

Company registration number: 05347277

Charity registration number: 1111306

The Lotus Children's Foundation

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 January 2023

The Lotus Children's Foundation

Contents

Trustees' Report	1 to 3
Reference and Administrative Details	2
Statement of Trustees' Responsibilities	4
Independent Examiner's Report	5
Statement of Financial Activities	6
Balance Sheet	7
Notes to the Financial Statements	8 to 12

The Lotus Children's Foundation

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 January 2023.

Structure, governance and management

The charity is a company limited by guarantee which was incorporated on 31 January 2005.

Objectives and activities

Objects and aims

Our Charity's objectives are to benefit the public by:

- (1) Promoting and protecting the physical and mental health of orphaned children in Sri Lanka;
- (2) To advance their education by providing and assisting in the provision of educational facilities and equipment; and
- (3) Such other charitable purposes as the trustees in their absolute discretion shall determine.

The charity was established following the tragic events of 26 December 2004 when the Tsunami left many children orphaned and homeless.

Achievements and performance

The Lotus Children Foundation is working with two established charities in Sri Lanka.

"The Velummayilum Foundation" is set up in the Northern Province of Sri Lanka and strives to provide aid for families and children in need in the Point Pedro and Vadamarachchi areas with the aim to transform their lives for the better. Their programs mainly focus on providing the highest standard of health, social welfare, and education to offer better opportunities for children to have a brighter tomorrow.

"The Ladani Institute" is a children's charity set up by the Sri Lankan Government in March 2004. They run a number of children's orphanages in various locations in Sri Lanka.

The Lotus Children's Foundation is currently caring for hundreds of children. Most are cared for within the community but fully funded by the Lotus Children's Foundation for all their expenses. There are community social workers working with the children, foster families, and schools, all addressing and supporting their daily needs. There are so many others who are awaiting support and it is our intention to gradually increase the number of children The Lotus Children's Foundation can care for.

The trustees makes regular visits to Sri Lanka to monitor the work of the Velummayilum Foundation and Ladani Institute, and the costs of these visits are met personally by the trustees concerned.

Financial review

The charity made payments of £112,560 to the Velummayilum Foundation and Ladani Institute. Additionally, the charity made payments of £3,518 for other charitable purposes in the year as determined by the trustees. Cash reserves at 31 January 2023 amounted to £12,052.

Plans for future periods

The aim of the trustees is to increase the income of the charity to continue to help those children of Sri Lanka who are going to depend on voluntary help for many years to come.

The Lotus Children's Foundation

Trustees' Report

Public benefit

The charity actively promotes awareness of the hardship faced by the children in Sri Lanka, and generates funds to try and improve their situation.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Trustees and officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees:

Mr V Thayanandarajah
Mrs S Thayanandarajah
Mr I Jarvis
Mr E Thayan
Mr C Thayan

Secretary: Mr V Thayanandarajah

Reference and administrative details

Principal Office Kingsley House
Clapham Road South
Lowestoft
Suffolk
NR32 1QS

The charity is incorporated in England & Wales.

Company Registration Number 05347277

Independent Examiner PKF Francis Clark
Unit 18, 23
Melville Building East
Royal William Yard
Plymouth
Devon
PL1 3GW

Charity Registration Number 1111306

The Lotus Children's Foundation

Trustees' Report

Going concern

At the beginning of the year, there were reserves of £18,500. Whilst the payments made during the year marginally exceed the funds received, the foundation still ended the year with reserves of £12,052, and have raised funding post year end.

The foundation received £10,000 in funding on the 15th February 2023; and therefore we are satisfied that reserves are to be increased in the next twelve months. Additionally, due to the simplistic nature of the charity's operations and as the year end reserves balance is positive, we consider this to be sufficient evidence that adequate reserves are held and the charity is a going concern.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

The annual report was approved by the trustees of the charity on 25/10/23 and signed on its behalf by:



Mr I Jarvis
Trustee

The Lotus Children's Foundation

Statement of Trustees' Responsibilities

The trustees (who are also the directors of The Lotus Children's Foundation for the purposes 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they 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 its income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees of the charity on 25/10/23 and signed on its behalf by:



Mr I Jarvis
Trustee

The Lotus Children's Foundation

Independent Examiner's Report to the trustees of The Lotus Children's Foundation ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 January 2023.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

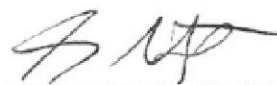
Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of The Lotus Children's Foundation as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



James Barrett FCA
PKF Francis Clark

Unit 18, 23
Melville Building East
Royal William Yard
Plymouth
Devon
PL1 3GW

Date: 25/10/2023

The Lotus Children's Foundation

Statement of Financial Activities for the Year Ended 31 January 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2023 £
Income and Endowments from:			
Donations and legacies	2	109,630	109,630
Total income		109,630	109,630
Expenditure on:			
Charitable activities	3	(116,078)	(116,078)
Total expenditure		(116,078)	(116,078)
Net expenditure		(6,448)	(6,448)
Net movement in funds		(6,448)	(6,448)
Reconciliation of funds			
Total funds brought forward		18,500	18,500
Total funds carried forward	9	12,052	12,052

	Note	Unrestricted funds £	Total 2022 £
Income and Endowments from:			
Expenditure on:			
Charitable activities	3	(71,872)	(71,872)
Total expenditure		(71,872)	(71,872)
Net expenditure		(71,872)	(71,872)
Net movement in funds		(71,872)	(71,872)
Reconciliation of funds			
Total funds brought forward		90,372	90,372
Total funds carried forward	9	18,500	18,500

All of the charity's activities derive from continuing operations during the above two periods.
The fund breakdowns for both 2022 and 2022 are shown in note 9.

The Lotus Children's Foundation

(Registration number: 05347277)

Balance Sheet as at 31 January 2023

	Note	2023 £	2022 £
Current assets			
Cash at bank and in hand		<u>12,052</u>	<u>18,500</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>12,052</u>	<u>18,500</u>
Total funds	9	<u>12,052</u>	<u>18,500</u>

For the financial year ending 31 January 2023 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

The financial statements on pages 6 to 12 were approved by the trustees, and authorised for issue on 25/10/23... and signed on their behalf by:



Mr I Jarvis
Trustee

The Lotus Children's Foundation

Notes to the Financial Statements for the Year Ended 31 January 2023

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

The Lotus Children's Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The nature of the charity means that expenditure is aligned with the income received with there being no fixed costs. The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing a cash flow statement

The charity opted to adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Income and endowments

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

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

The Lotus Children's Foundation

Notes to the Financial Statements for the Year Ended 31 January 2023

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Financial instruments

Classification

The company holds the following financial instruments:

- Cash and bank balances.

All financial instruments are classified as basic.

The company has chosen to apply the recognition and measurement principles in FRS102.

The Lotus Children's Foundation

Notes to the Financial Statements for the Year Ended 31 January 2023

Recognition and measurement

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

2 Income from donations and legacies

	Unrestricted funds		
	General	Total	Total
	£	2023	2022
		£	£
Donations and legacies:			
Donations	109,630	109,630	-
	<u>109,630</u>	<u>109,630</u>	<u>-</u>

3 Expenditure on charitable activities

	Grant funding of activity	Activity support costs	2023	2022
	£	£	£	£
Charitable activities	<u>111,400</u>	<u>4,678</u>	<u>116,078</u>	<u>71,872</u>

£116,078 (2022 - £71,872) of the above expenditure was attributable to unrestricted funds and £Nil (2022 - £Nil) to restricted funds.

The Lotus Children's Foundation

Notes to the Financial Statements for the Year Ended 31 January 2023

4 Analysis of support costs

Support costs allocated to charitable activities

	Basis of allocation	Finance costs £	Other support costs £	Total 2023 £	Total 2022 £
Charitable activities	Usage of activity	<u>37</u>	<u>4,641</u>	<u>4,678</u>	<u>4,342</u>

5 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

During the year 4 trustees have claimed expenses or had their expenses met by the charity. The total of these expenses amounted to £1,897 (2022: £Nil) and related to travel and subsistence.

6 Staff costs

The average number of persons employed by the charity (including trustees) during the year was nil (2021 - nil).

7 Taxation

The charity is a registered charity and is therefore potentially exempt from taxation.

8 Charity status

The Charity is a company limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the Charity in the event of liquidation.

9 Funds

	Balance at 1 February 2022 £	Incoming resources £	Resources expended £	Balance at 31 January 2023 £
Unrestricted funds				
Unrestricted general funds	<u>18,500</u>	<u>109,630</u>	<u>(116,078)</u>	<u>12,052</u>

The Lotus Children's Foundation

Notes to the Financial Statements for the Year Ended 31 January 2023

	Balance at 1 February 2021 £	Resources expended £	Balance at 31 January 2022 £
Unrestricted funds			
Unrestricted general funds	<u>90,372</u>	<u>(71,872)</u>	<u>18,500</u>

10 Analysis of net assets between funds

	Unrestricted general funds £	Total funds £
Current assets	<u>12,052</u>	<u>12,052</u>

11 Related party transactions

During the year the charity made the following related party transactions:

Kingsley Care Home organisation

During the year the charity received unconditional donations from various care homes within the Kingsley Care Home organisation. These care homes are under the control of Mr V Thayanandarajah, a Trustee of the charity. The total amounts of these donations were £96,630 (2021 - £Nil). At the balance sheet date the amount due to/from Kingsley Care Home organisation was £Nil (2022 - £Nil).