

**UBUNTU PATHWAYS
A COMPANY LIMITED BY GUARANTEE**

**Company No. 05064084
Charity Registration No. 1103749**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

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COMPANY INFORMATION

Board of Trustees

J Lief
Dr F Lipman
A Rolfe
D Osorio
R McCloy
M Gwaxula
S Shleifer
K Howard
Z Ntshona
W Voge
P Eapen
S Goldman
D Shainfeld
N Drago
A Fass
C Cowie
L Bennetts

Company Secretary

Z Ntshona

Key Management Personnel

B Honig (Director, UK)

Bankers

HSBC
240 Lavender Hill
Battersea
SW11 1LH

Accountants

Landau Baker Ltd
154 Brent Street
London
NW4 2DR

Registered Office

7 Cavendish Square
London
W1G 0PE

TRUSTEES' REPORT

The Board submits its report and the accounts for the year ended 30 June 2021.

Status

The charity is a company limited by guarantee and was incorporated on 4 March 2004 with registration number 05064084. It is a registered charity, number 1103749. The financial statements are prepared in accordance with the Companies Act 2006 and the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP FRS102). Further reference and administrative details are given on page 1.

Ubuntu Pathways is affiliated to both Ubuntu Pathways NPC, South Africa and to Ubuntu Pathways Inc, US. Ubuntu School NPC oversees all the South Africa operations including Ubuntu School NPC, Ubuntu Investment Holdings and Ubuntu X.

The company changed its name from 'Friends of Ubuntu Education Fund' to 'Ubuntu Pathways' on 16 October 2017.

Objects and Activities

The object of Ubuntu Pathways UK is to raise funds for and support the charitable work of Ubuntu Pathways in South Africa. Ubuntu Pathways in South Africa aims to place orphaned and vulnerable children and their families affected by HIV/AIDS, abuse, and the legacy of apartheid in Port Elizabeth on a pathway out of poverty from cradle to career. Since our inception in 1999, Ubuntu has grown into a thriving community institution in the heart of Gqeberha's (previously known as Port Elizabeth) townships as well as a global model for poverty alleviation. We have been recognised by the likes of the World Economic Forum, Clinton Global Initiative, our Patron Archbishop Desmond Tutu, and The Wharton School.

Structure, Governance and Management

The Trustees are governed by the company's Memorandum and Articles of Association.

The Board has the power to appoint additional trustees as it considers fit to do so, and delegates the responsibility for the day-to-day operations to the CEO /President and the Senior Leadership Team.

The Board of Trustees meets as a body four times a year or more regularly if circumstances require further business to be discussed.

New Trustees join the Board at invitation and are chosen with a view to ensuring an appropriate balance of individuals whose skills can make a valid contribution to the operation of the charity. All directors of the charity are also trustees of the charity and there are no other trustees. New Trustees are provided with a welcome pack and given a full briefing regarding the charity's operations.

The Trustees are also the Directors for Companies Act purposes.

The Charity is affiliated with Ubuntu Pathways NPC in South Africa and Ubuntu Pathways, Inc in the US. The Charity in the UK and the charity in the US both raise funds for Ubuntu Pathways in South Africa. The Trustees of the UK Charity are trustees of the other two charities as well although the other two charities do have some additional trustees. The Board meets to discuss all three charities. Although Ubuntu has separate entities, it functions as one global entity. The group CEO oversees operations of all three charities although day-to-day operations for the UK are the responsibility of the Director, UK, under the supervision of the CERO (Chief External Relations Officer) who oversees Ubuntu's fundraising department. The Director, UK is not a director of the company for Companies Act purposes.

Board of Trustees

The Trustees who served during the year are listed on page 1.

Key Management

The key management is the Director, UK (who is not a director for Companies Act purposes). Remuneration of all employees is reviewed annually by the group's management with regard to market rates, inflation and affordability.

Investment Powers

Investment powers are governed by the Memorandum and Articles of Association last amended on 13 August 2013. There are no restrictions to the charity's absolute powers of investment.

Risk Management

The charity regularly reviews its procedures to minimise risk to its assets and income, and to ensure that where risks are identified, procedures are in place to alleviate them as far as possible. The Board is in the process of formalising a risk register. Being very much a donor reliant operation, the principal risk is the impact of the present uncertain economic climate for funding. As explained below, the charity evaluates the impact and successes of its fundraising programmes, so that resources are only targeted at successful and profitable events.

Public Benefit

The Trustees acknowledge the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance on public benefit. We have referred to this guidance when reviewing our aims, strategy and in planning future activities. All activities undertaken by Friends of Ubuntu are for the public benefit.

Ubuntu Pathways exists to support the charitable work of Ubuntu Pathways in South Africa which was founded in 1999 with the goal of transforming the lives of children living in the townships of Gqeberha, South Africa. Early in our inception the organisation recognised that a traditional development model would not have the capacity to address the complex challenges facing this community. In response, Ubuntu has spent the last two decades building a context-driven community institution that conceptualises impact through sustained support and increased access to resources and opportunities. This approach prioritises deepening programme intervention within a given community to create genuine and lasting change.

Ubuntu's strategy is to craft an individual pathway out of poverty for orphaned and vulnerable children, all of whom are affected by HIV/AIDS and many of whom are living with HIV. We know that real change can happen only through dynamic and comprehensive services. We work with children at all stages up to adulthood. Whether it is a pair of glasses or intensive family counselling, tutoring, a creative outlet in which to escape or medical help - Ubuntu helps children and their families get what they need. To this end, our programmes focus deeply on health, education, and household stability. Each of these depends on the others. Each initiative addresses the needs of an entire household. Ubuntu recognises that, without healthy caregivers, children find themselves in a situation where they have to secure their own food, care for a younger sibling and drop out of school to care for sick parents. Ubuntu's interventions enable caregivers to effectively care for the children in their households. Therefore, many of the services that we provide to children are closely intertwined with similar or complementary services that we provide to the rest of their family.

Review of Activities

Main Business and Operations Globally

For 22 years, Ubuntu Pathways has provided comprehensive health, education, and household stability to South Africa's most vulnerable children, from cradle to career. Since our inception in 1999, Ubuntu has grown into a thriving community institution in the heart of Gqeberha's townships, as well as a global model for poverty alleviation. At Ubuntu, success is not measured by the number of children we reach, but by how deeply we impact each child's life.

Despite experiencing the most challenging time in our history due to an unforeseen global pandemic, Ubuntu Pathways has remained strong and resilient. It is during these dire times that our impact shines through the most. Our 20+ years of experience and lessons have helped us survive this unprecedented crisis and chart a path towards stability and recovery. Over the past two decades, our journey has taken us from a small operation based out of a school broom closet to a global model for poverty alleviation operating from a world-class campus in the heart of Gqeberha's townships. We have offices on three continents and a growing network of global supporters. Ubuntu has pioneered a comprehensive support system of education, health, and household stability that takes 2,000 disadvantaged children on a cradle-to-career pathway out of poverty. The Ubuntu Campus, our world-class 5,600 square-metre complex, houses classrooms, a primary school, a paediatric clinic, a vocational training hub, a community theatre, and a rooftop garden - all signifying that access to quality education and healthcare is not a privilege, but a right.

COVID-19 brought crisis to Gqeberha's townships. Over the past year, Ubuntu has sustained and grown our Emergency Response to address disastrous effects of the pandemic. In 2020, we suspended all non-essential services and transformed our campus into an emergency response centre providing life-saving medical, food security, and psychosocial support to those most at-risk. Our success in the face of such unprecedented difficulty has proven that Ubuntu is indeed a community-rooted, grassroots institution capable of making a massive difference. In February 2021 we rolled out Phase 2 of our crisis response and ensured a smooth transition to a strengthened spectrum of in-person cradle-to-career programming. We continue to help our community overcome unmatched hardship and thrive.

Emergency COVID-19 Response

We serve a disproportionately vulnerable community - pregnant mothers living with HIV; immuno-compromised children growing up in unsafe homes; elderly heads of households; and at-risk, unemployed youth. In March 2020, Ubuntu suspended all non-essential services on our campus and fully diverted all efforts to providing timely and targeted rapid response support to these groups. Our response included food security support, life-saving medical services, and wraparound interventions to those most at-risk.

In partnership with the Kolisi Foundation and national supermarket chains, we launched an ambitious food security programme to distribute parcels with nutritional staples and other critical household supplies to nearby townships. Utilising our own client database as well as key local outreach via institutions like schools and churches, we kept 4,000 households (almost 30,000 community members) fed and healthy for over a year.

While the past year has been a time of struggle, it has also been a time of learning and introspection for Ubuntu. Our organisation was pushed to its limits, but our knowledge, experience, and carefully-constructed capacity prevailed. Our team, Campus, and operational model proved to have the flexibility necessary to adapt to community need on a monthly, weekly, and even daily basis. As we continue to place our resources where they are needed most, we have entered Phase 2 of our Crisis Response.

When we shifted capacity towards providing critical in-person services on the Ubuntu Campus, we ended our mass food security initiative. However, most of our families are still feeling the economic, and subsequently, the nutritional effects of COVID-19. When we moved forward with re-opening, we began to provide 3 meals and a snack daily to Ubuntu students, as well as food security for our 400+ clients in greatest need, namely elderly clients and clients living with HIV.

To ensure everyone who steps foot on the Ubuntu Campus - from children and teachers to patients and clinicians - remains safe and healthy, we have secured a consistent supply of PPE. PPE also remains a scarce commodity in our community at large. While Ubuntu has provided 27 local hospitals, clinics, schools and shelters with a steady supply throughout the height of the pandemic, the need persists, and we have acted to meet it.

Ubuntu has been formally designated as a COVID-19 vaccination site by the Department of Health. We received and began to distribute our first jabs of the vaccine on 11 June 2021. We were ready. We have skilled staff, high-quality facilities, and a track record of accountability and transparency. We invested in a new refrigeration system, expanded clinical staff and technological capacity, and created an outdoor waiting room.

Despite vaccine shortages, power outages and an insufficient water supply, we are proud to have already distributed over 11,000 vaccinations. In order to maximize turnout, we launched a multi-pronged outreach campaign to bring people to the campus. COVID vaccine misinformation is rampant. It is very difficult to reach the most vulnerable populations with correct information. Our team has been going to every part of the community announcing where and how people can get their vaccines. We are putting up signs and handing out fliers. We have been going on the radio and increasing our social media presence. Because young people are easier to reach via social media, much of our messaging on these platforms is targeting them and encouraging them to educate their older family members about the safety and necessity of the vaccine. Older community members have difficulty reaching and navigating the campus. To help bridge this gap, we have initiated a shuttle service for these individuals, along with providing hot soup and fresh fruit for anyone getting vaccinated. Finally, we are launching a campaign to reach young people (aged 18 to 25) during our upcoming on campus wellness workshops. This will provide a live platform for experts to answer any questions and speak to any concerns younger community members have about the vaccine.

Programme Milestones

The Ubuntu Team worked around the clock - in consultation with health and safety experts - to prepare for our February campus reopening. To maintain the safety of clients and staff alike, we made several repairs and enhancements across the Ubuntu Campus. We updated campus-wide air circulation and filtration systems and repaired infrastructure damaged by massive food security program. We also re-designed our facilities layout. This included the addition of crowd-flow mechanisms and plastic dividers in all classrooms and clinic space. Finally, we installed hand sanitizer dispensers and hand-washing stations throughout the campus, including in every classroom. These areas also include visuals outlining proper handwashing procedure and general COVID-19 safety reminders.

Until February, Early Childhood Development (ECD) and Primary School students had not stepped onto the Ubuntu Campus for an entire year. Many experienced trauma and isolation while at home. In order to help our young learners transition back to an in-person classroom environment, we launched the 2021-2022 school year with a focus on our social emotional curriculum (SEL). All students are also repeating their 2020-21 grade level to make up for the loss of classroom instruction during the height of the pandemic. We currently have 222 learners enrolled in our ECD programme and Primary School.

At the beginning of the 2021 school year, Ubuntu School staff completed a benchmark test to analyse each of our learners' literacy skill level. Due to the disruption from COVID-19, the results were particularly difficult. In Grades R, 1 and 2 about 50% of students were at or a bit below grade level and 50% were one plus year behind grade level. In Grades 3 and 4 students, were further behind. Over 80% of students in both groups were one plus year behind in listening, speaking, reading, phonics, writing, handwriting, thinking and reasoning. In response to these findings, Ubuntu School Literacy Coach worked with Ubuntu School administrators and educators to create an intensive literacy curriculum for Term 1. Lessons focused on improving learners' phonological awareness and phonics through individualised attention. Educators were coached on facilitating lessons in accordance with each child's unique skills and abilities. This approach has yielded tremendous results. Over the past six months, the majority of learners have jumped more than two literacy levels. Coach, educators, and caregivers alike have also noted learners' increasing confidence in their own abilities. Students are now able to take home books at their own literacy level, which they practice reading at home with caregivers.

This summer, we completed construction on a new primary school building. The Ubuntu School complex will relieve spacial constraints currently felt across the Ubuntu Campus and give us the flexibility we need to provide safe, holistic programming to all students. This new facility will facilitate a collaborative working space that utilizes natural landscape and outdoor space to help students learn in a productive and stimulating environment. The additional space will allow us to execute on our plan to continue to add a new grade level of instruction each year and expanding our school staff accordingly (our grade R-4 learners will graduate into the next grade level in December, at which time we will enrol a new grade R class).

Due to the economic crisis, youth who were already navigating a precarious job market have now been pushed deeper into poverty and insecurity. We have offered our Job Skills Training (JST) clients a safety net through monthly food parcel deliveries, counselling, and online resources. We also launched a new Financial Literacy Initiative during this time to keep clients engaged and to provide them with critical tools to weather the economic downturn.

Since our Campus' re-opening in February, we have resumed JST recruitment and training. Utilizing our state-of-the-art vocational training centre, we have delivered our rigorous core programming, including one-on-one professionalism coaching and workshops on employability skills, CV building, resilience, and communication. We have already trained 107 young people since re-opening, and our team is hard at work placing each in a rewarding employment opportunity. 206 youth re-entered the workforce after being furloughed due to the national economic lockdown.

Our caseworkers have continued to incorporate Job Skills Training clients into their portfolios to provide professionalized psychosocial interventions and resources. We have also leveraged existing corporate relationships to pursue new, "essential worker" opportunities for students wherever possible. Finally, our team has continued to actively monitor working conditions for every JST client to ensure that all are equipped with PPE and that proper social distancing protocols are adhered to in the workplace.

As Ubuntu adjusted to the new reality imposed by COVID-19, we expanded clinic capacity in a safe and thoughtful manner. We have begun using our community theatre space to resume in-person well-visits and other routine services. Our new mothers have been especially eager to resume visits to the Centre and gain the comfort and confidence of an in-person touch point with trusted healthcare providers. Since reopening our Campus, Ubuntu has placed a particular emphasis on excellence in medical care. We have not only redoubled our efforts to bolster client health through primary and preventive measures. We have also continued to play a leading role in our community's battle against HIV by sustaining a 100% Elimination of Mother-to-Child transmission and world-class treatment for all clients living with HIV. Since the start of the pandemic, we have provided almost 15,000 health services. Moving forward, we will model standards for safe, reliable, and high-quality clinical programming in an unprecedented pandemic environment.

External Relations

Despite facing another year of an evolving fundraising landscape due to the pandemic, Ubuntu raised \$5.6M in total globally (an increase of \$815k from FY20). The End-of-Year Fall Mailer campaign raised \$44k (an increase of \$14k from FY20). Specifically, the Crisis Campaign has raised \$5.5M so far over the past year and a half (\$3M in FY21).

As we navigated another year of cancelling our annual fundraising galas in the US, UK, and SA, which make up more than one-third of our annual income, we continued to strategize new avenues of funding. In the UK specifically, Ubuntu was featured on a BBC Radio 4 Charity Appeal in January. It was a rigorous application process which ultimately raised over £38,000 from new donors. Through a subsequent direct and personalized email engagement plan, we have raised additional funds from these new supporters illustrating successful donor stewardship. We also secured grants from several new donors including \$300k from Scheinberg Relief Fund and £35k from The David & Elaine Potter Foundation.

In addition, we obtained \$93k worth of in-kind gifts globally reducing costs for Ubuntu. Approximately \$46k of the in-kind gifts were sourced through relationships we have built with our South African network.

Furthermore, we continued to develop our newest revenue streams: the Ubuntu Advisory, our consultancy arm, and our B-BBEE strategy. While Advisory engagements are on hold due to the pandemic, previously, we worked with a diverse portfolio of clients, such as Sarara Foundation, Amrita-Seattle, and No Means No Worldwide.

We have developed a new business model to leverage B-BBEE opportunities and generate additional income to fund our life-changing work. We have created two for-profit entities, which are both wholly-owned subsidiaries of Ubuntu Pathways NPC: 1) Ubuntu X, which provides Enterprise and Supplier Development services and is a YES programme intermediary. 2) Investment Holdings - which provides a range of B-BBEE ownership partnerships to corporates. Both of these entities are set up to directly fund our core health and education operations. In FY20, we worked with Bank of America Securities, Tavcor, and Rushmere Noach to create one-of-a-kind business solutions while simultaneously forging sustainable impact in our community. Over the past few months, we have worked with Boston Consulting Group and Transcend to further refine our offerings and learn how to market ourselves for new audiences. These consultations have resulted in effective marketing tools such as pitch decks, emailers, and dedicated website pages.

Human Resources

The Ubuntu team in South Africa drives our programmatic success and brings our mission to life. During the pandemic, their skills and spirit have been more crucial than ever. Because of our commitment to local hiring, 95% of our staff comes directly from the same communities that we serve. Thus, frontline staff risk their own health to protect the most vulnerable in their community, while simultaneously coping with personal loss due to the pandemic. To best support our team, Ubuntu committed not only to keeping all staff on the payroll, but also supporting all employees' safety and well-being during these trying times. As our staff members are the driving engine behind our operations, and a majority are the sole breadwinners in their families, we are committed to supporting them through the ever-changing landscape of this crisis.

With many employees working remotely at the beginning of FY21, it was important for the HR team to develop initiatives to support the Ubuntu team both in person and virtually. We devised training sessions on online platforms. Our online leadership training received positive feedback from participants. Thus, we expanded this programme to not only provide leadership training to current management, but also to high-potential employees who represent the future of the organization. The Workplace Skills Plan and Annual Training Report have been submitted successfully to our ETDP SETA. This report is a comprehensive reflection on all staff development done throughout the year, and how building an equipped workforce has led to improved productivity.

While HR priorities for the year shifted due to the pandemic, we never lost sight of the organisation's long-term objectives. Internships were awarded to several unemployed young people, thus contributing to the development of the youth in our community. These internships afforded an opportunity for experiential learning via on-the-job training. Training interventions for interns were consistently provided throughout the year, which improved performance across the board. The financial health and wealth of our employees was also a big focus as several of our employees' families were negatively affected by downsizing and retrenchments. With an increased financial burden on our employees, we developed Financial Literacy initiatives. The financial training gave them insights into handling finances responsibly, especially in trying times.

Throughout the pandemic, employees have been trained and regularly updated on COVID protocols, procedures and safety measures. We provide high-quality PPE for all employees and screen everybody entering the campus to ensure employee safety. We provided lunches as well as transportation to and from work for all employees who do not have their own vehicles and were deemed essential workers as means of minimizing their exposure to COVID-19. A recent major focus was the internal vaccination drive for Ubuntu employees. This involved educating employees on the vaccine to combat hesitance. Initial fear was met with acceptance and willingness to get vaccinated. All the necessary arrangements were made for employees in order to make the vaccination process as seamless as possible. We are proud that to date 82% of our employees have been vaccinated.

In the latter part of FY21, the Vaccine Drive took priority internally and externally. Five vaccination nurses and 14 interns were appointed during the roll out of our vaccination distribution plan in June 2021. Most

of these new employees came from our immediate communities. Due to the national demand for health practitioners and clinicians, it was difficult to attract and retain the staff in the clinic. Therefore, turnover of clinicians accounts for 34% of Ubuntu staff turnover for the year. Attraction and retention strategies are constantly being reviewed in order to provide momentum in the tenure of the clinicians.

Despite the pandemic, our absenteeism rate remains at a low 2.7%. There are measures in place to improve this rate even further. Ubuntu's reputation precedes us, and despite the turnover in clinicians, our retention rate in all other roles saw a steady and positive trajectory in the past year. We hired 57 new staff members in the last year, 41 of whom were project-based staff (i.e. for the Food Distribution Drive and the current Vaccine Drive). Both our accurate recruitment methods and our strong leadership resulted in us retaining 93.8% of our staff when our school and campus re-opened in February 2021. Our vision, culture, remuneration and benefits all work to keep employees as productive members of our team. The HR induction and onboarding process also clearly communicates employee expectations and one's role within the larger organization. Our Employee Value Proposition outweighs those of similar organizations and many corporates in our geographical area and we continue to enhance our employee offering to ensure longevity in our retention.

Psychosocial support and training is provided for our client facing staff. This allows them to work through the onslaught of emotional hardships on a personal level, and ultimately equips employees to assist our clients who are experiencing difficulties. LifeAssist is still a prominent service provider and provides ongoing interventions for our staff. 94.4% of all referrals to LifeAssist were self-referrals, which is a reflection of the maturity of our employees and their understanding that seeking help does not equate to weakness but is a sign of strength.

Our payroll has been 100% accurate and on time every month. The distribution of vouchers from the DG Murray Trust partnership also provided a spark in morale for our employees. Team building sessions were done with some of the departments which gave employees a platform to reflect on the past year and how to move forward focused on the organisation's mission despite the pandemic. Additional team building sessions are planned for FY22. Telephone and face-to-face check-ins were conducted on a bi-weekly basis during the initial lockdown. We prioritised constant communication with employees during the pandemic to keep them up to date on operational developments and maintain a sense of connection to the organization - especially for those staff members that continue to work remotely.

Over more than two decades, the Ubuntu Team has honed our ability to provide efficient, effective interventions and adapted to our community's revolving needs. While the COVID-19 pandemic has been the biggest challenge to this ability yet, our staff has risen to the challenge. Our continued commitment to the people working every day to mitigate the worst effects of the pandemic in our community has allowed us to not only deliver resources and crisis response where they are urgently needed, but also to push forward with enhancing the pathway out of poverty by strengthening all core programming.

Global Financial Review

In 2021, Ubuntu's revenue increased as explained above. This significant increase was due to our donors' commitment to our COVID-19 Crisis Campaign and vaccination role out, which significantly exceeded our expectations and projections. We continued to reassess our expenditure and implemented measures to reduce our costs without affecting the quality of the services we provide to our community. Due to COVID-19, our galas in the US and UK could not take place. This income was replaced by Phase Two of our COVID-19 Crisis Campaign, which proved to be very successful. During this period, we benefitted significantly from the rapid depreciation of the ZAR against the major currencies. In addition, we also made use of the various government relief schemes made available in South Africa, the UK and the US during this pandemic.

Our offices in the US and the UK remained closed, and we maintain reduced capacity operations at our South African headquarters. Our core fundraising strategy continues to include revenue from grants, individual donors and project specific fundraising. The aim is to secure long-term, multi-year commitments in order to ensure the long-term health of the organisation.

Global Reserve policy

The Board has made increasing cash reserves a priority, with the aim to eventually cover six months of operating costs. This initiative has been very successful as we have increased our cash coverage ratio for the organisation at year end to 8.62 months.

UK Financial Review

Although there was no UK annual fundraising gala for the second year running due to the pandemic, the Crisis Campaign to support Ubuntu's COVID-19 Emergency Response was extended into a second phase and raised £832k by the end of the financial year. Income overall for the year increased from £1,030k to £1,151k. We thank all our donors for their incredible support.

Expenditure was £1,042k, a decrease of £146k from 2020. Of these costs, £826k represents income that was either donated to our other offices directly or transferred to our South African office to support its charitable work.

In addition, £100k of loan repayments were made during the financial year.

In 2019 a £400,000 loan was taken out by our UK entity from Charities Aid Foundation's social impact arm, CAF Venturesome, to finance the construction of The Ubuntu School, a new world-class, independent primary school in Gqeberha that Ubuntu's students now attend. The loan proceeds were transferred in full to Ubuntu Pathways in South Africa but the loan was being repaid out of the UK charity, thereby reducing donations to Ubuntu's South Africa. This loan was the first time Ubuntu utilised bridge financing, instead of traditional philanthropic donations to support their work. In addition, to help us survive the financial impact of COVID-19 in the short and long-term, Ubuntu applied for - and successfully received - a Bounce Back Loan of £50,000 from HSBC which was also transferred in full to Ubuntu Pathways in South Africa.

As a result of the transfers made to Ubuntu's South African entity and the onward transfers of the proceeds from the loans, the UK company is showing net liabilities at the year end of £44k (2020: net liabilities of £154k). However, the loan from CAF Venturesome was fully repaid in August 2021. As a result, reserves at the end of August 2021 were positive again, with net assets of £162k.

UK Reserve Policy

The net liabilities of £44k at the end of the accounting period is made up of a deficit of £278k on restricted funds representing the amounts transferred from the CAF Venturesome loan referred to above and a surplus of £234k on unrestricted funds. As the CAF Venturesome loan has now been repaid, reserves are again positive: £162k at the end of August 2021. There reserves are all unrestricted.

Principal Risks

For the year under review, the UK office obtained financing from the UK Government in the form of the Bounce Back Loan to the value of £50,000 repayable over 5 years. Monthly repayments will be \$1,153 starting in June 2021, at an interest rate of 2.5%. Subsequent to the year-end we managed to pay off the loan from CAF Venturesome. This financing was obtained by our UK office and donated to our South Africa headquarters for the construction of the Ubuntu primary school complex.

The organisation regularly reviews its procedures to minimise risk to its assets and income, and to ensure that where risks are identified, procedures are in place to alleviate them as far as possible. As a donor-reliant operation, Ubuntu's principal risk concerns the current uncertain economic climate for funding.

Continued Progress

Over more than two decades, Ubuntu has undoubtedly yielded a transformative impact on the community of Gqeberha. However, the current health and economic crisis poses an existential threat to our entire cradle-to-career strategy. This is an extremely critical time. The Ubuntu Pathways team has risen to the challenge to care for our community and ensure the resilience of our organisation. While COVID-19 is truly a once-in-a-generation phenomena, our 20+ years of on-the-ground knowledge and institution-building experience have given us a roadmap to persevere. As the crisis evolves, we will build on our strategy to provide an essential safety net for the townships' most vulnerable households.

As we always have, Ubuntu's team will continue to act as first responders for thousands of families and fill a void caused by government inefficiency and decades of structural inequalities. Looking forward, Ubuntu must help our community weather this crisis, and be there when it passes to resume world-class programming tailored to a post-COVID environment. We have a long way to go, but we are confident that we have the capacity, support, and experience to deliver on this unprecedented health and humanitarian need. Working together with our community, we can ensure that Gqeberha's townships not just survive this pandemic but thrive for years to come.

Charitable Programmes

During the year, net payments of £703k (2020: £682k) were made to Ubuntu Pathways in South Africa in support of its charitable work. In 2020 this included the £50,000 Bounce Back loan from HSBC, which was transferred to South Africa to support Ubuntu's ability to provide a COVID-19 Emergency Response (see further at note 7 of the accounts).

Statement of Trustees' Responsibilities

The Trustees (who are also the Directors of Ubuntu Pathways for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement as to Disclosure of Information to Auditors

Each of the persons who are directors at the time when this report is approved confirms that:

- as far as each director is aware, there is no relevant audit information of which the auditor is unaware; and
- to the best of their knowledge and belief, each director has taken all of the steps that ought to have reasonably been taken as a director, including making appropriate enquiries of fellow directors and of the charity's auditor for that purpose, in order to make themselves aware of any relevant audit information needed by the company's auditor in connection with preparing their report, and to establish that the company's auditor is aware of that information.

Auditors

Landau Baker have expressed a willingness to continue in office. A resolution to appoint them will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006, was approved by the trustees on *8 Feb may* 2022 and signed on their behalf by:



**J Lief
Trustee**

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF UBUNTU PATHWAYS

We have audited the financial statements of Ubuntu Pathways for the year ended 30 June 2021 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities SORP 2015.

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.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2021 and of its incoming resources and application of resources, including its income and expenditure 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 Companies Act 2006 and the Charities SORP 2015.

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the 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.

OPINION 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' report including the Trustees report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

We considered the nature of the industry and its control environment and reviewed the academy's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also inquired about management's own identification and assessment of the risks of irregularities.

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

The audit engagement team analysed the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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

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

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

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. The description forms part of our Auditor's report.

 for Landau Baker Limited

Michael Durst, Senior Statutory Auditor

For and on behalf of Landau Baker Limited, Statutory Auditor
154 Brent Street
London NW4 2DR

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)

	Note	Restricted 2021 £	Unrestricted 2021 £	Total 2021 £	Total 2020 £
Income					
Donations	2	98,832	1,045,054	1,143,886	1,022,228
Investment income		-	16	16	133
Other income – claims under the Coronavirus Job Retention Scheme		-	7,495	7,495	8,088
Total Income		98,832	1,052,565	1,151,397	1,030,449
Expenditure					
Costs of raising funds	3a	-	26,753	26,753	40,788
Expenditure on charitable activities	3b	98,832	916,593	1,015,425	1,097,075
Transfer of proceeds from loan financing to Ubuntu Pathways, South Africa	3c	-	-	-	50,000
Total expenditure		98,832	943,346	1,042,178	1,187,863
Net expenditure and movement in funds		-	109,219	109,219	(157,414)
Transfer between funds		99,378	(99,378)	-	-
Reconciliation of funds					
Balance brought forward		(377,923)	224,182	(153,741)	3,673
Balance carried forward		(278,545)	234,023	(44,522)	(153,741)

All activity on reserves during the prior year relates to unrestricted funds.

The notes on pages 18 to 24 form part of these accounts.

BALANCE SHEET

As at 30 June 2021

	Note	2021 £	2021 £	2020 £	2020 £
CURRENT ASSETS					
Debtors	4	53,732		21,491	
Cash at bank and in hand		<u>276,332</u>		<u>290,678</u>	
		330,064		312,169	
CREDITORS:					
AMOUNTS DUE WITHIN ONE YEAR	5	<u>(162,382)</u>		<u>(137,365)</u>	
NET CURRENT ASSETS			167,682		174,804
CREDITORS:					
AMOUNTS DUE AFTER MORE THAN ONE YEAR	6		(212,204)		(328,545)
TOTAL NET ASSETS/(LIABILITIES)			<u>(44,522)</u>		<u>(153,741)</u>
 Represented by:					
UNRESTRICTED FUNDS	8/9		234,023		224,182
RESTRICTED FUNDS	8/9		(278,545)		(377,923)
TOTAL CHARITY FUNDS			<u>(44,522)</u>		<u>(153,741)</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Trustees on 8 February 2022 and signed on its behalf.


J Lief
 Trustee


R McCloy
 Trustee

The notes on pages 18 to 24 form part of these accounts.

STATEMENT OF CASH FLOWS FOR THE YEAR

	Note	2021 £	2020 £
Net cash generated/(used) by charitable activities	10	(14,346)	(3,097)
Change in cash and cash equivalents in the year		(14,346)	(3,097)
Cash and cash equivalents brought forward		<u>290,678</u>	<u>293,775</u>
Cash and cash equivalents carried forward		<u>276,332</u>	<u>290,678</u>

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

a) General Information

Ubuntu Pathways is a public benefit entity and a company limited by guarantee company number 05064084 incorporated in England and Wales. Ubuntu Pathways is also a charity, registered with the Charity Commission (charity registration number 1103749). The registered office and its principal place of business is 7 Cavendish Square, London W1G 0PE.

Ubuntu Pathways supports the work of Ubuntu Pathways in South Africa which aims to assist orphaned and vulnerable children and their families affected by HIV/AIDS, poverty and abuse in Gqeberha, South Africa access higher education and employment.

b) Going Concern

The Trustees confirm that, at the time of approving the financial statements, there are no material uncertainties regarding the charity's ability to continue in operational existence for the foreseeable future. In arriving at this conclusion the Trustees have taken account of current and anticipated financial performance in the current economic conditions, its Vision 2020 and its reserve position. For this reason, the going concern basis continues to be adopted in the preparation of the charity's financial statements.

c) Basis of preparation of financial statements

The financial statements have been prepared under the historic cost convention unless otherwise stated in the relevant accounting policy notes and 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 (FRS102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The principle accounting policies that have been applied to all years presented in these financial statements are set out below.

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charity's transactions are denominated.

d) Fund Accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objects.

Designated funds are those funds set aside from unrestricted funds for specific purposes set out by the Trustees.

Restricted funds are funds subject to specific restrictions imposed by donors or by the purpose of the appeal. The purpose and use of the restricted funds is set out in the notes to the financial statements.

e) Income

All donation income is recognised when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

NOTES TO THE ACCOUNTS (CONTINUED)

f) Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered, and recognised when there is a legal or constructive obligation to pay for expenditure. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with staff costs allocated on the basis of time spent.

g) Financial Instruments

The only financial instruments held by the charity are debtors and creditors. These are categorised as 'basic' in accordance with Section 11 of FRS 102 and are initially recognised at transaction price. These are subsequently measured at their transaction price less any impairment.

h) Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation. Expenditure is capitalised for amounts over £250. Depreciation is provided to write off the cost of tangible fixed assets as follows:

Computer Equipment - 33% straight line
 Furniture - 25% straight line

i) Foreign Currencies

Transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date.

h) Critical Judgements and Estimates

No judgements have been made by management in applying the charity's accounting policies.

There are no accounting estimates or assumptions which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year

2. VOLUNTARY INCOME

	2021 £	2020 £
Restricted Donations (grants and donations towards Vision 2020 campaign)	98,832	182,546
Gala	-	(10,189)
Crisis Campaign	831,787	593,218
Donor cultivation	119,418	134,640
Outreach solicitations	67,924	88,981
Gift Aid received and claimed	25,925	33,032
	<u>1,143,886</u>	<u>1,022,228</u>

NOTES TO THE ACCOUNTS (CONTINUED)

3 ANALYSIS OF EXPENDITURE

3a) Costs of raising funds

This expenditure represents the costs of generating donations.

	2021 £	2020 £
Events	-	1,223
Wages and other salary costs	26,753	39,565
	<u>26,753</u>	<u>40,788</u>

Expenditure in both years was unrestricted.

3b) Expenditure on Charitable Activities

This expenditure represents the costs to deliver and support the projects. They include support costs, which relate specifically to the management, operation and communication of the projects undertaken.

	Restricted 2021 £	Unrestricted 2021 £	Total 2021 £	Total 2020 £
i) Net donations to Ubuntu Pathways in South Africa and the US	98,832	727,370	826,202	838,057
ii) Support costs				
Events	-	-	-	4,893
Wages and other salary costs	-	123,617	123,617	179,496
Rent and Service Charges	-	18,000	18,000	18,000
Insurance	-	1,629	1,629	1,673
Motor and Travel	-	882	882	2,051
Printing, Posting and Courier	-	195	195	109
IT and Computer	-	452	452	1,562
Professional Fees	-	20,425	20,425	23,487
Sundry	-	934	934	2,989
Loan interest	-	21,768	21,768	22,249
Bank charges	-	1,321	1,321	2,509
	<u>98,832</u>	<u>916,593</u>	<u>1,015,425</u>	<u>1,097,075</u>

Expenditure in 2020 was £182,546 restricted and £914,529 unrestricted.

The donations represent five payments made to South Africa of £365,900 (2020: nine payments totalling £594,676), net donations banked in South Africa of £337,373 (2020: £37,163) and net donations of £122,929 to the United States (2020: net £206,218).

NOTES TO THE ACCOUNTS (CONTINUED)

3c) Transfer of proceeds from loan financing to Ubuntu Pathways, South Africa

This represents the proceeds of the HSBC Bounce Back loan taken out in 2020 during the COVID-19 pandemic which have been transferred in full to support Ubuntu's COVID-19 Emergency Response.

	2021 £	2020 £
Transfer to Ubuntu Pathways in South Africa	-	50,000
	<u>-</u>	<u>50,000</u>

This loan is unrestricted.

3d) Wages

	2021 £	2020 £
Gross Wages	139,853	199,332
Employers National Insurance Costs	7,611	13,218
Pension Costs	2,906	4,691
	<u>150,370</u>	<u>217,241</u>

The average number of full-time equivalent employees in the year was 4 (2020: 5) with all employee time involved in providing either support to the governance of the charity or support services to charitable activities.

The charity considers its key personnel comprise to be the Director, UK. The total employment benefits (including pension and social security costs) paid out of the UK of the key management personnel were £66,422 (2020: £84,950). No other employees had employee benefits in excess of £60,000 (2020: none).

The Trustees did not receive any emoluments during the year (2020: None).

During the year, travel and subsistence expenses totalling £Nil were reimbursed to the Trustees (2020: £Nil)

3e) Net expenditure and movement in funds

	2021 £	2020 £
Audit fee	4,560	4,638
Operating leases - office rentals	<u>18,000</u>	<u>18,000</u>

NOTES TO THE ACCOUNTS (CONTINUED)

4. DEBTORS

	2021	2020
	£	£
Donations receivable	48,777	6,250
Other debtors	-	10,311
Prepayments	4,955	4,930
	<u>53,732</u>	<u>21,491</u>

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Loans and overdrafts (see note 7)	115,560	99,378
Trade creditors	24,809	15,160
Accruals	20,308	20,300
Taxation and Social Security	1,672	2,520
Other creditors	33	7
	<u>162,382</u>	<u>137,365</u>

6. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Loans and overdrafts (see note 7)	212,204	328,545
	<u>212,204</u>	<u>328,545</u>

7. LOANS

In 2019, a loan of £400,000 from CAF Venturesome was taken out to fund the construction of The Ubuntu School, a new primary school in the townships of Gqeberha and was therefore transferred in full to Ubuntu Pathways in South Africa. Interest on the loan is charged at 6.5% and it is repayable in 48 equal monthly instalments between 25 January 2020 and 25 December 2023. The loan is guaranteed by Ubuntu Pathways NPC, South Africa and Ubuntu Pathways Inc, US.

This loan was fully repaid in August 2021.

In 2020, the charity took out a Bounce Back Loan of £50,000 from HSBC which was also transferred in full to Ubuntu Pathways in South Africa. Interest on the loan is charged at 2.5% and it is repayable in 60 equal monthly instalments between 24 June 2021 and 24 May 2026. The loan is guaranteed by the UK government.

NOTES TO THE ACCOUNTS (CONTINUED)

8. ACCUMULATED FUNDS

	Opening Balance £	Incoming Resources £	Outgoing Resources £	Transfers £	Closing Balance £
RESTRICTED FUNDS	(377,923)	98,832	(98,832)	99,378	(278,545)
UNRESTRICTED FUNDS					
General Fund	224,182	1,052,565	(943,346)	(99,378)	234,023
	<u>(153,741)</u>	<u>1,151,397</u>	<u>(1,042,178)</u>	<u>-</u>	<u>(44,522)</u>

Restricted funds are Vision 2020 grants and donations and other grants for programme expenses.

9. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds £	Unrestrict ed Funds £	Total Funds 2021 £	Total Funds 2020 £
CURRENT ASSETS				
Debtors	-	53,732	53,732	21,491
Cash at Bank and in Hand	-	276,332	276,332	290,678
CREDITORS: Amounts falling due within one year	(106,033)	(56,349)	(162,382)	(137,365)
CREDITORS: Amounts falling due after more than one year	(172,512)	(39,692)	(212,204)	(328,545)
	<u>(278,545)</u>	<u>234,023</u>	<u>(44,522)</u>	<u>(153,741)</u>

10. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW

	2021 £	2020 £
Net movement in funds	109,219	(157,414)
(Increase)/decrease in debtors	(32,241)	110,992
Increase/(decrease) in short-term creditors	25,017	70,265
(Decrease)/increase in long-term creditors	(116,341)	(26,940)
Net cash (used)/generated by activities	<u>(14,346)</u>	<u>(3,097)</u>

NOTES TO THE ACCOUNTS (CONTINUED)

11. TAXATION

No taxation arises as the company is a registered charity.

12. PENSION SCHEME

The company auto enrolled its employees in a pension scheme from 1 August 2016.

13. CAPITAL COMMITMENTS

There were no capital commitments at the Balance Sheet date.

14. OPERATING LEASE COMMITMENTS

At the Balance Sheet date the charity had no outstanding commitments for future minimum lease payments under non-cancellable operating leases.

15. CONTINGENT LIABILITIES

There were no contingent liabilities at the Balance Sheet date.

16. RELATED PARTY TRANSACTIONS

During the year £703,273 (2020: £631,840) was advanced to Ubuntu Pathways, South Africa and £122,929 to Ubuntu Pathways Inc, US (2020: £206,217). Both of these are related undertakings.

Directors' indemnity insurance is in place.

Donations received from trustees totalled £109,591 in 2021 (2020: £298,105).

17. LIABILITY OF MEMBERS

The charity is a company Limited by Guarantee and as such each member has guaranteed to contribute a sum not exceeding £10 to the assets of the company in the event of it being wound up and unable to pay its debts while he or she is a member or within one year after he or she ceases to be a member.

18. POST BALANCE SHEET EVENT

The CAF Venturesome loan was fully repaid in August 2021 and therefore reserves are again positive, being £209k at the end of December 2021. These reserves are all unrestricted.