

COMPANY REGISTRATION NUMBER: 05553986

CHARITY REGISTRATION NUMBER: 1113131

NEMA FOUNDATION

Company Limited by Guarantee

UNAUDITED FINANCIAL STATEMENTS

30 SEPTEMBER 2020

NEMA FOUNDATION
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
Year ended 30 September 2020

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NEMA FOUNDATION

COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)

Year ended 30 September 2020

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 30 September 2020.

Reference and administrative details

Registered charity name	Nema Foundation	
Charity registration number	1113131	
Company registration number	05553986	
Principal office and registered office	c/o JoJo Maman Bébé Ltd Oxwich Road Reevesland Industrial Estate Newport South Wales NP19 4PU	
The trustees	Ms L M Hanbury Tenison Mrs A C Carter-James Mr R Nightingale Mr T R Burns Dr E Cooke	Company Director Company Director Architect Accountant Clinical Trainee
Independent examiner	Kilsby & Williams LLP Cedar House Hazell Drive Newport NP10 8FY	

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TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) *(continued)*

Year ended 30 September 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

There have been no new recruitments to the board this year. The board consists of Amy Carter-James, Laura Tenison, Claire Bennison, Richard Nightingale, Tom Burns and Eleanor Cooke.

Trustees are empowered to appoint new Trustees by majority vote.

Related parties

Amy Carter-James is a shareholder in Guludo Beach Lodge (wholly owned by Bespoke Experience Limited), a small resort in the Guludo region of Mozambique. Sadly, in April 2019, Guludo and virtually all its assets were destroyed by Cyclone Kenneth.

JoJo Maman Bebe, a company of which Laura Tenison MBE is the CEO, provides accounting services to the Charity which, for the period under review have not been charged for.

Trustee Tom Burns was employed by JoJo Maman Bebe during this accounting period but has since left for a new position.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. As the main work is completed remotely in Mozambique, the Trustees endeavour to ensure proper control of all expenditure and responsibility by suitable persons. As the projects evolve, this is a continuing process.

For the first half of this accounting period the Charity Manager, Gustavo Dias (appointed in 2015), based in Pemba due to the conflict in Mucojo, provided daily oversight of the projects and staff. The Charity Manager reported weekly to Amy Carter-James and Laura Tenison on updates to projects. However, the Charity Manager resigned to return to family in Beira in April 2020.

Since April 2020, Amy Carter-James has been overseeing and managing the small Nema team. Although she is based remotely, having set up Nema in 2005, lived on site for 8+ years and developed/overseen all Nema's projects to date, she has intimate knowledge of Nema's operations. She reports on a regular basis to the Trustees on all expenditures made which are compared with previously agreed forecasts for each project.

Other risks are reviewed on a regular basis at Trustee meetings.

Public benefit statement

The charity is able, by means of education and training, to help those who have no grounding in sustainable and environmental issues. This work is largely undertaken on the ground in Mozambique but is also reported on the Charity's website and in social media.

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COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) *(continued)*

Year ended 30 September 2020

Objectives and activities

Objectives and aims

Nema has been working with communities in Mucojo, Northern Mozambique, since 2005 in the areas of health, education and sustainable livelihoods reaching a population of 60,000. Nema was set up alongside Guludo Beach Lodge as its charitable arm and is a UK registered charity with NGO status in Mozambique. Thanks to our corporate sponsors, Guludo Beach Lodge and JoJo Maman Bébé, 100% of all donations have always gone directly to our grassroots projects.

The Charity's official objectives are to operate in Mozambique to:

- Help relieve poverty
- Conserve, protect and improve the physical and natural environment
- Advance education of the local population

Partners & volunteers

Trustees: All Trustees give their time voluntarily, dedicating huge amounts of their time, often on a daily basis, to fundraise and develop Nema's effective delivery of projects.

Local Volunteers: Most projects involve local volunteers, committed to relieving poverty in their own village. Some of these volunteers are paid a stipend for the days they work. Nema encourages community participation at all stages of projects, this is easier to implement in some villages than others.

Guludo Beach Lodge: Nema Foundation was established by the founders of Guludo Beach Lodge to act as an independent charity to implement local projects. Prior to the cyclone in April 2019, Nema operated from Guludo and the lodge provided logistical support. This includes the provision of office space, storage, security and general facilities for Nema equipment and staff in Guludo; insurance; full board and lodgings for Nema staff and volunteers.

JoJo Maman Bébé: Laura Tenison, CEO of JoJo Maman Bebe has continued to generously and tirelessly support Nema through JoJo, both in kind and financially. JoJo has raised considerable funds this year, including 5% of all gift voucher sales and continues to manage all Nema's accounts, free of charge.

Approach

Nema uses a holistic and participatory approach to sustainably enable communities to free themselves from poverty whilst protecting the environmental resources they rely so heavily upon. Projects overlap and reinforce each other creating stronger foundations for continued development. The communities Nema works with are partners, not simply beneficiaries; projects are designed and implemented through a network of community leaders and volunteers and only start once the community is 100% committed and their contribution has been formalised. Nema develops and implements community-led strategies to support health, education and sustainable livelihood initiatives, predominantly with a specific focus on girls and women. Local government is involved at all levels and Nema carefully supports all relevant national policies. Each project has a strong emphasis on research and monitoring and helping to ensure maximum success.

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TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) *(continued)*

Year ended 30 September 2020

Achievements and performance

Gustavo Dias, appointed in December 2015, continued as the General Manager of Nema for the period of accounting. He is Nema's first Mozambican General Manager and due to his hard work, skills and passion continues to flourish in the role. He has made great progress in maintaining and progressing Nema's work. Being an ex-scholar, he inspires the students we work with and their families on a daily basis. With his local knowledge and passion, he continues to make Nema projects more cost effective and efficient. Gustavo has a team of 11 staff from our partner communities including one supervisor, 4 project facilitators, 1 driver and 4 ambulance drivers.

Initial violence in Mucojo, Cabo Delgado (Reporting period 2018/19)

The civil war in Mozambique ended in 1991, after which this remote area of Northern Mozambique remained very peaceful. However, in October 2017, a small group started to attack towns 100+km north of Mucojo.

On the 6th June 2018 attacks in our administrative post of Mucojo began, involving killings, the abduction of women/girls and the burning of houses, shops and vehicles. These attacks have continued, albeit sporadically, significantly hindering many of our projects. While taking careful safety precautions, our team continued to run our core projects, however, Gustavo Dias (the only non-local resident of the team), moved from Guludo Beach Lodge to Pemba in June 2018 and travelled to the region for day visits when the security situation allows until his departure in April 2020.

Cyclone Kenneth (April 2019)

On the 25th April 2019, Cyclone Kenneth struck. With no history of cyclones, no one was prepared for Kenneth; the strongest cyclone to ever hit Africa's east coast. The eye of the storm made landfall on Guludo's bay and tore through the 15 villages we work with, causing complete devastation.

The Post of Mucojo, where Nema is based, was the worst affected, with over 95% of homes (including our partner Guludo Beach Lodge) completely destroyed and over 100,000 lives affected.

Continued Violence in Mucojo, Cabo Delgado (Current Reporting period 2019/2020)

Throughout this period there have been sporadic attacks in and around Mucojo involving burning homes, killing residents and abducting girls and women. There was a military base in Mucojo, close to our store/office. Most residents were too scared to sleep in their villages, hiding in the bush at night. Travel was difficult, and often unavailable if the insurgents were nearby.

On the 30th September (the last day of this reporting period) the insurgents took control of the entire Mucojo region and remained in control at the time of writing this report. Weeks later, members of the Nema team managed to assess the damage. Sadly the Nema store/office had been set alight. All Nema's equipment and our two motorbike ambulances were destroyed.

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TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) *(continued)*

Year ended 30 September 2020

Project Summaries

Tragically, it was not safe or possible to implement many of our core projects, including:

Core Project	Description	Risk Preventing Implementation
Motorbike Ambulance x2:	Transport for people in urgent need of medical assistance, predominantly used by women in labour.	High risk of an ambush, plus the clinic didn't reopen after Cyclone Kenneth.
New Maternity Ward	Construction of a new Maternity Ward in Mucojo	Safety of staff and those transporting materials.
School Meals	School meals for 1300 students in 5 schools	High risk of ambush in transit or schools attacked for food. Plus, school didn't reopen after Kenneth.
Enterprise Groups	Supporting and scaling associations (including soap-making, tea-shops, bakeries etc)	Fear of being targeted by insurgents.
Sustainable Fisheries	Supporting the sustainable livelihoods from the sea	Unable to run workshops and fear of attack.
Fruit tree planting	Enabling schools and vulnerable families to plant cashew (and other fruit) trees	Transport of saplings.

1. HEALTH

a) Access to Safe Drinking Water

Objective:

To promote greater access to clean drinking water through the ongoing maintenance and rehabilitation of existing wells and bore-holes and the construction of new water points, where necessary.

Background:

Water plays a crucial role in the development process and yet, for the communities with whom Nema works, access to water remains a serious problem with significant consequences for health, education and household economies. Traditional watering holes are dirty, often shared with animals and cause numerous health issues for the people who drink this water. Boreholes and pumps are a cleaner and safer way to extract water although in most cases this water too should be boiled or filtered before it is drunk, though use for washing and bathing is safe.

Upkeep of pumps is difficult and expensive. Each village should have a government mandated water committee who should collect taxes for water extraction and use this money and their training to maintain water pumps. In reality these committees are frequently weak/non-existent and either do not collect money or do not use it for pump maintenance.

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Year ended 30 September 2020

Implementation prior to reporting period:

In total, Nema has rehabilitated or constructed 52 water pumps and wells in the area of Mucojo. These require constant monitoring, support of the water committees and initiative of the Nema team.

Implementation during this reporting period:

During this period the items in the "Nema container" at Guludo Beach Lodge remained secure. This included all the water parts procured in 2018. Assane Mussa continued to work with all the local water communities to maintain pumps and source spare parts. This work has become more important than ever to prevent girls and women needing to leave the relative safety of their village to collect water from traditional water sources, often several kilometers away. **This was incredibly important work and we are very proud of Assane managing to keep so many water pumps working during this difficult period.**

b) Hygiene & Sanitation: Cholera & COVID-19 prevention

Objective:

To reduce the spread of COVID-19 and waterborne diseases.

Background:

The 2020 rainy season saw multiple cholera outbreaks in the region.

Implementation during this reporting period:

Through short WASH workshops, Abudu Muera distributed soap and information about COVID-19 to the most vulnerable members of each community.

c) Hygiene & Sanitation: Provision of Latrines

Objective:

This project aims to lower health related issues due to poor hygiene practices. It will achieve this by improving hygiene & sanitation practices around the home and the community, especially in respect to the construction and use of latrines.

Background:

Diarrheal disease, caused by poor hygiene and sanitation and lack of access to a safe clean water supply, kills more children each year through dehydration than HIV/AIDS. Yet it can be both prevented and treated through improved hygiene and sanitation practices.

Implementation prior to reporting period:

Prior to Cyclone Kenneth, Abacar Inja was building 5-10 latrines for vulnerable families per week. The Nema team build latrine slabs and subsidise their sale to encourage people to build their own latrines, to stop using the bush and to promote hand washing.

Implementation during this reporting period:

Abacar has been building latrines for vulnerable families throughout this period, with a specific focus on the elderly. During this period, once the school and clinic were rehabilitated, an average of 2 latrines per month were built, totalling 8 latrines.

2. EDUCATION

a) Secondary School Scholarships

Objective:

This project aims to improve levels of education in this area of Mozambique; give students who show initiative and drive to complete 7th grade greater an opportunity for the future, through education.

The secondary effects of this are to improve income security by improving children's access to employment

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Year ended 30 September 2020

opportunities; promote a range of different skills and knowledge, including carpentry, agriculture, teaching and mechanics through vocational subjects and bring higher levels of education into the village to promote future desire to complete school and help the village leadership with management and reporting, indeed the better educated individuals are better placed to be future leaders of the local communities.

Background:

Less than 1% of children went on to study at secondary school in 2000 in this area of Cabo Delgado as the costs were prohibitive; there is no school within a day's travel and so all potential students must pay for boarding school or find a family member to stay with and generally do chores to pay their way. The nearest secondary schools are at least 70 km away, and the majority of families cannot afford the resultant boarding fees and transport costs.

Many children, in particular girls, are forced to drop out of school early to help contribute to the household, gather food and water or for marriage.

Implementation:

This project offers secondary school and vocational scholarships to students who have completed primary school to 7th grade which is available locally. It supports students throughout all five years of secondary school from 8th class to 12th. As part of the project, Nema covers their school and boarding fees, transport costs for 3 return journeys each year, as well as school materials, such as exercise books, pens, uniforms, soap and buckets.

In 2019 Nema supported 105 scholars (95 in Muaguide and 10 in Macomia), all attending either Macomia or Muaguide Secondary School. The scholarship covers transport costs, school and boarding fees, and general students' costs, such as photocopies and exam fees.

In 2020 Nema supported 117 secondary scholars to enrol. However, students returned from school in April due to COVID. Nema organised and distributed distance learning packs for all the students, however, the schools never reopened.

b) Tertiary & Vocational Scholarships

Objective:

To improve the access to vocational training (agriculture, teacher training, nurse training, carpentry, sustainable fishing, electricity, mechanics, etc) for secondary school graduates. This will help to create a better skilled workforce and contribute to better integration of young people in the employment market and better development of the region.

Background:

Youth unemployment has become one of the biggest developmental challenges in Mozambique, mainly because of a mismatch between skills learned at school and the available job opportunities. The main problems youngsters encounter include access to training opportunities (vocational and technical training), access to high-level education, access to financial services and information on income-generating activities.

Implementation:

In the 2019 academic year we have supported 6 students:

- One student doing a nursing course.
- Three students doing teaching courses.
- One student studying for a degree at university.

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TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) *(continued)*

Year ended 30 September 2020

3. EMERGENCY RELIEF: Cyclone Kenneth

On April 25th 2019, Cyclone Kenneth, the strongest storm on record to hit Mozambique, made landfall in Mucojo, devastating the 16 villages supported by Nema, killing more than 43 people and leaving 60,000 with no food, shelter or functioning infrastructure. Although large, international, well known aid agencies gathered in hotels in Pemba, for weeks only helicopters buzz overhead as families desperately searched for coconuts to feed their children and the death toll rose. International "help" was paralysed by bureaucracy and fear of insurgents. Nema is the only charity based in Mucojo and swiftest to act. Nema is now the only charity operating in Mucojo. Due to the continued violence, no administrators, teachers or nurses returned to Mucojo and Nema remains the only support for our communities.

a) Emergency Shelter After Cyclone Kenneth

Objective:

Provide shelter for the most vulnerable through the distribution of materials and emergency items to help survivors of Cyclone Kenneth (25th April 2019) and those who have lost their homes due to the conflict.

Implementation:

Nema remained the only organisation based in Mucojo helping the communities after the cyclone and ongoing conflict. Nema distributed 1264 tarpaulins and blankets (from OIM) to the most vulnerable and helped 3 elderly individuals (without family) to rebuild small homes.

b) Rehabilitation of 11 Schools, 2 Clinics and 1 Ambulance Station

Objective:

- Build a safe store for materials and equipment for Nema (Ambulance Station in Mucojo)
- Enable health care to resume in Mucojo and Nandue Clinics
- Enable school classes to resume and for the schools provide shelter, community storage of community materials/food and enable the schools to, once again, be the heart of each village for meetings, workshops and general community organising.

Background:

Nema raised funds through generous donations and larger donations from IOM and FMO (via Maris Africa) to implement this project.

Implementation:

1. Rebuilding Nema's Ambulance Station
 - The first task the Nema building team undertook was to rebuild the Ambulance Station to store all the building materials required.
2. Rehabilitating Clinics
 - Mucojo Clinic: Nema partnered with Médecins Sans Frontières to rehabilitation of the Mucojo Maternity Hospital
 - Naunde Clinic: (completed in 2019/20 period).
3. Rehabilitating Schools
 - Work began during this period to rehabilitate 9 Primary Schools: Guludo (4 rooms), Ningaia (3 rooms), Manica (3 rooms), Crimise (3 Rooms) and Lumuamua (3 rooms), Naunde (6), Mucojo (3), Messano (3) and Rueia (4) and their latrines. The project was completed during the next accounting period of 2019/20.

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TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) *(continued)*

Year ended 30 September 2020

Financial review

Results for the year

The total income for the year was £95,036 and total expenditure was £60,475. This gave a net income of £34,561 for the financial year.

Reserves policy

The Trustees should reserve enough to meet 3 months overhead expenditures (which are very low) and ensure that each project started is fully funded.

Principal funding sources

The funding for the Charity comes from contributions from Jojo Maman Bebe, past Guludo Beach Lodge guests, grant applications and individual donations from people who are enthused by the work of the Charity as well as contacts of the Trustees who support the Charity's aims. The two main donors during this period were:

1. United Nations International Organisation for Migration (OIM)
The grant was facilitated through the local OIM office in Pemba.
2. The Dutch Development Bank (FMO)
Organised by and facilitated through Maris Africa.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on28/06/2021..... and signed on behalf of the board of trustees by:



Mrs A C Carter-James
Trustee

NEMA FOUNDATION

COMPANY LIMITED BY GUARANTEE

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF NEMA FOUNDATION

Year ended 30 September 2020

I report to the trustees on my examination of the financial statements of Nema Foundation ('the charity') for the year ended 30 September 2020.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements 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 the 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 charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements 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 financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.

**Kilsby & Williams LLP
Independent Examiner
Cedar House
Hazell Drive
Newport
NP10 8FY**

NEMA FOUNDATION

COMPANY LIMITED BY GUARANTEE

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

Year ended 30 September 2020

			2020		2019
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	14,133	80,903	95,036	189,497
Total income		<u>14,133</u>	<u>80,903</u>	<u>95,036</u>	<u>189,497</u>
Expenditure					
Expenditure on charitable activities	6,7	15,982	44,494	60,475	190,277
Total expenditure		<u>15,982</u>	<u>44,494</u>	<u>60,475</u>	<u>190,277</u>
Net income/(expenditure) and net movement in funds		<u>(1,849)</u>	<u>36,409</u>	<u>34,561</u>	<u>(780)</u>
Reconciliation of funds					
Total funds brought forward		46,327	–	46,327	47,107
Total funds carried forward		<u>44,478</u>	<u>36,409</u>	<u>80,887</u>	<u>46,328</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 13 to 21 form part of these financial statements.

NEMA FOUNDATION

COMPANY LIMITED BY GUARANTEE

STATEMENT OF FINANCIAL POSITION

30 September 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible fixed assets	12	–	14,570
CURRENT ASSETS			
Debtors	13	30,331	17,303
Cash at bank and in hand		51,307	15,204
		<u>81,638</u>	<u>32,507</u>
CREDITORS: amounts falling due within one year	14	750	750
NET CURRENT ASSETS		<u>80,888</u>	<u>31,757</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>80,888</u>	<u>46,327</u>
NET ASSETS		<u>80,888</u>	<u>46,327</u>
FUNDS OF THE CHARITY			
Restricted funds		36,409	–
Unrestricted funds		<u>44,478</u>	<u>46,328</u>
Total charity funds	15	<u>80,887</u>	<u>46,328</u>

For the year ending 30 September 2020 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 company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act 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.

These financial statements were approved by the board of trustees and authorised for issue on28/06/2021....., and are signed on behalf of the board by:



Mrs A C Carter-James
Trustee

The notes on pages 13 to 21 form part of these financial statements.

NEMA FOUNDATION

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2020

1. GENERAL INFORMATION

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is c/o JoJo Maman Bébé Ltd, Oxwich Road, Reevesland Industrial Estate, Newport, South Wales, NP19 4PU.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the statement of financial activities.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

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NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 September 2020

3. ACCOUNTING POLICIES *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 September 2020

3. ACCOUNTING POLICIES *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 20% straight line
Motor vehicles	- 20% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

NEMA FOUNDATION

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 September 2020

3. ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. LIMITED BY GUARANTEE

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1.

5. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
DONATIONS			
Water	—	—	—
Health centres	—	—	—
Enterprise	—	—	—
Unrestricted donations	14,133	—	14,133
Disaster relief	—	80,903	80,903
General - other	—	—	—
	<u>14,133</u>	<u>80,903</u>	<u>95,036</u>

NEMA FOUNDATION

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 September 2020

5. DONATIONS AND LEGACIES *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
DONATIONS			
Water	–	275	275
Health centres	–	21	21
Enterprise	–	87	87
Unrestricted donations	128,999	–	128,999
Disaster relief	–	59,241	59,241
General - other	–	874	874
	<u>128,999</u>	<u>60,498</u>	<u>189,497</u>

NEMA FOUNDATION

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 September 2020

6. EXPENDITURE ON CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Water	–	171	171
Hygiene & sanitation	–	369	369
Mother & child	–	130	130
Health centres	–	–	–
Schools	–	353	353
Scholars	–	12,047	12,047
Education	–	1,684	1,684
General	–	–	–
Enterprise	–	548	548
Agriculture	–	778	778
General	9,218	–	9,218
Build costs	–	648	648
General	5,665	–	5,665
Mucojo Clinic	–	–	–
Disaster relief	–	27,766	27,768
Support costs	1,099	–	1,096
	<u>15,982</u>	<u>44,494</u>	<u>60,475</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Water	–	1,673	1,673
Hygiene & sanitation	–	887	887
Mother & child	1,179	1,437	2,616
Health centres	–	6,565	6,565
Schools	–	20,616	20,616
Scholars	–	13,745	13,745
Education	–	1,107	1,107
General	–	448	448
Enterprise	–	1,959	1,959
Agriculture	–	–	–
General	23,876	–	23,876
Build costs	–	1,999	1,999
General	10,055	–	10,055
Mucojo Clinic	1,783	–	1,783
Disaster relief	–	100,984	100,983
Support costs	1,963	–	1,965
	<u>38,856</u>	<u>151,420</u>	<u>190,277</u>

NEMA FOUNDATION

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 September 2020

7. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly	Support costs	Total funds 2020	Total fund 2019
	£	£	£	£
Water	171	–	171	1,673
Hygiene & sanitation	369	–	369	887
Mother & child	130	–	130	2,616
Health centres	–	–	–	6,565
Schools	353	–	353	20,616
Scholars	12,047	–	12,047	13,745
Education	1,684	–	1,684	1,107
General	–	–	–	448
Enterprise	548	–	548	1,959
Agriculture	778	–	778	–
General	9,218	–	9,218	23,876
Build costs	648	–	648	1,999
General	5,665	–	5,665	10,055
Mucojo Clinic	–	–	–	1,783
Disaster relief	27,768	–	27,768	100,983
Governance costs	–	1,096	1,096	1,965
	<u>59,379</u>	<u>1,096</u>	<u>60,475</u>	<u>190,277</u>

8. NET INCOME/(EXPENDITURE)

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

	2020	2019
	£	£
Depreciation of tangible fixed assets	2,987	3,511
Gains on disposal of heritage assets	(1,345)	–
Foreign exchange differences	<u>4,286</u>	<u>7,501</u>

9. INDEPENDENT EXAMINATION FEES

	2020	2019
	£	£
Fees payable to the independent examiner for:		
Independent examination of the financial statements	<u>750</u>	<u>750</u>

10. STAFF COSTS

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2020	2019
	£	£
Wages and salaries	<u>3,019</u>	<u>6,724</u>

NEMA FOUNDATION

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 September 2020

10. STAFF COSTS *(continued)*

The average head count of employees during the year was 3 (2019: 10). The average number of full-time equivalent employees during the year is analysed as follows:

	2020 No.	2019 No.
Number of staff	3	10

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

11. TRUSTEE REMUNERATION AND EXPENSES

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

12. TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Total £
Cost			
At 1 October 2019	1,807	19,698	21,505
Disposals	(1,807)	(19,698)	(21,505)
At 30 September 2020	—	—	—
Depreciation			
At 1 October 2019	542	6,393	6,935
Charge for the year	361	2,626	2,987
Disposals	(903)	(9,019)	(9,922)
At 30 September 2020	—	—	—
Carrying amount			
At 30 September 2020	—	—	—
At 30 September 2019	1,265	13,305	14,570

13. DEBTORS

	2020 £	2019 £
Prepayments and accrued income	18,562	15,801
Other debtors	11,769	1,502
	30,331	17,303

14. CREDITORS: amounts falling due within one year

	2020 £	2019 £
Accruals and deferred income	750	750

NEMA FOUNDATION

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 September 2020

15. ANALYSIS OF CHARITABLE FUNDS

Unrestricted funds

	At 1 October 2019 £	Income £	Expenditure £	Transfers £	At 30 September 2020 £
General funds	<u>46,327</u>	<u>14,133</u>	<u>(15,982)</u>	<u>—</u>	<u>44,478</u>

	At 1 October 2018 £	Income £	Expenditure £	Transfers £	At 30 September 2019 £
General funds	<u>47,107</u>	<u>128,999</u>	<u>(38,856)</u>	<u>(90,922)</u>	<u>46,328</u>

Restricted funds

	At 1 October 2019 £	Income £	Expenditure £	Transfers £	At 30 September 2020 £
Restricted Fund	<u>—</u>	<u>80,903</u>	<u>(44,494)</u>	<u>—</u>	<u>36,409</u>

	At 1 October 2018 £	Income £	Expenditure £	Transfers £	At 30 September 2019 £
Restricted Fund	<u>—</u>	<u>60,498</u>	<u>(151,420)</u>	<u>90,922</u>	<u>—</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Total Funds 2020 £
Tangible fixed assets	—	—
Current assets	81,638	81,638
Creditors less than 1 year	(750)	(750)
Net assets	<u>80,888</u>	<u>80,888</u>

	Unrestricted Funds £	Total Funds 2019 £
Tangible fixed assets	14,570	14,570
Current assets	32,507	32,507
Creditors less than 1 year	(750)	(750)
Net assets	<u>46,327</u>	<u>46,327</u>

NEMA FOUNDATION
Company registration number: 05553986

Kilsby & Williams LLP
Chartered Accountants
Cedar House
Hazell Drive
NEWPORT
South Wales
NP10 8FY

Your ref: SRT/KH/N063C

Dear Sirs

We confirm to the best of our knowledge and belief, and having made appropriate enquiries of other trustees of the company with relevant knowledge and experience sufficient to satisfy ourselves that we can properly make each of the following representations given to you in connection with your preparation of the company accounts for the period ended 30 September 2020.

1. All the accounting records have been made available to you for the purpose of preparing the accounts and all the transactions undertaken by the company have been properly reflected and recorded in the accounting records. All other records and related information have been made available to you.
2. We confirm all bank accounts that existed during the year have been disclosed to you together with details of all other bank accounts held.
3. There has been no event since the balance sheet date that would materially affect the amounts in the accounts.
4. We confirm the specific representations made to you during the course of the accounts preparation:
 - that the gift aid debtor balance of £8,390.13 at the year end is complete and fully recoverable;
 - that the allocation between restricted and unrestricted income and expenditure is accurate;
 - that all sources of income have been included in the accounting records.

Yours faithfully
Signed on behalf of the Trustees

_____ Trustee

_____ Date