the risks associated with the Charity's activities. An assessment of these risks is undertaken each year. The principal risks and uncertainties identified are ongoing fundraising challenges and effective monitoring and evaluation of local partners who work on overseas projects.

Statement of Trustees' responsibilities

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

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

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- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company, and the group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

All of the current Trustees have taken all steps that they ought to have taken to make themselves aware of any information needed by the Charity's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Trustees are not aware of any relevant information of which the auditors are unaware.

Haysmacintyre LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

In preparing this Trustees' report advantage has been taken of the small companies' exemption from preparing a strategic report.

On behalf of the Board



D J Boutcher
Secretary and Trustee

Date: 11th September 2023

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THEIRWORLD

Opinion

We have audited the financial statements of Theirworld for the period ended 31 December 2022 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Statement of Cash Flows, 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 group's and of the parent charitable company's affairs as at 31 December 2022 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group'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. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (which includes the Directors' report prepared for the purposes of company law) for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THEIRWORLD

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report which incorporates the Directors' report.

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

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on pages 9 and 10, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory requirements of the Company and Charity law applicable in England and Wales and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, Companies Act 2006 and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in certain accounting estimates and judgements, such as the income recognition policy applied to grant income. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing minutes of all trustees' meetings during the period and since the period-end;
- Evaluating management's controls designed to prevent and detect irregularities;

INDEPENDENT AUDITORS'S REPORT

TO THE TRUSTEES OF THER WORLD

- Challenging assumptions and judgements made by management in their critical accounting estimates, including review of how grant income has been recognised at the period-end; and
- Identifying and testing journals, in particular journal entries posted around the period-end.

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 auditor's report.

Use of our report

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



Vikram Sandhu (Senior Statutory Auditor)
For and on behalf of Haysmacintyre, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 12 September 2023

THEIRWORLD

GROUP STATEMENT OF FINANCIAL ACTIVITIES (Incorporating income and expenditure account)
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted funds £	Restricted funds £	Year ended 31 December 2022 £	Period ended 31 December 2021 £
Income from:					
Donations	3	1,119,457	6,745,904	7,865,361	7,404,565
Other trading activities and fundraising events	3	42,013	484	42,497	914,080
Investments	3	49,386	-	49,386	13,866
Total income		<u>1,210,856</u>	<u>6,746,388</u>	<u>7,957,244</u>	<u>8,332,511</u>
Expenditure on:					
Cost of raising funds					
Cost of raising donations	4	-	41,189	41,189	28,817
Fundraising trading: cost of goods sold and other costs	4	-	-	-	-
Charitable activities	5	<u>70,702</u>	<u>6,244,385</u>	<u>6,315,087</u>	<u>6,202,888</u>
Total expenditure		<u>70,702</u>	<u>6,285,574</u>	<u>6,356,276</u>	<u>6,231,705</u>
Net income for the period		1,140,154	460,814	1,600,968	2,100,806
Transfers	17	(1,975,262)	1,975,262	-	-
Exchange (losses)/gains arising on consolidation		-	274,302	274,302	(36,758)
Net movement in funds		<u>(835,108)</u>	<u>2,710,378</u>	<u>1,875,270</u>	<u>2,064,048</u>
Fund balances brought forward		<u>3,852,361</u>	<u>6,468,839</u>	<u>10,321,200</u>	<u>8,257,152</u>
Fund balances carried forward		<u><u>3,017,253</u></u>	<u><u>9,179,217</u></u>	<u><u>12,196,470</u></u>	<u><u>10,321,200</u></u>

All the above results are derived from continuing activities. There were no recognised gains or losses other than those stated above. The notes set out on pages 17 to 29 form an integral part of these financial statements. A comparative Statement of Financial Activities is included at note 20.

THEIRWORLD

GROUP BALANCE SHEET AS

AT 31 DECEMBER 2022

Company number: 4422413

	Note	Group 31 December 2022 £	Group 31 December 2021 £	Charity 31 December 2022 £	Charity 31 December 2021 £
Fixed assets					
Tangible fixed assets	13	20,546	18,430	13,192	9,200
Investments	14	-	-	1	1
		<u>20,546</u>	<u>18,430</u>	<u>13,193</u>	<u>9,201</u>
Current assets					
Debtors	15	127,817	205,292	207,382	164,726
Cash at bank		12,438,006	10,628,460	9,994,898	8,590,309
		<u>12,565,823</u>	<u>10,833,752</u>	<u>10,202,280</u>	<u>8,755,035</u>
Creditors: amounts falling due within one year	16	<u>389,899</u>	<u>530,982</u>	<u>230,614</u>	<u>449,908</u>
Net current assets		<u>12,175,924</u>	<u>10,302,770</u>	<u>9,971,666</u>	<u>8,305,127</u>
Total assets less current liabilities		<u><u>12,196,470</u></u>	<u><u>10,321,200</u></u>	<u><u>9,984,859</u></u>	<u><u>8,314,329</u></u>
Accumulated funds					
Restricted funds	17	9,179,217	6,468,839	8,008,474	6,911,745
Unrestricted funds		3,017,253	3,852,361	1,976,385	1,402,584
		<u>12,196,470</u>	<u>10,321,200</u>	<u>9,984,859</u>	<u>8,314,329</u>

A separate statement of financial activities (SOFA) and income and expenditure account are not presented for the charity itself following the exemption afforded by section 408 of the Companies Act 2006. The unconsolidated surplus of the parent charity was £1,670,530 (2021: surplus of £2,100,806).

The financial statements are prepared in accordance with part 15 of the Companies Act 2006 in regards to small companies. These financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies' regime.

These financial statements were approved by the board, signed on their behalf by and authorised for issue on 11th September 2023



D J Boutcher
Secretary and Trustee

The notes set out on pages 17 to 29 form an integral part of these financial statements.

THEIRWORLD

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from operating activities	1,496,139	2,391,144
Cash flows from investing activities		
Interest income	49,386	13,866
Purchase of tangible fixed assets	(10,281)	(7,509)
Cash provided by (used in) investing activities	39,105	6,357
Change in cash and cash equivalents in the reporting period	1,535,244	2,397,501
Cash and cash equivalents at the beginning of the period	10,628,460	8,267,717
Change in cash and cash equivalents due to exchange rate movements	274,302	(36,758)
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	12,438,006	10,628,460
RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
Net income for the period	1,600,968	2,100,806
Add back depreciation charge	8,165	7,222
Deduct interest income shown in investing activities	(49,386)	(13,866)
Decrease /(increase) in debtors	77,475	(164)
Increase /(decrease) in creditors	(141,083)	297,146
Net cash generated by operating activities	1,496,139	2,391,144

All cash and cash equivalents were held as cash at bank and in hand in both the current and prior period.

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second Edition, effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. The financial statements have been prepared for the year ending 31 December 2022. The comparatives are for a thirteen-month period ended 31 December 2021.

Theirworld meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Preparation of accounts on a going concern basis

The Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The Trustees have considered the impact on the budgets and cash flow forecasts prepared and, following this review, remain satisfied that the Charity remains a going concern for a period of at least one year from the date these accounts were approved. The review of our financial position, reserves levels and future plans gives Trustees confidence the charity remains a going concern for the foreseeable future.

Critical accounting judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the charities accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Group financial statements

These financial statements consolidate the results of the charity and its wholly owned subsidiaries, Theirworld Projects Limited and Global Business Coalition for Education, Inc, on a line by line basis.

Fund accounting

Funds held by the charity are either:

- Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.
- Restricted funds - these are funds that 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 particular restricted purposes.

Income

Income is recognised when there is entitlement to the income, receipt is probable and the amount concerned can be accurately measured.

Voluntary income arises as follows: -

- Donations and grants are included in unrestricted income when these are receivable, except as follows:
 - When donors specify that donations or grants given to the charity must be used in future accounting periods, the income is deferred until those periods.

1 Accounting policies *(continued)*

- When donors specify that donations or grants are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in income of restricted funds when receivable.
- Membership fees received by Global Business Coalition for Education, Inc. are recognised on an accruals basis.
- Trading income is recognised in the period in which the goods are delivered or the service provided.
- Donated services and facilities have been included in the accounts within voluntary income to the extent that they are material in the context of the accounts. Donated services and facilities are included within the accounts at an assessment of the value to the charity, which reflects the value that the charity ascribes to the service or an appropriate alternative which would be purchased in the absence of the donated service.
- In the prior year, lottery income related to lotteries held by People's Postcode Lottery (PPL). Theirworld Projects Limited had no ability to alter the price of tickets, determine the prizes or reduce the management fee. PPL was the acting principal for these draws. Net proceeds received were recognised within lottery income in the Statement of Financial Activities. The analysis of the proceeds is detailed in note 4. This arrangement has now ceased following changes in the People's Postcode Lottery operating model.

Expenditure

Expenditure is accounted for on an accruals basis.

Grants payable are recognised as expenditure in the period in which a binding commitment to make payments is entered into.

Support costs represent the cost of providing general management, human resources, financing and other services to the charity. They are set out in note 5 and they have been allocated on the basis of the level of grant and direct expenditure incurred.

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice. Governance costs are shown as a component of support costs.

Fixed asset investments

Listed investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the period.

Foreign currency translation

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the statement of financial activities.

Results of overseas operations are translated at the average rates of exchange during the period and the balance sheet translated into sterling at the rate of exchange ruling at the balance sheet date. Exchange differences which arise from the translation of the opening net assets and results of foreign subsidiary undertakings are taken to the statement of financial activities.

Financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (continued)*Debtors*

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

Cash at bank and in hand

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

Creditors and provisions

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

2 Charitable company status

Theirworld is a charitable company limited by guarantee and registered in England and Wales. Its registered address is Third Floor, The Broadgate Tower, 20 Primrose Street, London, EC2A 2RS. The charitable company does not have a share capital and the liabilities of its members are limited to the guarantee of up to a maximum of £1 each.

3 Income

	Unrestricted funds £	Restricted funds £	2022 £	2021 £
Donations	1,069,457	6,011,502	7,080,959	6,983,696
Donated office space	50,000	-	50,000	50,000
Donated communications	-	734,402	734,402	370,869
Lottery income (note 4)	-	-	-	693,196
Fundraising events	42,013	-	42,013	210,195
Trading	-	484	484	10,689
Investments	49,386	-	49,386	13,866
	<u>1,210,856</u>	<u>6,746,388</u>	<u>7,957,244</u>	<u>8,332,511</u>

Prior period:

	Unrestricted funds £	Restricted funds £	2021 £
Donations	315,456	6,668,240	6,983,696
Donated office space	50,000	-	50,000
Donated communications	-	370,869	370,869
Lottery income (note 4)	-	693,196	693,196
Fundraising events	210,195	-	210,195
Trading	10,546	143	10,689
Investments	13,866	-	13,866
	<u>600,063</u>	<u>7,732,448</u>	<u>8,332,511</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Income (continued)

As shown above, a gift in kind has been recognised in respect of donated communications. This relates to pro-bono communications, branding and media support for global education campaign activities. The corresponding expenditure is shown as part of direct charitable activities. In line with the requirements of the SORP, the value ascribed to the donated communications reflects the value which the Trustees would have been willing to pay to procure equivalent services.

4 Lottery income

In the prior year, Theirworld Projects Limited received income from lotteries held by People's Postcode Lottery. Following changes in the People's Postcode Lottery operating model, income from People's Postcode Lottery is now received by Theirworld as a donation.

An analysis of the lottery income is provided below

	2022	2021
	£	£
People's Postcode Lottery ticket value	-	2,166,236
People's Postcode Lottery prize fund	-	(866,620)
People's Postcode Lottery management fee	-	(606,420)
	<u>-</u>	<u>693,196</u>

5 Cost of raising income

	Unrestricted Funds £	Restricted funds £	2022 £	2021 £
Cost of raising donations	-	41,189	41,189	28,817
Trading subsidiary expenditure	-	-	-	-
	<u>-</u>	<u>41,189</u>	<u>41,189</u>	<u>28,817</u>

Cost of raising income - 2021

	Unrestricted Funds £	Restricted funds £	2021 £
Cost of raising donations	699	28,118	28,817
Trading subsidiary expenditure	-	-	-
	<u>699</u>	<u>28,118</u>	<u>28,817</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Charitable activities

	Grant payments £	Direct charitable expenditure £	Support costs (note 8) £	Total 2022 £	Total 2021 £
Children's health and welfare	152,507	-	-	152,507	182,921
Global Education	356,281	5,735,597	70,702	6,162,580	6,019,967
	<u>508,788</u>	<u>5,735,597</u>	<u>70,702</u>	<u>6,315,087</u>	<u>6,202,888</u>

Charitable activities (2021)

	Grant payments £	Direct charitable expenditure £	Support costs (Note 8) £	Total 2021 £
Children's health and welfare	182,921	-	-	182,921
Global Education	1,608,507	4,333,489	77,971	6,019,967
	<u>1,791,428</u>	<u>4,333,489</u>	<u>77,971</u>	<u>6,202,888</u>

THEIRWORLD

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

7	Grants payable	2022 Number	2022 £	2021 Number	2021 £
	Payable to Institutions	19	508,788	23	1,462,047
The following grants to Institutions were made:				2022 £	2021 £
Restricted funds:					
Jennifer Brown Research Fund:					
The University of Edinburgh Development Trust				152,507	182,921
Global Education:				-	-
Alfanar				-	253,600
Aid for Rural Education Access Initiative				-	50,000
BRAC				60,373	172,231
Chance for Children				7,118	-
Children on the Edge				-	50,000
Earth Warriors				67,690	-
Nabu				-	50,000
Lebanese Alternative Learning				64,089	50,000
Ubongo				-	50,000
Maya Foundation				-	74,262
Mosaik Education				35,000	-
UNICEF				-	461,918
Awaii Community Foundation				9,000	-
Blessed Life Foundation				10,000	-
Chelma Advisory Institute				10,000	-
Chinansungwi Relief Hand Organisation				10,000	-
Edinburgh Direct Aid				10,000	-
Khula Development Group SA				10,000	-
MamaCara Ghana Organisation				9,426	-
NPO Think About Education				10,000	-
Reach Out Youth				10,000	-
Sapphires Development				3,585	-
Teapot Trust				10,000	-
Unique Foundation				10,000	-
Worship Centre International Ministries Trust				10,000	-
World Bicycle Relief				-	7,500
Nyasemi Self Help Group				-	6,800
Institute for Rural Management				-	9,771
Amala Sky School				-	8,000
Literacy Pirates				-	10,000
Happy and Healthy Trust				-	5,544
London Reading Centre				-	7,000
Butterfly Tree				-	5,000
Zoe Sarojini Education				-	7,500
Total grants funded by restricted funds				508,788	1,462,047

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Support costs

	2022 £	2021 £
Salaries and national insurance	-	-
Professional fees	1,913	7,230
Office, administration and sundry expenses	-	-
Bank charges, card charges, and gains/losses on foreign exchange	909	1,556
Governance costs	17,880	19,185
Facilities	50,000	50,000
	<u>70,702</u>	<u>77,971</u>

9 Governance costs included within support costs

In 2022, Governance costs amount to £17,800 in respect of the audit of the charity. In addition, fees of £10,680 (2021: £2,150) were paid to the auditors in respect of the audit of the UK subsidiary. In addition, non-audit remuneration of £2,500 (2021: £2,340) is included for the Group.

Total remuneration paid to accountants and auditors amounted to £75,852 (2021: £61,344).

10 Trustees and related party transactions

The Trustees neither received nor waived any emoluments during the period. During the course of the period no expenses were reimbursed to Trustees (2021: £nil – no Trustee). Total donations received from Trustees amounted to £334,836 (2020: £351,628).

No other related party transactions requiring disclosure under FRS 102 took place during the period (2019: none).

11 Staff costs

	2022 £	2021 £
Wages and salaries	1,907,696	1,914,204
Social security costs	139,799	130,794
Pension costs	28,423	27,075
	<u>2,075,918</u>	<u>2,072,073</u>

The average number of employees during the period was 29 (2021: 32).

7 employees earned more than £60,000 during the period (2021:10). These employees emoluments fell into the bands:

	2022 Number	2021 Number
£60,000 - £69,999	2	1
£70,000 - £79,000	-	2
£80,000 - £89,999	1	1
£100,000 - £109,999	1	-
£110,000 – £119,999	1	3
£120,000 - £129,999	2	2
£140,000 - £149,000	-	1

Comparatives presented in the table above relate to the 13-month period ended 31 December 2021 and are not therefore directly comparable. The total remuneration of key management personnel of the group amounted to £353,893 (2021: £386,318).

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Taxation

The company is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. Similar tax exemptions apply to the US subsidiary charity.

The UK subsidiary company makes qualifying donations of all taxable profits to Theirworld. No corporation tax liability on the subsidiary arises in the accounts.

13 Fixed assets

Group	Furniture Fixture and Fittings £	Office Equipment £	Total £
Cost			
At 31 December 2021	135	50,093	50,228
Additions	-	10,281	10,281
Balance at 31 December 2022	135	60,374	60,509
Accumulated depreciation			
At 31 December 2021	135	31,663	31,798
Charge for the period	-	8,165	8,165
Balance at 31 December 2022	135	39,828	39,963
Net Book Value			
Carried forward at 31 December 2022	-	20,546	20,546
Brought forward at 1 January 2022	-	18,430	18,430
	£	£	£
Charity			
Cost			
At 31 December 2021	135	35,855	35,990
Additions	-	8,762	8,762
Balance at 31 December 2022	135	44,617	44,752
Accumulated depreciation			
At 31 December 2021	135	26,654	26,789
Charge for the period	-	4,771	4,771
Balance at 31 December 2022	135	31,425	31,560
Net Book Value			
Carried forward at 31 December 2022	-	13,192	13,192
Brought forward at 1 January 2022	-	9,201	9,201

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Fixed asset investments

	Shares in subsidiary undertaking £	Total £
Group		
Market value & historical cost at 31 December 2022 and 30 November 2021	-	-
	<u> </u>	<u> </u>
Charity		
Market value & historical cost at 31 December 2022 and 30 November 2021	1	1
	<u> </u>	<u> </u>

Subsidiary undertakings

Theirworld Projects Limited

The wholly-owned trading subsidiary, Theirworld Projects Limited (company number: 04326134), which is incorporated in the United Kingdom. Theirworld Projects Limited's principal activities are all the commercial trading operations carried on by Theirworld. The charity owns the entire issued share capital of 1 ordinary share of £1 each. The full profit for the period is donated to Theirworld under deed of covenant. A summary of the trading results to 31 December 2022 is shown below.

	2022 £	2021 £
Summary profit and loss account		
Turnover	14,029	703,742
Cost of sales	-	-
Administrative expenses	(213,963)	(232,715)
Other operating income	204,896	234,992
	<u> </u>	<u> </u>
Net profit / (loss) before amounts donated to Theirworld	4,962	706,019
The assets and liabilities of the subsidiary were:		
Current assets	145,541	105,578
Creditors: amounts falling due within one year	(145,540)	(105,577)
	<u> </u>	<u> </u>
Total net assets	1	1
	<u> </u>	<u> </u>
Aggregate share capital and reserves	1	1
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Fixed asset investments (continued)

Global Business Coalition for Education, Inc

The wholly-owned charitable subsidiary, the Global Business Coalition for Education, Inc. is a corporation which has exemption under section 501(C)(3) of the Internal Revenue Code from Federal income tax in the US, and is incorporated under the laws of Delaware, USA. GBC-Education was created to act as a business voice for making education a global priority.

A summary of the operating results to 31 December 2022 is shown below.

	2022 £	2021 £
Summary profit and loss account		
Income	1,937,265	2,414,793
Expenditure	(2,010,951)	(1,565,234)
Net (expenditure)/income retained by the subsidiary*	(73,686)	849,559
The assets and liabilities of the subsidiary were:		
Fixed assets	7,354	9,229
Current assets	2,358,352	2,079,819
Creditors: amounts falling due within one year	(154,095)	(81,074)
Aggregate reserves	2,211,611	2,007,974

*This relates to the operating result excluding exchange movements on translation to pounds sterling.

15 Debtors

	2022 Group £	2021 Group £	2022 Charity £	2021 Charity £
Amount due from subsidiary undertakings	-	-	140,202	105,578
Other debtors	70,480	151,057	12,046	6,370
Prepayments and accrued income	57,337	54,235	55,134	52,778
	<u>127,817</u>	<u>205,292</u>	<u>207,382</u>	<u>164,726</u>

All amounts shown under debtors fall due for payment within one year.

16 Creditors: amounts falling due within one year

	2022 Group £	2021 Group £	2022 Charity £	2021 Charity £
Trade creditors	179,934	144,937	28,392	50,186
Grant commitments	60,373	-	60,373	334,581
Other taxation and social security costs	55,300	35,260	52,897	36,585
Other creditors	17,154	3,397	17,154	5,048
Accruals and deferred income	77,138	50,242	71,798	23,508
Amounts owed to subsidiary undertakings	-	-	-	-
	<u>389,899</u>	<u>233,836</u>	<u>230,614</u>	<u>449,908</u>

THEIRWORLD

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

17 Restricted funds

	1 January 2022 £	Income £	Expenditure £	Transfers £	31 December 2022 £
Jennifer Brown Research Fund	270,357	104,364	(152,507)	-	222,214
Global Education	6,106,233	5,212,666	(4,330,234)	797,593	7,786,258
Global Business Coalition for Education	92,249	1,429,358	(1,528,531)	1,177,669	1,170,745
	<u>6,468,839</u>	<u>6,746,388</u>	<u>(6,011,272)</u>	<u>1,975,262</u>	<u>9,179,217</u>

Income in the above note includes exchange gains on consolidation of £274,302 (2021: losses on consolidation of £36,758).

	1 December 2020 £	Income £	Expenditure £	Transfers £	31 December 2021 £
Jennifer Brown Research Fund	98,771	354,507	(182,921)	-	270,357
Global Education	6,059,293	5,243,822	(4,644,033)	(552,849)	6,106,233
Global Business Coalition for Education	793,742	2,134,119	(1,362,839)	(1,472,773)	92,249
	<u>6,951,806</u>	<u>7,732,448</u>	<u>(6,189,793)</u>	<u>(2,025,622)</u>	<u>6,468,839</u>

The Jennifer Brown Research Fund was launched in February 2003 to support the Jennifer Brown Research Laboratory at the New Royal Infirmary Edinburgh. The Laboratory's innovative work seeks to advance our understanding of what causes early labour, how we can develop treatments to prevent it and how we can better help newborn babies in those first crucial hours and days after birth. The Theirworld Edinburgh Birth Cohort was launched in November 2016; a 25-year study which includes social, educational and clinical information, a world first in investigating the long-term effects of preterm birth.

The Global Education fund was launched in April 2012 to help children unlock their potential by focussing its efforts on three causes: giving every child quality preschool care, enforcing every child's right to go to school and giving every young adult access to skills development.

The Global Business Coalition for Education fund reflects restricted grants received within the subsidiary undertaking, Global Business Coalition for Education, Inc. less amounts released during the period to unrestricted funds.

18 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 December 2022 are represented by:			
Fixed assets	20,546	-	20,546
Current assets	3,386,606	9,179,217	12,565,823
Liabilities	(389,899)	-	(389,899)
Total net assets	<u>3,017,253</u>	<u>9,179,217</u>	<u>12,196,470</u>

19 Analysis of net assets between funds 2021

	Unrestricted Funds £	Restricted funds £	Total funds £
Fund balances at 30 December 2021 are represented by:			
Fixed assets	18,430	-	18,430
Current assets	4,364,913	6,468,839	10,833,752
Liabilities	(530,982)	-	(530,982)
Total net assets	<u>3,852,361</u>	<u>6,468,839</u>	<u>10,321,200</u>

20 Comparative Statement of Financial Activities

	Unrestricted funds £	Restricted funds £	2021 £
Income from:			
Donations	365,456	7,039,109	7,404,565,
Other trading activities and fundraising events	220,741	693,339	914,080
Investments	13,866	-	13,866
Total income	600,063	7,732,448	8,332,511
Expenditure on:			
Cost of raising funds			
Cost of raising donations	699	28,118	28,817
Fundraising trading: cost of goods sold and other costs	-	-	-
Charitable activities	77,971	6,124,917	6,202,888
Total expenditure	78,670	6,153,035	6,231,705
Net income for the period	521,393	1,579,413	2,100,806
Transfers	2,025,622	(2,025,622)	-
Exchange (losses)/gains arising on consolidation	-	(36,758)	(36,758)
Net movement in funds	2,547,015	(482,967)	2,064,048
Fund balances brought forward	1,305,346	6,951,806	8,257,152
Fund balances carried forward	3,852,361	6,468,839	10,321,200