

Charity registration number 1104396

Company registration number 05147284 (England and Wales)

**NYUMBANI UK AND THE HOTCOURSES FOUNDATION**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

# NYUMBANI UK AND THE HOTCOURSES FOUNDATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	J Hunt
	S Cleaver
	M G Elms
	J M Southgate
	D Grunberg
	L Digrandi
	P Wilson
<b>Secretary</b>	D Grunberg
<b>Charity number</b>	1104396
<b>Company number</b>	05147284
<b>Registered office</b>	5 Technology Park Colindeep Lane Colindale London NW9 6BX
<b>Auditor</b>	Grunberg & Co Ltd 5 Technology Park Colindeep Lane Colindale London United Kingdom NW9 6BX
<b>Bankers</b>	HSBC PLC PLC 8 Canada Square London E14 5HQ

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# NYUMBANI UK AND THE HOTCOURSES FOUNDATION

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# **NYUMBANI UK AND THE HOTCOURSES FOUNDATION**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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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 2021. 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).

#### **Objectives and activities**

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. Until March 2022 we were working in partnership with a Kenyan organisation called COGRI/Nyumbani, a well-established local organisation where there had previously been a track record of effective and corruption-free administration. They have three significant projects currently helping over 9,000 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. In 2021 we continued to 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.

In July, 2021 we hired a full-time Director of Schools to help improve the quality of education in the Nyumbani Village, Kenya.

All other work is by the volunteer board members, trustees and other volunteers.

#### **Application of the Charity's funds**

During the course of 2021, Nyumbani UK and The Hotcourses Foundation has sent funds to support the following:

##### **Hotcourses Primary School**

The Foundation continued to support the running costs of Hotcourses Primary School in 2021, which currently has 586 pupils, 24 teachers and 5 support staff. We also sent funds for a new library at Hotcourses Primary School.

# **NYUMBANI UK AND THE HOTCOURSES FOUNDATION**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **Lawson High School**

The Foundation continued to support the running costs of Lawson High School in 2021. The school currently has 290 students and 17 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 83 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.

#### **Tertiary Education**

Donor 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.

#### **Achievements and performance**

##### **Fundraising**

Due to COVID-19, fundraising efforts continued to be limited throughout most of the year. We hosted a Gala Dinner and Auction in the Houses of Parliament in September, 2021. However, the number of guests was limited to 120 people due to Covid restrictions, which impacted the amount of funds we were able to raise.

##### **Financial review**

The financial position of the Charity is healthy.

The Charity's Statement of Financial Activities show a net surplus of £749,077 (2020: £604,813) and total reserves of £6,686,343 (2020: £5,887,266)

##### **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 between three and six month's 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. This level of reserves has been maintained throughout the year.

# NYUMBANI UK AND THE HOTCOURSES FOUNDATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 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.

#### 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.

#### Plans for future periods

We continue to fund the Hotcourses Scholarship Programme, which currently provides for the education of 83 HIV-positive students living in the informal settlements around Nairobi, Kenya. In March 2022 we suspended our support of the Nyumbani Village and the Nyumbani Home due to serious concerns over child safeguarding and management at COGRI-Nyumbani. We are currently reviewing a shortlist of educational organisations in Kenya that are interested in receiving funding and the trustees aim to make a decision by the end of 2022. 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 resume fundraising events and look for new sponsorships once our trustees have selected a new educational project to be funded and we have completed our due diligence of the organisation.

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 continued to have limited opportunities to provide support to the Charity in 2021 due to COVID-19.

#### Structure, governance and management

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.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

J Hunt

S Cleaver

M G Elms

J M Southgate

S Philips

(Resigned 21 October 2021)

D Grunberg

L Digrandi

P Wilson

#### 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.

# **NYUMBANI UK AND THE HOTCOURSES FOUNDATION**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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### **Auditor**

In accordance with the company's articles, a resolution proposing that Grunberg & Co Ltd be reappointed as auditor of the company will be put at a General Meeting.

### **Website**

[www.nyumbani.org.uk](http://www.nyumbani.org.uk)

The Trustees' report was approved by the Board of Trustees.

M G Elms

**Trustee**

30 September 2022

# **NYUMBANI UK AND THE HOTCOURSES FOUNDATION**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

### ***FOR THE YEAR ENDED 31 DECEMBER 2021***

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The trustees, who are also the directors of Nyumbani UK And The Hotcourses Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

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



# NYUMBANI UK AND THE HOTCOURSES FOUNDATION

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF NYUMBANI UK AND THE HOTCOURSES FOUNDATION

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#### Opinion

We have audited the financial statements of Nyumbani UK And The Hotcourses Foundation (the 'Charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the statement of financial position and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### 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 Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# NYUMBANI UK AND THE HOTCOURSES FOUNDATION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF NYUMBANI UK AND THE HOTCOURSES FOUNDATION

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#### **Matters on which we are required to report by exception**

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

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the statement of Trustees' responsibilities, the trustees, who are also the directors of the Charity for the purpose 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 Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the 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**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

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 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.

# **NYUMBANI UK AND THE HOTCOURSES FOUNDATION**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF NYUMBANI UK AND THE HOTCOURSES FOUNDATION**

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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).

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Gedalia Waldman BA FCA (Senior Statutory Auditor)**  
**for and on behalf of Grunberg & Co Ltd**

30 September 2022

**Chartered Accountants**  
**Statutory Auditor**

5 Technology Park  
Colindeep Lane  
Colindale  
London  
United Kingdom  
NW9 6BX

Grunberg & Co Ltd is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# NYUMBANI UK AND THE HOTCOURSES FOUNDATION

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
<b>Income from:</b>							
Donations and legacies	2	117,078	52,600	169,678	210,651	64,324	274,975
Other trading activities	3	50,750	-	50,750	24,457	-	24,457
Investments	4	115,551	-	115,551	51,351	-	51,351
<b>Total income</b>		<b>283,379</b>	<b>52,600</b>	<b>335,979</b>	<b>286,459</b>	<b>64,324</b>	<b>350,783</b>
<b>Expenditure on:</b>							
Raising funds	5	89,714	-	89,714	69,025	-	69,025
Charitable activities	6	380,682	4,239	384,921	115,815	54,315	170,130
<b>Total expenditure</b>		<b>470,396</b>	<b>4,239</b>	<b>474,635</b>	<b>184,840</b>	<b>54,315</b>	<b>239,155</b>
Net gains/(losses) on investments	11	887,733	-	887,733	493,185	-	493,185
<b>Net movement in funds</b>		<b>700,716</b>	<b>48,361</b>	<b>749,077</b>	<b>594,804</b>	<b>10,009</b>	<b>604,813</b>
Fund balances at 1 January 2021		5,842,857	44,409	5,887,266	5,248,053	34,400	5,282,453
<b>Fund balances at 31 December 2021</b>		<b>6,543,573</b>	<b>92,770</b>	<b>6,636,343</b>	<b>5,842,857</b>	<b>44,409</b>	<b>5,887,266</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# NYUMBANI UK AND THE HOTCOURSES FOUNDATION

## STATEMENT OF FINANCIAL POSITION

**AS AT 31 DECEMBER 2021**

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Investments	12		6,230,170		5,343,285
<b>Current assets</b>					
Debtors	14	5,305		18,386	
Cash at bank and in hand		408,321		525,595	
		<u>413,626</u>		<u>543,981</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(7,453)</u>		<u>-</u>	
Net current assets			406,173		543,981
<b>Total assets less current liabilities</b>			<u>6,636,343</u>		<u>5,887,266</u>
<b>Income funds</b>					
Restricted funds	16		92,770		44,409
Unrestricted funds			6,543,573		5,842,857
			<u>6,636,343</u>		<u>5,887,266</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

The financial statements were approved by the Trustees on 30 September 2022

M G Elms  
Trustee

Company registration number 05147284

# NYUMBANI UK AND THE HOTCOURSES FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

##### Charity information

Nyumbani UK And The Hotcourses Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is 5 Technology Park, Colindeep Lane, Colindale, London, NW9 6BX.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The Charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

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

##### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used.

##### 1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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.

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.

# NYUMBANI UK AND THE HOTCOURSES FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **1 Accounting policies**

**(Continued)**

#### **1.5 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

#### **1.6 Fixed asset investments**

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

#### **1.7 Cash and cash equivalents**

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

#### **1.8 Financial instruments**

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### ***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# NYUMBANI UK AND THE HOTCOURSES FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### *Basic financial liabilities*

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

### 1.9 Taxation

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

### 2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Donations and gifts	117,078	52,600	169,678	210,651	64,324	274,975

#### **Donated goods and services**

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.

Overall, donated goods and services totalled £77,100 (2020 - £74,589), Of this amount, £56,274 (2020 - £54,938) related to seconded staff and £20,826 (2020 - £19,651) related to other forms of donated goods and services.



# NYUMBANI UK AND THE HOTCOURSES FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 3 Other trading activities

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Fundraising events	50,750	24,457

### 4 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Income from listed investments	115,551	42,006
Interest receivable	-	9,345
	115,551	51,351

### 5 Raising funds

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
<u>Fundraising and publicity</u>		
Seeking donations, grants and legacies	9,170	-
Other fundraising costs	77,100	68,339
Fundraising and publicity	86,270	68,339
<u>Investment management</u>	3,444	686
	89,714	69,025

# NYUMBANI UK AND THE HOTCOURSES FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 6 Charitable activities

	2021 £	2020 £
Grant funding of activities (see note 7)	372,268	166,263
Share of support costs (see note 8)	7,903	117
Share of governance costs (see note 8)	4,750	3,750
	<u>384,921</u>	<u>170,130</u>
<b>Analysis by fund</b>		
Unrestricted funds	380,682	115,815
Restricted funds	4,239	54,315
	<u>384,921</u>	<u>170,130</u>

### 7 Grants payable

	2021 £	2020 £
Grants to institutions:		
Other	372,268	166,263
-	<u></u>	<u></u>

### 8 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Computer consumables	4,037	-	4,037	-	-	-
Travel	1,642	-	1,642	-	-	-
Management	2,224	-	2,224	117	-	117
Auditor's remuneration	-	4,750	4,750	-	3,750	3,750
	<u>7,903</u>	<u>4,750</u>	<u>12,653</u>	<u>117</u>	<u>3,750</u>	<u>3,867</u>
Analysed between						
Charitable activities	7,903	4,750	12,653	117	3,750	3,867
	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>

# NYUMBANI UK AND THE HOTCOURSES FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

### 9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

### 10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Total	-	-

There were no employees whose annual remuneration was more than £60,000.

### 11 Net gains/(losses) on investments

	Unrestricted funds  2021 £	Unrestricted funds  2020 £
Revaluation of investments	887,733	493,185

### 12 Fixed asset investments

	Listed investments £
<b>Cost or valuation</b>	
At 1 January 2021	5,343,285
Valuation changes	887,733
Disposals	(848)
At 31 December 2021	6,230,170
<b>Carrying amount</b>	
At 31 December 2021	6,230,170
At 31 December 2020	5,343,285

# NYUMBANI UK AND THE HOTCOURSES FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

<b>13</b>	<b>Financial instruments</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	<b>Carrying amount of financial assets</b>		
	Instruments measured at fair value through profit or loss	6,230,170	5,343,285
<b>14</b>	<b>Debtors</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	<b>Amounts falling due within one year:</b>		
	Other debtors	-	1,062
	Prepayments and accrued income	5,305	17,324
		5,305	18,386
<b>15</b>	<b>Creditors: amounts falling due within one year</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Other creditors	2,703	-
	Accruals and deferred income	4,750	-
		7,453	-

## 16 Restricted funds

Restricted funds are applied for the following specific purposes:

- The Lawson High school
- Helping Nyumbani Village children to go to tertiary education
- Nyumbani Children's Home
- Sponsorship for individual children
- A Covid-19 emergency fund

	<b>Movement in funds</b>		<b>Movement in funds</b>		
	<b>Incoming resources</b>	<b>Balance at 1 January 2021</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Balance at 31 December 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Restricted funds	-	44,409	52,600	(4,239)	92,770

# NYUMBANI UK AND THE HOTCOURSES FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

### 17 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 December 2021 are represented by:						
Investments	6,230,170	-	6,230,170	5,343,285	-	5,343,285
Current assets/(liabilities)	313,403	92,770	406,173	543,981	-	543,981
	<u>6,543,573</u>	<u>92,770</u>	<u>6,636,343</u>	<u>5,887,266</u>	<u>-</u>	<u>5,887,266</u>

### 18 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).