

REGISTERED COMPANY NUMBER: 05147284 (England and Wales)
REGISTERED CHARITY NUMBER: 1104396

Report of the Trustees and
Financial Statements for the Year Ended 31 December 2020
for
Nyumbani UK And The Hotcourses
Foundation

Grunberg & Co Limited
Chartered Accountants & Statutory Auditors
5 Technology Park
Colindeep Lane
Colindale
London
NW9 6BX

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for the Year Ended 31 December 2020**

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**Nyumbani UK And The Hotcourses
Foundation**

**Reference and Administrative Details
for the Year Ended 31 December 2020**

TRUSTEES	S Cleaver M G Elms J R S Hunt S R M Philips (resigned 21.10.2021) C M Shirvani (resigned 1.5.2020) J M Southgate L Digrandi (appointed 1.5.2020) D Grunberg (appointed 1.4.2020) P D Wilson (appointed 17.4.2020)
COMPANY SECRETARY	D Grunberg
REGISTERED OFFICE	First Floor Bedford House 69-79 Fulham High Street London SW6 3JW
REGISTERED COMPANY NUMBER	05147284 (England and Wales)
REGISTERED CHARITY NUMBER	1104396
AUDITORS	Grunberg & Co Limited Chartered Accountants & Statutory Auditors 5 Technology Park Colindeep Lane Colindale London NW9 6BX
BANKERS	HSBC Bank plc 8 Canada Square Canary Wharf London, E14 5HQ United Kingdom

**Report of the Trustees
for the Year Ended 31 December 2020**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of 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).

**Report of the Trustees
for the Year Ended 31 December 2020**

OBJECTIVES AND ACTIVITIES

Objectives and aims

Nyumbani UK and The Hotcourses Foundation is constituted as a company limited by guarantee (incorporated on 7 June 2004) and is therefore governed by its memorandum and articles of association. The objectives of the Charity, as set out in the memorandum and articles of association, are:

- To advance the education and training (including the social and physical education and training) of persons resident anywhere in the world;
- To relieve persons resident anywhere in the world who are in need, hardship or distress (including any need, hardship or distress as a result of any illness, disease or disability);
- That special facilities may be provided for persons who by reasons of their youth, age, infirmity or disability, poverty or social or economic circumstances may have need of special facilities and services;
- To promote and preserve good health and well-being through community participation in healthy recreation;
- Such other charitable purposes beneficial to the community consistent with the objectives above as the trustees shall in their absolute discretion determine.

The trustees currently have a policy of supporting projects with a primary focus on education and support for children that can be carefully monitored to ensure the funds are properly applied.

Our objective is to make a measurable, tangible difference to the lives of children in some of the poorest parts of the world. We have focused on orphans suffering due to AIDS and HIV living in East Africa. We currently work in partnership with a Kenyan organisation called COGRI/Nyumbani, a well-established local organisation where there is a track record of effective and corruption-free administration. They have three significant projects currently helping over 15,000 children. There is a children's home in Nairobi for HIV positive children; an outreach programme within eight of the informal settlements of Nairobi, that provides support to children with HIV and AIDS and their siblings; and the Nyumbani village which is a community that provides a family home, healthcare, security and an education to orphaned children, most of whom have lost their parents to AIDS. In recent years, the Charity has had a strong focus on educational funding but has also supported capital projects, including the building of new homes for children and teachers, a sports pitch, libraries and laboratories for the schools in the village.

The majority of the administration costs of Nyumbani UK and The Hotcourses Foundation are covered by IDP Connect Limited, to ensure that donations go directly to our educational projects. Two part-time independent contractors in Kenya work with the COGRI/Nyumbani Lea Toto program staff, to monitor the children who are supported by the Hotcourses Scholarship Fund for the benefit of the children in the Lea Toto programme. We receive a donation in-kind from IDP Connect Limited to cover the cost of those two individuals, as well as the availability of staff members, who assist with the financial administration of the Charity. The in-kind donation from IDP Connect Limited also covers the salary of a part time consultant who works as an independent contractor for the Charity. All other work is by the volunteer board members, trustees and other volunteers.

Application of the Charity's funds

During the courses of 2020, Nyumbani UK and The Hotcourses Foundation has sent funds to support the following:

Hotcourses Primary School

The Foundation continues to support the running costs of Hotcourses Primary School, which currently has 707 pupils, 24 teachers and 4 support staff.

Lawson High School

The Foundation continues to support the running costs of Lawson High School. The school currently has 274 students and 18 teachers. In addition to the classrooms, the high school also has a science block, an administration block, a library and a computer laboratory.

Hotcourses Scholarship Fund for the benefit of children in the Lea Toto Program, Nairobi.

The Foundation continues to support the education of around 100 children living in the Nairobi slums, most of whom are HIV positive. This support includes paying school fees, buying uniforms and shoes, paying for books, exam fees, providing school meals and regularly monitoring their progress.

Nyumbani Children's Home, Nairobi

Funds were sent as sponsorship for individual children through direct donors.

**Report of the Trustees
for the Year Ended 31 December 2020**

Tertiary Education

Donor directed funds were directed towards the cost of tertiary education for those children, as determined by the COGRI staff in Kenya.

Public benefit

The trustees confirm that they have referred to the Charity Commission's public benefit guidance when carrying out past and planning future activities.

Through the programmes supported by our Charity, many underprivileged children in Kenya receive access to education, comprehensive medicine and healthcare support, housing and community. A solid education provides a pathway for the vulnerable to pull themselves out of poverty. Children who are HIV positive with the right medicines, healthy diet and well managed lifestyle can expect to have normal life expectancies, but our programme is vital to ensure successful outcomes. A self-sustainable village provides a family-like setting for orphaned children under the stewardship of elderly adults and seeks to ensure that the children receive love, sustenance, healthcare, holistic education and culture transfer, aiming at their physical and psychological development. The Nyumbani village also provides holistic care and support for the grandparents in their later years.

FINANCIAL REVIEW

Fundraising

Due to COVID-19, fundraising efforts were limited to virtual events throughout 2020. We started a new sponsorship programme for the students in the Nyumbani village, in order to increase our monthly recurring donations and help cover the annual operating costs of the village schools.

Investment policy and objectives

The Charity received a material legacy donation in 2019. After evaluating alternatives, the Trustees concluded the funds would be most efficiently managed internally by forming an investment committee with relevant experience who would recommend an investment strategy for the Charity and monitor and report of ongoing investment performance. A long term investment strategy was developed by the investment committee and adopted by the trustees with the goal of generating returns over the long term exceeding inflation and implemented by holding a portfolio of low cost passive ETFs held in a UK investment account with a leading broker. The legacy funds received were fully invested in the agreed portfolio by late 2020. The trustees view the role of the Charity's endowment as being to ensure that it can continue to meet its commitment to fully fund the schools in the Nyumbani village over the long term despite the schools' annual operating costs exceeding the Charity's income from donations.

Reserves policy

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to at least six months expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised.

FUTURE PLANS

Our focus now is to improve the quality of teaching and learning in our two schools. To this end, we are looking to invest in high quality teachers and improve the resources in the schools. We remain convinced that the best way to improve the life chances of the children we support is to provide them with an excellent education, leading to career outcomes that will allow them to live independently economic lives.

We will continue to hold annual fundraising events, along with exploring avenues such as sponsored events, further corporate sponsorships and expanding recurring donations through our student sponsorship programme in the Nyumbani village. In 2021 fundraising has again been limited due to the ongoing COVID-19 pandemic. We held a Gala Dinner and Auction in September 2021, which was the Charity's first live event since the beginning of the pandemic. The Gala Dinner was fully subscribed, but the number of guests needed to be reduced to 120 from 170 due to the venue's social distancing requirements, which impacted the amount of funds we were able to raise. We will continue to focus on expanding our donor base through virtual and live events and through personal outreach to individuals.

The Giving Back team at IDP Connect Limited works on a volunteer basis to support fundraising efforts and awareness of the Charity and its objectives. They had limited opportunities to provide support to the Charity in 2020 due to COVID-19.

**Report of the Trustees
for the Year Ended 31 December 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

New trustees are appointed due to their interest in the work of the Charity and their recognised experience in specific fields which will further support the work of the Charity. New trustees can be appointed by a majority vote of the existing trustees. New trustees are given a full induction by the other trustees of the Charity.

Risk management

The trustees have considered the major risks to which the Charity is exposed. The first main risk is lack of incoming funds. To mitigate this risk, trustees have implemented the policy on reserves and always look for new opportunities to diversify the sources of income. The other risk is unauthorised expenditure of the funds. The trustees regularly review the risk management system and financial controls and procedures to prevent fraudulent activities. We have a secure donor database and follow the guidelines of GDPR to ensure compliance with data protection legislation.

WEBSITE

www.nyumbani.org.uk

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Nyumbani UK And The Hotcourses Foundation for the purposes of company law) 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 year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Grunberg & Co Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 22 October 2021 and signed on its behalf by:

M G Elms - Trustee

Report of the Independent Auditors to the Members of Nyumbani UK And The Hotcourses Foundation

Opinion

We have audited the financial statements of Nyumbani UK And The Hotcourses Foundation (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Statement of Financial Position, the 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 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.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company'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 Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of
Nyumbani UK And The Hotcourses
Foundation**

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

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.

**Report of the Independent Auditors to the Members of
Nyumbani UK And The Hotcourses
Foundation**

Our 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 a Report of the Independent Auditors 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.

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

- the nature of the industry and sector, including the impact of the COVID-19 global pandemic across the UK and whether the financial results of our client differed from the industry trends;
- the legal and regulatory framework that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements;
- the matters discussed among the audit engagement team during the planning process regarding how and where fraud might occur in the financial statement and any potential indicators of fraud.

Audit procedures performed included the reviewing the financial statement disclosures and testing to

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- the legal and regulatory framework that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements;
- the matters discussed among the audit engagement team during the planning process regarding how and where fraud might occur in the financial statement and any potential indicators of fraud.

Audit procedures performed included the reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements; discussions with the directors' on their own assessment of the risks that irregularities may occur either as a result of fraud or error, their assessment of compliance with laws and regulations and whether they were aware of any instances of non-compliance, including any potential litigation or claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; inspection of relevant legal correspondence and board minutes; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

As a result of our assessment, it is considered that there are no laws and regulations for which non-compliance may be fundamental to the operating aspects of the business. However, laws and regulations considered to have a direct effect on the financial statements included the UK Companies Act, Charities Act 2011, Employment Laws and Health & Safety legislation.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. There is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

**Report of the Independent Auditors to the Members of
Nyumbani UK And The Hotcourses
Foundation**

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 Report of the Independent Auditors.

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.

Gedalia Waldman BA FCA (Senior Statutory Auditor)
for and on behalf of Grunberg & Co Limited
Chartered Accountants & Statutory Auditors
5 Technology Park
Colindeep Lane
Colindale
London
NW9 6BX

26 October 2021

**Nyumbani UK And The Hotcourses
Foundation**

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 December 2020**

	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	210,651	64,324	274,975	5,177,881
Other trading activities	3	24,457	-	24,457	46,472
Investment income	4	51,351	-	51,351	11,375
Total		<u>286,459</u>	<u>64,324</u>	<u>350,783</u>	<u>5,235,728</u>
EXPENDITURE ON					
Raising funds	5	69,025	-	69,025	121,103
Charitable activities	6				
College and tuition fees		111,948	54,315	166,263	392,064
Other		<u>3,867</u>	<u>-</u>	<u>3,867</u>	<u>1,248</u>
Total		<u>184,840</u>	<u>54,315</u>	<u>239,155</u>	<u>514,415</u>
Net gains on investments		<u>493,185</u>	<u>-</u>	<u>493,185</u>	<u>-</u>
NET INCOME		<u>594,804</u>	<u>10,009</u>	<u>604,813</u>	<u>4,721,313</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>5,248,053</u>	<u>34,400</u>	<u>5,282,453</u>	<u>561,140</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>5,842,857</u></u>	<u><u>44,409</u></u>	<u><u>5,887,266</u></u>	<u><u>5,282,453</u></u>

The notes form part of these financial statements

**Statement of Financial Position
31 December 2020**

	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Investments	11	5,343,285	-	5,343,285	-
CURRENT ASSETS					
Debtors	12	18,386	-	18,386	5,987
Cash at bank		481,186	44,409	525,595	5,278,966
		<u>499,572</u>	<u>44,409</u>	<u>543,981</u>	<u>5,284,953</u>
CREDITORS					
Amounts falling due within one year	13	-	-	-	(2,500)
NET CURRENT ASSETS		<u>499,572</u>	<u>44,409</u>	<u>543,981</u>	<u>5,282,453</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,842,857</u>	<u>44,409</u>	<u>5,887,266</u>	<u>5,282,453</u>
NET ASSETS		<u>5,842,857</u>	<u>44,409</u>	<u>5,887,266</u>	<u>5,282,453</u>
FUNDS	14				
Unrestricted funds				5,842,857	5,248,053
Restricted funds				44,409	34,400
TOTAL FUNDS				<u>5,887,266</u>	<u>5,282,453</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 22 October 2021 and were signed on its behalf by:

M G Elms - Trustee

**Nyumbani UK And The Hotcourses
Foundation**

**Statement of Cash Flows
for the Year Ended 31 December 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	16	45,378	4,714,892
Net cash provided by operating activities		45,378	4,714,892
Cash flows from investing activities			
Purchase of fixed asset investments		(4,850,100)	-
Interest received		9,345	11,375
Dividends received		42,006	-
Net cash (used in)/provided by investing activities		(4,798,749)	11,375
Change in cash and cash equivalents in the reporting period		(4,753,371)	4,726,267
Cash and cash equivalents at the beginning of the reporting period		5,278,966	552,699
Cash and cash equivalents at the end of the reporting period		525,595	5,278,966

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2020**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

There are no material uncertainties regarding the going concern of the charity.

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

Financial reporting standard 102 - reduced disclosure exemptions

The charity has taken advantage of disclosure exemptions in preparing these financial statements, as permitted by Bulletin 1 of the Charities SORP (FRS 102).

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured depending upon the class of investment. Investments are included in the financial statements at fair value at the year end.

Quoted investment are subsequently measured at fair value at the balance sheet date using the closing quoted market price.

Cash or cash equivalents are measured at the cash balance in sterling, using the spot exchange rate at the balance sheet date.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

1. ACCOUNTING POLICIES - continued

Fixed asset investments

The fair value of foreign investments is translated into Sterling at the rate of exchange ruling at the year end. Any realised or unrealised gains or losses on investments are taken to the statement of financial activities. The main form of financial risk faced by the charitable company is that of the volatility of the markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities within particular sectors and sub-sectors.

Donated goods, facilities and services

Donated services and facilities are included in the SOFA when received at the value of the gift to the charity provided the value of the gift can be measured reliably.

Donated services and facilities that are consumed immediately are recognised as income with an equivalent amount recognised as an expense under the appropriate heading in the SOFA.

Financial instruments

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

Financial assets that are measured at cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

Debtors

Basic financial assets, including trade and other debtors, are measured at transaction price, less any impairment.

Cash and cash equivalents

Cash and cash equivalents represented by cash in hand and deposits held at call with financial institutions, are measured at amortised cost.

Creditors

Basic financial liabilities, including trade and other creditors, are recognised at transaction price.

Investments

Investments in shares are included at fair value, where the fair value can be measured reliably. Otherwise, they are included at cost less impairment.

2. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Donations	202,858	64,324	267,182	5,173,654
Gift aid receivable provision	7,793	-	7,793	4,227
	<u>210,651</u>	<u>64,324</u>	<u>274,975</u>	<u>5,177,881</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

3. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Fundraising events	24,457	-	24,457	46,472

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Dividends received	42,006	-	42,006	-
Deposit account interest	9,345	-	9,345	11,375
	51,351	-	51,351	11,375

5. RAISING FUNDS

Raising donations and legacies

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Fundraising activities	68,339	-	68,339	120,984

Investment management costs

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Portfolio management	686	-	686	-
Support costs	-	-	-	119
	686	-	686	119
Aggregate amounts	69,025	-	69,025	121,103

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

6. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 7) £
College and tuition fees	166,263

7. GRANTS PAYABLE

	2020 £	2019 £
College and tuition fees	166,263	392,064

The total grants paid to institutions during the year was as follows:

	2020 £	2019 £
Children of God Relief Institute	166,263	392,064

8. SUPPORT COSTS

	Governance costs £
Other resources expended	3,867

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020 £	2019 £
Auditors' remuneration	3,750	1,250

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

11. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
Additions	4,850,100
Revaluations	493,185
	<hr/>
At 31 December 2020	5,343,285
	<hr/>
NET BOOK VALUE	
At 31 December 2020	5,343,285
	<hr/>
At 31 December 2019	-
	<hr/>

There were no investment assets outside the UK.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Other debtors	1,062	-
Prepayments and accrued income	17,324	5,987
	<hr/>	<hr/>
	18,386	5,987
	<hr/>	<hr/>

During the year, no impairment provisions have been made against any class of debtors.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Accrued expenses & deferred income	-	2,500
	<hr/>	<hr/>

14. MOVEMENT IN FUNDS

	At 1.1.20 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	5,248,053	594,804	5,842,857
Restricted funds			
Restricted funds	34,400	10,009	44,409
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	5,282,453	604,813	5,887,266
	<hr/>	<hr/>	<hr/>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

14. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	286,459	(184,840)	493,185	594,804
Restricted funds				
Restricted funds	64,324	(54,315)	-	10,009
TOTAL FUNDS	<u>350,783</u>	<u>(239,155)</u>	<u>493,185</u>	<u>604,813</u>

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	At 31.12.19 £
Unrestricted funds			
General fund	526,740	4,721,313	5,248,053
Restricted funds			
Restricted funds	34,400	-	34,400
TOTAL FUNDS	<u>561,140</u>	<u>4,721,313</u>	<u>5,282,453</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	5,179,118	(457,805)	4,721,313
Restricted funds			
Restricted funds	56,610	(56,610)	-
TOTAL FUNDS	<u>5,235,728</u>	<u>(514,415)</u>	<u>4,721,313</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

14. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.19 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	526,740	5,316,117	5,842,857
Restricted funds			
Restricted funds	34,400	10,009	44,409
TOTAL FUNDS	<u>561,140</u>	<u>5,326,126</u>	<u>5,887,266</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	5,465,577	(642,645)	493,185	5,316,117
Restricted funds				
Restricted funds	120,934	(110,925)	-	10,009
TOTAL FUNDS	<u>5,586,511</u>	<u>(753,570)</u>	<u>493,185</u>	<u>5,326,126</u>

15. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2020 or for the year ended 31 December 2019.

16. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income for the reporting period (as per the Statement of Financial Activities)	604,813	4,721,313
Adjustments for:		
Losses on investments	(493,185)	-
Interest received	(9,345)	(11,375)
Dividends received	(42,006)	-
(Increase)/decrease in debtors	(12,399)	3,704
(Decrease)/increase in creditors	(2,500)	1,250
Net cash provided by operations	<u>45,378</u>	<u>4,714,892</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

17.. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.20 £	Cash flow £	At 31.12.20 £
Net cash			
Cash at bank	5,278,966	(4,753,371)	525,595
	<u>5,278,966</u>	<u>(4,753,371)</u>	<u>525,595</u>
Total	<u>5,278,966</u>	<u>(4,753,371)</u>	<u>525,595</u>

18. DONATED GOODS, FACILITIES AND SERVICES

	2020 £	2019 £
Seconded staff	54,938	55,328
Other	19,651	65,656
	<u>74,589</u>	<u>120,984</u>

Recognition and valuation of donated goods, facilities and services are accounted as donation in kind income valued at the cost incurred. Goods donated for the charity's annual event auction are recognised in income received from the auction.

Other forms of other donated goods and services not recognised in the accounts are sports kits, shoes, and books taken directly to Nyumbani village.

19. RESTRICTED FUNDS

Restricted funds are in relation to Lawson High school and towards helping Nyumbani children to go to tertiary education; the purchase of a cow; Nyumbani Children's Home and sponsorship for individual children; and for a Covid-19 Emergency Fund.

20. FINANCIAL ASSETS AND LIABILITIES

	2020 £	2019 £
Financial assets measured at amortised cost	<u>525,595</u>	<u>5,278,966</u>
Financial liabilities measured at amortised cost	<u>-</u>	<u>2,500</u>