

THE RUMI FOUNDATION

England & Wales - Charity number 1115154

Details

Status Registered

Legal form Charitable company

Company number [05840786](#)

Registered 2006-07-07

Register [View on the Charity Commission register](#)

Contact

Address BDB Pitmans
One Bartholomew Close
London
EC1A 7BL

Phone 034 5222 9222

Email info@rumifoundation.com

Website www.rumifoundation.com

Activities

Objects: (3.1) THE ADVANCEMENT OF EDUCATION OF THE PUBLIC OF ANY AGE IN THE UK AND OVERSEAS AND IN PARTICULAR, BUT WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING:(3.1.1) THE PROVISION, SUPPORT AND PROMOTION OF THE EDUCATION OF CHILDREN AND YOUNG PEOPLE IN SCHOOLS AND INSTITUTIONS OF FURTHER AND HIGHER EDUCATION; AND (3.1.2) THE EDUCATION OF DISADVANTAGED MEMBERS OF THE PUBLIC; AND (3.1.3) THE PROMOTION OF THE ARTS. (3.2) THE RELIEF OF POVERTY.

Activities: The purposes of the Charity are: - the advancement of education in the UK and overseas;- the provision, support and promotion of the education of children and young people in schools and institutions of further and higher education;- the education of disadvantaged members of the public; - the promotion of the arts; and - the relief of poverty.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Buildings/facilities/open Space, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, The Prevention Or Relief Of Poverty, Accommodation/housing, Arts/culture/heritage/science, Amateur Sport, Environment/conservation/heritage
- **Who:** Children/young People, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** IN THE UK AND OVERSEAS.
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£9,039,113	£9,841,439	£62,435,450	0
2024-03-31	£8,641,211	£10,809,432	£62,338,978	0
2023-03-31	£7,536,255	£8,312,878	£63,698,253	0
2022-03-31	£7,659,870	£8,198,722	£80,050,336	0
2021-03-31	£6,635,759	£4,537,294	£76,428,215	1

Trustees

Name	Role	Appointed
BRENT POLLARD		
DAVID MURIITHI		
Stuart Malcolmson		2020-09-28

THE RUMI FOUNDATION

England & Wales - Charity number 1115154

Accounts

Company Number: 5840786
Charity Number: 1115154

THE RUMI FOUNDATION
REPORT AND ACCOUNTS

For the year ended

31 MARCH 2025

THE RUMI FOUNDATION

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THE RUMI FOUNDATION

TRUSTEES AND ADVISORS

Trustees and Directors	S Malcolmson D Muriithi B Pollard
Secretary	S Malcolmson
Registered office	1st Floor Clutha House 10 Storey's Gate London SW1P 3AY
Bankers	National Westminster Bank Plc Piccadilly and New Bond Street 63 Piccadilly London W1J 0AJ
Auditor	S&W Partners Audit Limited Statutory Auditor 45 Gresham Street London EC2V 7BG
Tax Advisors	S&W Partners LLP Accountants 45 Gresham Street London EC2V 7BG
Legal Advisors	Broadfield Law UK LLP 1 Bartholomew Close London EC1A 7BL
Property Advisors	Coreprop Group Limited 92 Banner Street London EC1Y 8JU
Company registration number	5840786
Charity registration number	1115154

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT incorporating the Strategic Report and Directors' Report

The Trustees present their report and the accounts for the year ended 31 March 2025.

Structure, Governance and Management

The Rumi Foundation ("the Foundation") is a charitable company limited by guarantee, established under a Memorandum and Articles of Association adopted by the Foundation on incorporation on 8 June 2006, as amended by the Articles of Association adopted on 27 October 2019. The Foundation was registered as a charity on 7 July 2006. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

The Trustees of the Foundation are also directors for the purposes of company law under the company's Articles and are shown on page 2 to this report. The Trustees who served during the year are listed below:

- B Pollard
- D Muriithi
- S Malcolmson

Organisational structure

The Rumi Foundation has a Board made up of three Trustees who meet at least twice a year and are responsible for managing the business of the Foundation. The Foundation retains third party professional managers to oversee its property portfolio. The Foundation's legal advisors are Broadfield Law UK LLP.

At the year end the Foundation's corporate structure includes one subsidiary, Hundred Squared Limited, which is dormant and is 100% owned by the Foundation. The Trustees appoint the directors of the subsidiary.

Trustees' recruitment and appointment

Under the requirements of the Articles of Association the Trustees are appointed for fixed terms in office of a maximum of three years, and on retirement are eligible for re-appointment subject to the conditions in the Articles. New Trustees are recruited by the board and are selected for their experience and knowledge of the areas in which the Foundation operates.

The Trustees have adopted a skills matrix and are recruited for their expertise and experience. The role of Trustee does not carry any remuneration, as such all Trustees give their time freely and no Trustee remuneration was paid in the year (2024: £Nil). In accordance with its expenses policy the Foundation reimbursed one of the Trustees' travel costs totalling £2,798 (2024: £3,695). Trustees are required to disclose all related interests, any such interests or transactions are shown in Note 19 and, in accordance with the Foundation's policies, withdraw from decisions where a conflict of interest arises.

The Trustees have adopted a Trustees' Roles and Responsibilities Policy, which includes a Trustees' Code of Conduct.

Trustee Induction and Training

As part of their induction programme any new Trustees are made aware of their responsibilities as Trustees.

The existing Trustees recognise the need to have regular training on their roles and responsibilities and continuously seek to educate themselves to improve their skills and best practices. The Trustees appoint specialist advisors for professional support where necessary.

Risk Policy

The Trustees have adopted a Risk Assessment Register which considers the major risks to which the Foundation is exposed and sets out systems and procedures to mitigate them. The Trustees have reviewed the risks in the year and consider the major risk to be the safety of, and investment returns on, its funds. The Trustees seek professional advice to manage risks as appropriate.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT

incorporating the Strategic Report and Directors' Report (continued)

The Trustees have specifically considered a number of business risks such as: the credit-worthiness of its tenants and debtors, the risk of changes in interest rates and the risks associated with property investment. The Foundation has made investments where the Trustees believe such risks are as low as possible and the Trustees seek professional advice where appropriate.

Reserves policy

The Trustees have formalised the Foundation's reserves policy with reference to Charity Commission guidance (CC19) and accounting standards (as disclosed in note 2a). The Trustees have adopted a policy which defines free reserves as funds which are available for use by the Foundation, which are deemed to be those that are readily realisable in liquid investments, excluding any funds whose uses are restricted or else designated for any particular purposes (no such funds currently exist).

The policy specifies that the Foundation's free reserves should not, as a minimum, fall below the amount required to run its charitable activities for at least one year should there be any call for funds on the Foundation, bearing in mind the levels of stable income which the Foundation currently receives. The Foundation's charitable giving and associated overheads, amounts to approximately £0.89m per annum (2024: £1.0m) and the free reserves did not fall below this target.

At the year end, the aggregate cash position of the Foundation and its subsidiaries (together 'the Group') was around £4.5 million and this represented the Foundation's free reserves balance. The Group expects to receive around £7.0 million in annual rental income from its investment properties.

The Trustees are comfortable that the level of reserves held at the end of the financial year are suitable, despite being in excess of the levels required by its long term policy, detailed above. This year the Trustees have continued their cautious approach to the Foundation's finances and, in the coming year, plan to use excess reserves to continue with the policy of reducing levels of debt and to diversify the Foundation's investment portfolio. The Foundation held a large cash balance and projects relatively secure rental income from its UK real estate investments in the coming year, which will provide a source of continuing reliable income.

The Trustees have examined the future anticipated cash flows of the Foundation and are satisfied that the Foundation has sufficient resources to meet its continuing obligations.

Investment Policy

The Trustees have created an investment policy to further the Foundation's charitable objectives and are aware of the Charity Commission's guidance (CC14) on the importance of managing risk in the formation of the Foundation's investment policy. As the Foundation's charitable objectives include the furtherance of charitable purposes both in the UK and overseas, the investment policy aims to invest its funds to create revenue streams in areas where the Foundation is undertaking or planning to undertake charitable activities. The Foundation's investments are split geographically between the U.K. £139,680,932 and the Rest of the World £2,788,328.

The investment policy is to make appropriate investments achieving a reasonable balance of risk and reward in a range of both short and long-term investments. The Trustees leverage their own investment skills and also seek independent advice where appropriate to ensure that this balance is met.

The current investment strategy of the Foundation is to continue to build its capital base and to reduce debt. In the current economic environment, the Trustees consider an appropriate target return to be 3% - 5%, in a blend of income and capital appreciation. The Trustees have regard to environmental, social and ethical considerations in evaluating potential investment opportunities for the Foundation.

The focus of the Foundation's investment policy for the year was to maintain its income-yielding investments and to maximise the value of those investments through good asset management techniques. The Foundation's realised return of approximately 6% on investment in the current financial year exceeded the target range.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT

incorporating the Strategic Report and Directors' Report (continued)

The Trustees also recognise that by making social investments The Foundation can invest to directly meet its charitable objects. During the year the Foundation provided further funds to its existing programme related investment. The investment was made exclusively to further the charitable aims of The Foundation by providing seed funding to scientific projects that will bring benefit to all mankind and relieve poverty. Any future financial return is not the primary reason for making the investment and on the basis the Foundation does not expect a financial return for approximately 5 years, at least, an impairment has been recognised against these investments thereby reducing the carrying value of accumulated programme related investments. Further details of the programme related investment are given in Note 13.

During the financial year, the Trustees continued to improve the Foundation's existing property portfolio by renovating vacant units and improving common parts, whilst renegotiating rents with existing tenants. Investment properties have been valued by the Trustees taking account of independent professional advice.

Rental income was consistent with the previous year and is expected to increase as vacant offices are let. The Foundation monitors the covenants of its tenants to maximise the sustainability of its rental income. Rates of return on bank deposit accounts decreased during the year, with the Foundation earning interest on its cash deposits of £130,466 (2024: £329,244). During the year the Trustees added £595,119 (2024: £356,795) to the Foundation's other financial investments. Their intention in making these investments is to reduce risk and diversify future revenue streams. The value of the Foundation's other financial investments at the year end was £3,989,210 (2024: £3,394,091).

Fundraising Policy

The Foundation is in compliance with the Charities (Protection and Social Investment) Act 2016. The Foundation does not fundraise and has not subscribed to any bodies that promote fundraising standards. The Foundation has not received any complaints about fundraising or of the activities of any person acting on behalf of the Foundation.

Grant-Making Policy

The Trustees have an established grant making framework whereby the Foundation works with large, established foundations to, together, support smaller, grassroots organisations that are making changes in an innovative way. The purpose of this grant making framework is to leverage the Foundation's impact by building up and maintaining strong long-term relationships with its strategic grant partners, which enables the Foundation to scale the impact of its activities. Furthermore, the Foundation's general policy is to enter into longer-term relationships as it enables the Foundation to build up a more meaningful and productive dialogue with the grant recipient.

As part of its due diligence procedures on potential grant recipients, the Foundation ordinarily meets with every organisation it is considering funding and interviews them. Where appropriate the Foundation then records the terms on which it provides its grants in written grant agreements using Grant Offer Letters, and Terms & Conditions and Grant Reporting Forms. The Foundation monitors the application and impact of its grant funding by meeting with each grant recipient on a regular basis to carry out a detailed assessment of the grant activities. In addition, the Foundation conducts site visits to the projects supported by some of its larger grants.

Objectives and Activities for the Public Benefit

The objects and purposes of the Foundation as set out in its Articles, are:

- the advancement of education of the public of any age in the UK and overseas and in particular, but without prejudice to the generality of the foregoing:
 - the provision, support and promotion of the education of children and young people in schools and institutions of further and higher education;
 - the education of disadvantaged members of the public; and
 - the promotion of the arts.
- the relief of poverty.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT

incorporating the Strategic Report and Directors' Report (continued)

The Trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when exercising their powers and duties and also when reviewing the Foundation's aims and objectives, when setting the grant-making policy for the year and planning future activities.

The Trustees are satisfied that the processes and activities of the Foundation satisfy the public benefit test set out in s.4 Charities Act 2011.

The Foundation carries out these objects in the shorter term by providing financial support to schools, universities, healthcare and educational programmes that have a specific focus on the advancement of education, the relief of poverty, or both. The Foundation also provides financial support to schools in the most disadvantaged areas of the world, aimed at both educating disadvantaged members of the public and relieving poverty. In the longer term, the Foundation seeks to promote and support research into scientific and human advancement at educational institutions, specifically in areas which will further the education of, and relieve poverty amongst, the disadvantaged. This will further the Foundation's objects of the relief of poverty and promoting education. The intention is to partner with those particularly focused around social sciences, healthcare, technology and creative industries, where any innovation is most likely to further the Foundation's objects. The Trustees are aware that such collaborations may also lead to significant private benefit. Any projects supported will be carefully assessed for this risk and measures will be implemented to ensure any private gain is incidental to the benefit provided to humanity as a whole. The Foundation also aims, in particular, to support the education of girls.

Achievements and Performance during the period and plans for the future

The Foundation continued to work with existing charitable partners and sought to identify new long term partners to help fulfil its charitable vision.

The Foundation focused its partnerships this year on the education, empowerment and advancement of young people in our society today, and as part of that education, also on community engagement and civic involvement. Education provides a route out of poverty for young people and prevents future generations from having to experience poverty. Also, by having educated, motivated people actively engaging with their community, the benefits of any educational programme or one designed to relieve poverty can be brought to individuals that were not initially involved with that programme.

The Foundation assesses how its giving meets its objects and measures the success of the programmes or other charities it has funded against a number criteria. These include the number of people that have been helped, has the project or organisation grown and is there potential for future growth, the objective and subjective impact any funding has had on a community or organisation and whether any future giving will provide further impact. When measured against these criteria the Foundation had a very successful year. Future giving will continue to be measured against these criteria. The Trustees will continue learning from and improving their work and seeking the best opportunities for the Foundation to further its objects.

Details of grant funding and charitable expenditure are set out in Note 8. Further details of selected initiatives are set out below.

Drawing on their experience of working with charitable partners in previous years, the Trustees wanted to explore whether the networks the Foundation has built could successfully be used to connect charitable organisations with each other. As the Foundation has continued to mature, the Trustees were increasingly able to identify the unique ability of the Foundation to work with large, established foundations all around the world and at the same time to support smaller, grassroots foundations that are making change in an innovative way. Through the Trustees' unique networks, the Foundation can match these young changemakers with established foundations, further helping their growth and allowing them to access funding and recognition on a larger scale. The Foundation acts as an accelerator for social impact enterprises and organisations.

The Trustees use their networks and entrepreneurial skills to find innovative organisations that are making change at the grassroots level and provides these charities with funding to develop their ideas and to experiment and test how they can make the most impact. The Foundation provides guidance and mentorship and local networks to these young founders, and then connects the charities with larger, global organisations who help them grow, can provide them with additional levels of funding, and can give them access to best practices and networks of similar organisations around the world.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT

incorporating the Strategic Report and Directors' Report (continued)

As the Foundation has entered into discussions with its grantees, it has also become clear how important it is for these charities to receive some unrestricted funds to allow them to satisfy their core costs, rather than to restrict funding to specific projects and not to underlying costs. The Trustees work with the grantees, particularly the smaller charities, to ensure that they are allocating the Foundation's funds wisely, are acting in accordance with the Trustees' suggestions and guidance, and that their impact is measured against the criteria given above. Where funds have been allocated to support a particular project, this is indicated below.

Royal Foundation

The Foundation continued its relationship with the Royal Foundation, the charitable organisation of the Prince and Princess of Wales. Its educational programme in 2024 focused on early childhood development, mental health, conservation, and supporting veterans. Led by The Prince and Princess of Wales, the Royal Foundation collaborated with businesses, governments, and NGOs to drive meaningful change.

The Foundation provided core funding to the Royal Foundation, and the Trustees were pleased to support its key initiatives, being:

- The Royal Foundation Centre for Early Childhood, which published a report highlighting that investing in early childhood could generate £45.5 billion annually for the UK economy.
- Mental health programs, expanding access to resources for young people and frontline workers.
- Conservation efforts, supporting environmental sustainability projects across Europe.
- Veterans' support, providing employment and mental health assistance to former service members.

Through its initiatives, the Royal Foundation has impacted millions globally. Representatives of the Foundation worked closely with staff of the Royal Foundation to co-ordinate and plan for further engagement during the next financial year to continue to benefit disadvantaged members of the public and its mission to relieve poverty.

Kotowari

The guiding principal for Kotowari is to help people in creating new ways of living in harmony with the natural environment, relating to one another and expressing themselves, as individuals and members of society. It achieves this by operating a programme of retreats and summits, where those people enrolled in the programme are encouraged to reflect on their own thoughts and also to connect with each other and share their creative visions. The summit brings together a younger generation of seekers and leaders from around the world to encourage inner transformation and social innovation. Representatives of the Foundation were glad to have met with representatives of the Kotowari, to initiate and discuss the application, use and impact of the Foundation's grant. The grant furthers the Foundation's objects of education of disadvantaged members of the public and the relief of poverty.

Equality Education

Renaissance Foundation

The Renaissance Foundation is a key grassroots organisation that seeks to empower young people aged 12-18 experiencing significant challenges in their lives. The Renaissance Foundation runs a 3 year tailored outreach programme which aims to inspire and support disadvantaged young people facing barriers to education, work and fulfilment. The Renaissance Foundation also offers a space known as the Hub, where young people, including young carers who care for family members that may have physical or mental health problems or substance abuse issues, can gain some respite. Representatives of the Rumi Foundation have met regularly with the Renaissance Foundation to assess the impact of its giving.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT

incorporating the Strategic Report and Directors' Report (continued)

Clinton Foundation

The Foundation continued its partnership with The Clinton Foundation. The Clinton Foundation European Programme in 2024 was part of the broader Clinton Global Initiative (CGI), which focuses on fostering partnerships to educate people on, and address, global challenges. The initiative convened leaders from business, government, and civil society to drive progress on climate resilience, inclusive economic growth, health equity, and humanitarian response efforts.

Since its inception, the Clinton Foundation has impacted 500 million people globally through 4,100 projects and partnerships. In 2024, key milestones included:

- 21 million people worldwide gaining access to lifesaving HIV/AIDS, tuberculosis, and malaria medications.
- 517,000 students and educators participating in educational and cultural programming at the Clinton Presidential Centre.
- 1.4 million children's books donated to under-resourced communities.
- 31 million U.S. children benefiting from healthier lifestyle initiatives.

The European Programme contributed to these global efforts by supporting regional projects focused on economic development, health access, and social equity. The CGI 2024 Annual Meeting in New York brought together stakeholders to discuss strategies for expanding impact.

Representatives of the Foundation met with representatives of the Clinton Foundation to discuss the application, use and impact of the Foundation's grant. The grant furthers the Foundation's objects of education of disadvantaged members of the public and the relief of poverty.

Obama Foundation

The Foundation continued its long-term partnership with the Obama Foundation to further its object of education. The Obama Foundation operates globally, supporting outstanding civic innovators, those leaders who are working with their communities to create transformational change and addressing some of the world's most pressing problems.

The Obama Foundation European Future Leaders Programme is a six-month, virtual leadership development initiative aimed at empowering emerging leaders across Europe. Each year, up to 36 participants are selected to engage in values-based leadership training, civic engagement discussions, and social change initiatives.

The program brings together leaders from government, civil society, and the private sector who have demonstrated a commitment to advancing the common good. Participants take part in skill-building workshops, networking opportunities, and cultural events, fostering collaboration and long-term impact. They also join virtual discussions on pressing European issues with experts and changemakers.

In 2024, the European cohort consisted of 36 leaders, contributing to a global total of over 200 participants across four regional programs: Africa, Asia-Pacific, Europe, and the United States. Upon completion, participants join the Obama Leadership Network, a global alumni community of more than 1,000 active changemakers. As a key supporter of the Obama Foundation's European Future Leaders Programme, representatives from the Foundation have attended events hosted by the Obama Foundation and directly witnessed its impact and the community spirit created amongst the emerging leaders.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT

incorporating the Strategic Report and Directors' Report (continued)

Other Initiatives

The Foundation also supported a number of other organisations including institutions within the creative industries, educational projects and children's charities in the UK and across the globe to further all of the Foundation's objectives.

Financial Review

The year to 31 March 2025 was a successful one for the Foundation, with income from its investment portfolio increasing by approximately 6% from the prior year. The Foundation's income is mainly rental income derived from its investment property portfolio, the operation of which has inherent costs associated with it. However, where possible, the Trustees sought to reduce costs. The Foundation also benefitted from paying down some of its debt in the previous year, which, along with reductions in the base rate of interest over the course of the year, resulted in reduced borrowing costs, year on year, of 8.25%. The Trustees, having sought independent third party advice, thought it appropriate to increase the value of the investment property portfolio to reflect the current market conditions. This decision was made with the expectation that the value of the portfolio is likely to appreciate further over the next 2 or 3 years. The Trustees have made a strategic decision to further reduce the Foundation's debt, in order to better manage its risks and place the Foundation on a more secure footing for the long term notwithstanding that it will reduce the level of grant making in the short term.

Going Concern

The Trustees, with a mind to the potential for fluctuations in the economy at home and abroad in the short to medium term, consider that the investment and reserves policies they have put in place are sufficient to allow the Foundation to continue to meet its charitable purposes for the foreseeable future. The Trustees will be monitoring the economy and seek to find ways for the Foundation to support those most impacted and in greatest need.

Trustees' Responsibilities Statement

The Trustees (who are also directors of The Rumi Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) and The Financial Reporting Standard 102. 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 parent charitable company and the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- and follow the applicable UK Accounting Standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the that the Group will continue in business.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the parent charitable company and Group's transactions and disclose with reasonable accuracy, at any time, the financial position of the charitable company and Group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE RUMI FOUNDATION

**TRUSTEES' ANNUAL REPORT
incorporating the Strategic Report and Directors' Report (continued)**

Auditor

In accordance with Section 485 of the Companies Act 2006, the Trustees confirm that S&W Partners Audit Limited have been reappointed as auditor of the company.

Awareness of relevant audit information

The Trustees of the company confirm that, in fulfilling their duties as Trustees, they have:

- taken all the necessary steps in order to make themselves aware of any information relevant to the audit and to establish that the auditor is aware of that information; and
- so far as they are aware, there is no relevant audit information of which the auditor has not been made aware.

**Approved by the board of trustees
and signed on behalf of the board**



S Malcolmson
Trustee

Date: 29 July 2025



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RUMI FOUNDATION

Opinion

We have audited the financial statements of The Rumi Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated & Parent Charitable Company Balance Sheets, the Consolidated Statement of Cash Flows and the 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 FRS 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 group's and of the parent charitable company's affairs as at 31 March 2025 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Report and Accounts, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report and Accounts. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RUMI FOUNDATION (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report, which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Trustees' Annual Report.

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the trustees (who are directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent 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 the Companies Act 2006 and under section 151 of the Charities Act 2011, and report in accordance with those Acts 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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RUMI FOUNDATION (CONTINUED)

We obtained a general understanding of the group's and parent charitable company's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We obtained an understanding of the group's and parent charitable company's policies and procedures in relation to compliance with relevant laws and regulations. We also drew on our existing understanding of charity regulation.

We understand that the group and parent charitable company complies with the framework through:

- Updating operating procedures and internal controls as legal and regulatory requirements change; and
- The Trustees' close oversight through regular board meetings.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the group's and parent charitable company's ability to conduct operations and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significant in the context of the charitable group:

- FRS 102 and the requirements of the Companies Act 2006 in respect of the preparation and presentation of the financial statements;
- Health and safety regulations, including building and fire safety; and
- Charity law and regulation.

To obtain evidence about compliance with the significant laws and regulations identified above, we made enquiries of the Trustees as to the risks of and any instances of non-compliance with laws and regulations, reading minutes of meetings of the Trustees and enquiring into any correspondence between regulators and the parent charitable company.

The senior statutory audit led a discussion with all members of the engagement team regarding the susceptibility of the group's and parent charitable company's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were the risk of manipulation of the financial statements through manual journal entries, and the incorrect treatment of the valuation of investment properties.

The procedures we carried out to gain evidence in the above areas included testing:

- A sample of manual journal entries, selected through applying specific risk assessments based on the group's and parent charitable company's processes and controls surrounding manual journals; and
- The accuracy (valuation) of amounts held within investment properties, through review of the significant assumptions and judgements adopted by management in determining their fair value.

The senior statutory auditor was satisfied that the engagement team collectively had the appropriate competence and capabilities to identify or recognise irregularities.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charitable company, and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

S&W Partners Audit Limited

Daniel Quilter

Senior Statutory Auditor, for and on behalf of
S&W Partners Audit Limited
Statutory Auditor
Chartered Accountants
Date: 29 July 2025

45 Gresham Street
London
EC2V 7BG

THE RUMI FOUNDATION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING THE INCOME & EXPENDITURE ACCOUNT**

FOR THE YEAR TO 31 MARCH 2025

		Total Funds	Total Funds
		31 March 2025	31 March 2024
	Notes	£	£
Income from:			
Voluntary income	4	1,070,000	1,165,214
Investment income	5	7,852,155	7,387,812
Other trading income	6	116,958	88,185
Total income		<u>9,039,113</u>	<u>8,641,211</u>
Expenditure on:			
Raising funds			
Administrative costs	7	95,415	105,416
Real Estate Management			
Administrative costs	7	2,786,968	3,064,270
Interest payable	7	6,065,525	6,610,589
Charitable activities	7	893,531	1,029,157
Total expenditure		<u>9,841,439</u>	<u>10,809,432</u>
Net gain on investments		898,798	808,946
Net gain / (loss) and net movement in funds		<u>96,472</u>	<u>(1,359,275)</u>
Funds as at 1 April		62,338,978	63,698,253
Funds as at 31 March		<u>62,435,450</u>	<u>62,338,978</u>

All income and expenditure derive from continuing activities.

THE RUMI FOUNDATION

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2025

	Notes	2025 £	RESTATED 2024 £
Fixed Assets			
Tangible fixed assets	12	1,625,197	1,726,328
Investments	13	4,119,210	3,511,591
Investment properties	14	138,350,050	137,220,638
		144,094,457	142,458,557
Current Assets			
Debtors	15	987,794	877,066
Cash at bank and in hand		4,452,601	6,393,075
		5,440,395	7,270,141
Creditors: amounts falling due within one year	17	(4,636,349)	(6,578,683)
		804,046	691,458
Net Current Assets			
Creditors: amounts falling due after more than one year	18	(82,463,053)	(80,811,037)
		62,435,450	62,338,978
Net Assets		62,435,450	62,338,978
Represented by:			
Unrestricted charity funds			
Accumulated fund		62,435,450	62,338,978
		62,435,450	62,338,978

The accounts were approved and authorised for issue by the Board of Directors on 29 July 2025 and were signed on its behalf by:



S Malcolmson
Director

Company Number: 5840786

THE RUMI FOUNDATION

PARENT CHARITABLE COMPANY BALANCE SHEET AS AT 31 MARCH 2025

	Notes	2025 £	RESTATED 2024 £
Fixed Assets			
Tangible fixed assets	12	1,625,197	1,726,328
Investments	13	4,119,310	3,511,691
Investment properties	14	138,350,050	137,220,638
		144,094,557	142,458,657
Current Assets			
Debtors	15	987,794	877,066
Cash at bank and in hand		4,452,601	6,393,075
		5,440,395	7,270,141
Creditors: amounts falling due within one year	17	(4,636,449)	(6,578,783)
		803,946	691,358
Net Current Assets			
Creditors: amounts falling due after more than one year	18	(82,463,053)	(80,811,037)
		62,435,450	62,338,978
Net Assets			
Represented by:			
Unrestricted			
Accumulated fund		62,435,450	62,338,978
		62,435,450	62,338,978

The Foundation has taken advantage of the exemption under section 408 of the Companies Act 2006 from publishing its individual income statement, statement of other comprehensive income and related notes.

The company's gain in the year ended 31 March 2025 was £96,472 (2024: loss of £1,359,274).

The accounts were approved and authorised for issue by the Board of Directors on 29 July 2025 and were signed on its behalf by:



S Malcolmson

Director

Company Number: 5840786

THE RUMI FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR TO 31 MARCH 2025

Operating activities	Notes	2025 £	2024 £
Net gain / (loss)		96,472	(1,359,275)
Depreciation charge		120,906	115,912
Amortisation of capitalised expenses		39,724	116,051
Loss on disposal of investment property		-	157,167
Interest paid		6,065,525	6,610,589
Interest received		(130,466)	(473,697)
Change in debtors		(110,728)	3,980,201
Change in creditors		344,682	1,434,993
Revaluation gain		(898,798)	(808,946)
Impairment of investments		237,500	-
Net cash generated from operating activities		5,764,817	9,772,995
Investing activities			
Additions to fixed assets		(19,775)	(16,557)
Additions to investment properties		(270,338)	(3,190,713)
Proceeds from disposal of investment properties		-	11,250,000
Additions to investments		(845,119)	(356,795)
Disposals of investments		-	9,852
Interest received		130,466	473,697
Net cash (used in) / generated from from investing activities		(1,004,766)	8,169,484
Financing activities			
Loans repaid		(635,000)	(17,461,463)
Interest paid		(6,065,525)	(6,610,589)
Net cash used in financing activities		(6,700,525)	(24,072,052)
Decrease in cash and cash equivalents		(1,940,474)	(6,129,573)
Cash and cash equivalents at beginning of the year		6,393,075	12,522,648
Cash and cash equivalents at the end of the year	22	4,452,601	6,393,075

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2025

1 Legal status

The Rumi Foundation ("the Foundation") is a private company limited by guarantee (Company number: 5840786) and a registered charity (Charity number: 1115154) incorporated in England and Wales. The address of the registered office is 1st Floor, Clutha House, 10 Storey's Gate, London SW1P 3AY.

In the event of the charitable company being wound up the liability in respect of the guarantee is limited to £1 per member.

The average number of employees in the year was nil (2024: nil)

2 Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

(a) Basis of preparation

The consolidated 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 United Kingdom and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared under the historical cost convention as modified by the valuation of certain assets including investment properties, in accordance with the Group's accounting policies.

The group's functional currency is sterling (£).

The Foundation is a public benefit entity and the Group is a public benefit group, as defined by FRS 102.

The principal accounting policies of the Group are set out below.

(b) Going concern

These financial statements have been prepared on a going concern basis.

The Trustees have reviewed their forecasts for the coming year, taking into account the impact of the high interest rate environment we are currently operating in. The Trustees noted that the Group has a diverse investment property portfolio, consisting of a number of properties with a range of uses, its covenants with its tenants are strong, and it also has a portfolio of other financial investments contributing to a consolidated net current asset position of £804,046 at 31 March 2025. Therefore the Trustees consider that there is reasonable assurance the Group and the Foundation will have sufficient resources to enable them to continue in operation for the foreseeable future, being a period of no less than one year from the date of approval of these Financial Statements. Accordingly, the going concern basis has been adopted in the preparation of the financial statements.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2025 (continued)

2 Accounting policies (continued)

(c) Basis of consolidation

The group financial statements incorporate the financial statements of the Foundation and entities controlled by the Foundation (its subsidiaries) prepared to 31 March each year. Control is achieved where the Foundation has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired during the year are included in the Statement of Financial Activities from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group.

All intra-group transactions and balances and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

The Foundation has taken advantage of the exemption under section 408 of the Companies Act 2006 from publishing its individual income statement, statement of other comprehensive income and related notes.

(d) Business combinations and goodwill

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the group.

The cost of a business combination is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group in exchange for control and the costs directly attributable to the business combination. The consideration transferred includes the estimate of any asset or liability resulting from a contingent consideration arrangement where the transfer of further consideration is probable and can be measured reliably. Identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination are measured initially at their fair values at the acquisition date. Contingent liabilities are only recognised where the fair value can be measured reliably.

The group measures goodwill at the acquisition date as the excess of the cost of the business combination over the acquirer's interest in the net amount of the identifiable assets, liabilities and contingent liabilities recognised. Subsequently goodwill is amortised on a straight line basis over its useful life of three years.

When the excess is negative, the negative goodwill arising is recognised separately on the face of the balance sheet and released up to the fair value of the non-monetary assets as the non-monetary assets are recovered and otherwise in the periods expected to be benefited.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2025 (continued)

2 Accounting policies (continued)

(e) Income

All income is included in the Statement of Financial Activities when the Group is entitled to the income and the amount can be quantified with reasonable accuracy and the receipt is considered to be probable.

Voluntary income is received by the way of donations and is included in full in the Statement of Financial Activities when receivable.

Investment income relates to interest on bank deposits, rental income arising from investment properties and interest on long term secured debt. Investment income is recognised on an accruals basis. Rental income is recognised as earned with the cost of any lease incentives being spread equally over the lease term. Any rental income relating to future periods is recognised in deferred income.

Other trading income relates to sales of development properties and other miscellaneous income.

(f) Expenditure

Expenditure is recognised on an accruals basis, as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which relates.

- Grants are recognised at the earlier of payment and when a constructive obligation to the recipient is created. Any grant recognised but unpaid, is recognised as a creditor.
- Raising funds comprise the costs associated with attracting voluntary income.
- Real estate management comprise property management costs, financing costs and the cost of developments sold.
- Charitable expenditure comprises those costs incurred by the Group in the delivery of its activities and the services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- Governance costs are allocated between expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.

(g) Taxation

The tax expense represents the sum of the tax currently payable and any deferred tax.

The current tax charge is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. The Group's activities are charitable and therefore, to the extent that any surpluses are applied to its charitable objects, the Group is not liable to tax. In addition, its subsidiaries incur no current tax charge as all their profits, which would otherwise be taxable, are distributed to the Foundation by way of Gift Aid and thus no tax liability arises.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2025 (continued)

2 Accounting policies (continued)

(h) Taxation (continued)

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date, and where it is probable that a tax liability will arise. Deferred tax on investment property revaluation gains are not recognised where it is probable that the crystallised profits will be donated to the Group such that no tax liability will ultimately arise.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to the Statement of Financial Activities, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Whilst the tax expense is immaterial, it is recognised as a part of the cost of the relevant activity, rather than being disclosed separately in the Statement of Financial Activities.

(i) Tangible Fixed Assets

Tangible fixed assets are valued using the cost model and are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing an asset to the condition necessary for it to operate in the manner intended for it by the trustees.

Other than freehold land, depreciation is charged on assets so as to allocate their cost less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following basis:

Freehold buildings	- 4% straight line
Fixtures and fittings	- 20% straight line

(j) Investments

Investments are initially recognised at cost and subsequently at fair value, if this can be measured reliably; or if fair value cannot be measured reliably, at cost less impairment. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

(k) Social Investments

Programme related investments are held at fair value, if this can be measured reliably; or if fair value cannot be measured reliably, at cost less impairment. Where a decision is taken that a programme related investment should be held to generate a financial return and that the primary motivation for holding it is no longer to further the objects of the Foundation, it will be transferred to the main investment portfolio and measured accordingly.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2025 (continued)

2 Accounting policies (continued)

(l) Investment properties

Investment properties which are properties held to earn rentals and / or capital appreciation are initially measured at cost and subsequently at fair value. Revaluation surpluses and deficits are recognised as part of the Statement of Financial Activities.

Where there is a mixed use property, the fair value of the investment element is included in Investment Properties and the cost is included in Tangible fixed assets, in accordance with FRS 102.

(m) Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade (including rental) and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due.

Loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to proceeds received net of direct issue costs. These liabilities are subsequently measured at the amortised cost, using the effective interest rate method.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(n) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and bank deposits with maturities of three months or less.

(o) Recognition of liabilities

All expenditure is recognised once there is a legal or constructive obligation committing the Group to the expenditure.

(p) Funds structure

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group. Restricted funds are subject to restrictions on their expenditure imposed by the donor; currently there are no restricted funds.

(q) Prior year restatement

This year, in order to simplify the financial statements, management has reviewed the presentation of the reserves. Historically management recognised any movements in revaluation of investment properties within a revaluation reserve held separate from Accumulated Funds. However on the basis that such a separation had no benefit to the users of the financial statements given the Foundation does not need to consider its distributable reserves like a non-charitable corporate entity would, management have chosen to change their accounting policy and instead maintain one single reserve. This change in accounting policy has led to a restatement of the Consolidated and Parent Charitable Company Balance Sheets however there has been no impact on Net Assets.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2025 (continued)

(r) Foreign currency transactions

All transactions denominated in foreign currencies are translated at the rate of exchange ruling at the time of the transaction. All foreign exchange differences are taken to the Statement of Financial Activities in the period in which they arise. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated using the closing rate.

3 Key sources of estimation uncertainty and judgements

The preparation of the financial statements requires the use of estimates and assumptions that affect the amounts reported for the assets and liabilities as at the balance sheet date and the amounts reported for income and expenses for the year. Although these estimates and associated assumptions are based on historical experience and management's best knowledge of current events and actions, the actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Significant management judgements

Financial instruments classification

The classification of financial instruments as "basic" or "other" requires judgement as to whether all applicable conditions as basic are met. This includes consideration of the form and its return.

Recognition of grants payable

Grants payable are recognised at the earlier of payment or when a constructive obligation to the grant recipient arises. The point at which this occurs requires the exercise of judgement in the cases of conditional grants which have been advised to the recipients.

Significant management estimates

Valuation of investment property

Investment properties are included in the financial statements at their value at the year end, as required by FRS 102. Fair value is estimated based on expected future net income from the properties and market yield rates. The value of the investment properties is detailed in note 14.

Valuation of Programme Related Investments

The Trustees make a judgement in relation to the classification of investments between those made primarily for financial return and those held for non-financial objectives. Impairments to programme related investments are charged to Charitable Activities.

Programme related investments form a portfolio managed separately from the Group's other investments. These investments are held primarily to further the charitable aims of the Group rather than to provide a financial return. They are held at fair value, if this can be measured reliably; or if fair value cannot be measured reliably, at cost less impairment.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2025 (continued)

4 Voluntary income	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Donations	<u>1,070,000</u>	<u>1,165,214</u>	<u>1,070,000</u>	<u>1,165,214</u>

The income from donations was £1,070,000 (2024: £1,165,214) for the group.
All income was unrestricted.

In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

5 Investment income	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Rental income	7,721,689	6,914,115	7,721,689	6,914,115
Interest on debt securities	-	144,453	-	144,453
Bank interest	130,466	329,244	130,466	329,244
	<u>7,852,155</u>	<u>7,387,812</u>	<u>7,852,155</u>	<u>7,387,812</u>

6 Other trading income	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Other income	109,347	88,185	109,347	88,185
Gain on exchange	7,611	-	7,611	-
	<u>116,958</u>	<u>88,185</u>	<u>116,958</u>	<u>88,185</u>

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2025 (continued)

7 Total Expenditure - Group

	Basis of allocation	Raising funds		Real Estate Management		Charitable activities		Total	
		2025 £	2024 £	2025 £	2024 £	2025 £	2024 £	2025 £	2024 £
Costs directly allocated to activities									
Grants	Direct	-	-	-	-	560,616	923,740	560,616	923,740
Other charitable activities	Direct	-	-	-	-	237,500	-	237,500	-
Disposal of investment property	Direct	-	-	-	296,213	-	-	-	296,213
Investment property expenses	Direct	-	-	2,465,436	2,303,200	-	-	2,465,436	2,303,200
Provision for doubtful debts	Direct	-	-	25,223	108,119	-	-	25,223	108,119
		<u>-</u>	<u>-</u>	<u>2,490,659</u>	<u>2,707,532</u>	<u>798,116</u>	<u>923,740</u>	<u>3,288,775</u>	<u>3,631,272</u>
Support costs allocated to activities									
Accountancy	Direct	-	-	99,923	67,188	-	-	99,923	67,188
Bank charges and fees	Direct	-	-	2,116	77,401	-	-	2,116	77,401
Interest on bank loans	Direct	-	-	6,065,525	6,610,589	-	-	6,065,525	6,610,589
		<u>-</u>	<u>-</u>	<u>6,167,564</u>	<u>6,755,178</u>	<u>-</u>	<u>-</u>	<u>6,167,564</u>	<u>6,755,178</u>
Governance costs allocated to activities									
Audit fees	Apportioned	20,867	16,666	20,867	16,667	20,867	16,667	62,601	50,000
Legal and professional	Direct	-	-	98,855	106,732	-	-	98,855	106,732
Other	Apportioned	74,548	88,750	74,548	88,750	74,548	88,750	223,644	266,250
		<u>95,415</u>	<u>105,416</u>	<u>194,270</u>	<u>212,149</u>	<u>95,415</u>	<u>105,417</u>	<u>385,100</u>	<u>422,982</u>
Total expenditure		<u>95,415</u>	<u>105,416</u>	<u>8,852,493</u>	<u>9,674,859</u>	<u>893,531</u>	<u>1,029,157</u>	<u>9,841,439</u>	<u>10,809,432</u>

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2025 (continued)

8 Grants and charitable expenditure		2025	2024
		£	£
Material Grants	Charitable Objective		
Clinton Foundation	Education	154,515	278,440
Obama Foundation	Education	154,515	278,440
Royal Foundation	Education	100,000	250,000
Other Grants			
UK Education	Education	59,371	72,906
Equality Education	Education	50,000	35,050
Kotowari	Education	24,715	-
UK Creative Industries	Education - Promotion of the Arts	15,000	8,904
UK Healthcare	Relief of poverty	2,500	-
		<hr/>	<hr/>
		560,616	923,740
		<hr/>	<hr/>

All grants were made to institutions. Further details of the key grants made during the year can be found in the Trustees' Annual Report.

9 Auditor's remuneration		2025	2024
		£	£
Fees payable to the Group's auditor for the audit of the Group's financial statements.		48,530	50,000
Accountancy and advisory fees		<hr/> 17,310	<hr/> 5,187
		<hr/> 65,840	<hr/> 55,187
		<hr/>	<hr/>

10 Trustees' remuneration and expenses

No trustees received any remuneration during the year (2024: £Nil). In line with its policy on reimbursing expenses, a trustee was reimbursed for their travel costs totalling £2,798 (2024: £3,695). During the year a company controlled by a trustee received £70,000 (2024: £62,533) for the provision of accountancy services to the group, as detailed in Note 19.

11 Corporation Taxation

The Foundation is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2025 (continued)

12 Tangible fixed assets	Group			Company		
	Fixtures and Fittings £	Land and Buildings £	Total £	Fixtures and Fittings £	Land and Buildings £	Total £
Cost						
At 1 April 2024	165,888	2,110,000	2,275,888	165,888	2,110,000	2,275,888
Additions	19,775	-	19,775	19,775	-	19,775
At 31 March 2025	185,663	2,110,000	2,295,663	185,663	2,110,000	2,295,663
Depreciation						
At 1 April 2024	53,334	496,226	549,560	53,334	496,226	549,560
Charge for the year	36,506	84,400	120,906	36,506	84,400	120,906
At 31 March 2025	89,840	580,626	670,466	89,840	580,626	670,466
Net Book Value						
At 31 March 2025	95,823	1,529,374	1,625,197	95,823	1,529,374	1,625,197
At 31 March 2024	112,554	1,613,774	1,726,328	112,554	1,613,774	1,726,328

13 Investments

	Unlisted	Program	Subsidiaries	Total
	Investments	Related		
Group	£	Investments	£	£
At 1 April 2024	3,394,091	117,500	-	3,511,591
Additions	595,119	250,000	-	845,119
Impairment	-	(237,500)	-	(237,500)
Disposal	-	-	-	-
At 31 March 2025	3,989,210	130,000	-	4,119,210
Company				
At 1 April 2024	3,394,091	117,500	100	3,511,691
Additions	595,119	250,000	-	845,119
Impairment	-	(237,500)	-	(237,500)
Disposals	-	-	-	-
At 31 March 2025	3,989,210	130,000	100	4,119,310

At 31 March 2025, the Foundation's investments were held in the UK and USA.

Programme related investments form a portfolio managed separately from the Foundation's other investments. These investments are held primarily to further the charitable aims of the Foundation rather than to provide a financial return. They are held at fair value, if this can be measured reliably; or if fair value cannot be measured reliably, at cost less impairment, which is the case in this year.

All Unlisted Investments are also held at cost less impairment.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2025 (continued)

14 Investment properties

Group	Freehold	Leasehold	Total
	£	£	£
At 1 April 2024	130,016,339	7,204,299	137,220,638
Additions	270,338	-	270,338
Amortisation of fees	(39,724)	-	(39,724)
Revaluation gains	858,697	40,101	898,798
	<hr/>	<hr/>	<hr/>
At 31 March 2025	131,105,650	7,244,400	138,350,050
	<hr/>	<hr/>	<hr/>
Company	Freehold	Leasehold	Total
	£	£	£
At 1 April 2024	130,016,339	7,204,299	137,220,638
Additions	270,338	-	270,338
Amortisation of fees	(39,724)	-	(39,724)
Revaluation gains	858,697	40,101	898,798
	<hr/>	<hr/>	<hr/>
At 31 March 2025	131,105,650	7,244,400	138,350,050
	<hr/>	<hr/>	<hr/>

Historical cost of freehold properties at 31 March 2025 amounted to £128,876,892 (2024: £128,876,892) for the Group and Foundation. Historical cost of leasehold properties at 31 March 2025 amounted to £7,194,164 (2024: £7,194,164) for Group and Foundation. Additions are comprised of improvements to some of the properties during the year.

Investment properties have been valued by the Trustees taking account of independent professional advice. Fair value is estimated based on expected future net income from the properties and market yield rates.

15 Debtors	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Trade debtors	447,465	293,054	447,465	293,054
Other debtors	2,374	132,419	2,374	132,419
Accrued income	354,887	287,625	354,887	287,625
Prepayments	183,068	163,968	183,068	163,968
	<hr/>	<hr/>	<hr/>	<hr/>
	987,794	877,066	987,794	877,066
	<hr/>	<hr/>	<hr/>	<hr/>

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2025 (continued)

16 Operating leases with tenants

The Group leases out all its investment properties under operating leases. The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

Due:	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Not later than one year	3,902,282	3,903,331	3,902,282	3,903,331
Later than one year but within five years	8,593,871	5,956,359	8,593,871	5,956,359
Later than five years	4,504,144	4,991,664	4,504,144	4,991,664
	<u>17,000,297</u>	<u>14,851,354</u>	<u>17,000,297</u>	<u>14,851,354</u>

None of the leases entered into give tenants the right or option to purchase or contain contingent rents.

17 Creditors: Amounts falling due within one year

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Trade creditors	304,048	1,039,955	304,048	1,039,955
Secured bank loan	-	540,000	-	540,000
Accruals and deferred income	2,719,744	2,496,007	2,719,744	2,496,007
Other creditors	1,360,694	2,501,083	1,360,794	2,501,183
Other taxes and social security costs	251,863	1,638	251,863	1,638
	<u>4,636,349</u>	<u>6,578,683</u>	<u>4,636,449</u>	<u>6,578,783</u>

18 Creditors: Amounts falling due after one year

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Secured loan	19,500,000	20,000,000	19,500,000	20,000,000
Secured bank loan	61,216,037	60,811,037	61,216,037	60,811,037
Other creditors	1,747,016	-	1,747,016	-
	<u>82,463,053</u>	<u>80,811,037</u>	<u>82,463,053</u>	<u>80,811,037</u>

Bank loans

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Amounts due within one year	-	540,000	-	540,000
Amounts due within two to five years	61,216,037	60,811,037	61,216,037	60,811,037
	<u>61,216,037</u>	<u>61,351,037</u>	<u>61,216,037</u>	<u>61,351,037</u>

The secured bank loan is secured with a charge against the entirety of the properties to which the loan relates, the value of the properties offered as security is £140,406,000 (2024: £139,295,869). The loan is repayable in 2028, and interest on the loan accrues at 2.15% above SONIA.

The Secured loan is secured by a second charge against the security properties in the above note. The loan is repayable in 2026 and interest on the loan accrues at a fixed rate of 8%.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2025 (continued)

19 Related party transactions and key management personnel

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the Foundation. In the opinion of the Trustees, key management are the board of Trustees. The Trustees appoint specialist advisors for professional support where necessary.

During the year Aristeia Accounting Limited, a company controlled by Stuart Malcolmson who is also a Trustee of the Foundation, invoiced £70,000 (2024: £62,533) for the provision of accountancy services, of which £10,000 (2024: £5,000) was unpaid at the year end.

During the year David Muriithi, a Trustee, received £2,798 (2024: £3,695) for his travel costs, which were wholly incurred whilst fulfilling his duties as a Trustee.

20 Financial instruments

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Financial assets				
Financial assets measured at fair value through the profit & loss	3,989,210	3,511,591	3,989,310	3,511,691

All other financial assets and liabilities are measured at amortised cost.

21 Subsidiaries

Details of the company's subsidiaries at 31 March 2025 are as follows:

Name of undertaking Registered		Nature of business	Class of shares held	2025 Held Direct	%	2024 Held Direct	%
Hundred Squared Limited	12602560 England and Wales	Dormant	Ordinary	100		100	

Summary financial information of the significant subsidiaries at 31 March 2025:

	Hundred Squared Limited 2025
Turnover	-
Fair value gain	-
Expenses	-
Loss	-
Assets	100
Liabilities	-
Net Assets	100

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2025 (continued)

22 Analysis of changes in net debt

	At 1 April 2024	Cash Flows	Non-Cash Movement	At 31 March 2025
Cash and cash equivalents				
Cash and cash equivalents	6,393,075	(1,940,474)	-	4,452,601
	6,393,075	(1,940,474)	-	4,452,601
Borrowings				
Debt due within one year	(540,000)	135,000	405,000	-
Debt due after one year	(80,811,037)	500,000	(405,000)	(80,716,037)
	(81,351,037)	635,000	-	(80,716,037)
Total Net Debt	(74,957,962)	(1,305,474)	-	(76,263,436)

23 Post Balance Sheet Events

The Foundation completed the disposal of one of its investment properties in June 2025, receiving proceeds of £7,000,000. The Foundation used £3,500,000 of the proceeds to pay down part of its secured bank loan. The remaining proceeds have been used for working capital purposes.

THE RUMI FOUNDATION

England & Wales - Charity number 1115154

Accounts

Company Number: 5840786
Charity Number: 1115154

THE RUMI FOUNDATION
REPORT AND ACCOUNTS

For the year ended

31 MARCH 2024

THE RUMI FOUNDATION

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THE RUMI FOUNDATION

TRUSTEES AND ADVISORS

Trustees and Directors	S Malcolmson D Muriithi B Pollard
Secretary	S Malcolmson
Registered office	1st Floor Clutha House 10 Storey's Gate London SW1P 3AY
Bankers	National Westminster Bank Plc Piccadilly and New Bond Street 63 Piccadilly London W1J 0AJ
Auditor	CLA Evelyn Partners Limited Statutory Auditor 45 Gresham Street London EC2V 7BG
Tax Advisors	Evelyn Partners LLP Accountants 45 Gresham Street London EC2V 7BG
Legal Advisors	BDB Pitmans LLP 1 Bartholomew Close London EC1A 7BL
Property Advisors	Coreprop Group Limited 92 Banner Street London EC1Y 8JU
Company registration number	5840786
Charity registration number	1115154

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT incorporating the Strategic Report and Directors' Report

The Trustees present their report and the accounts for the year ended 31 March 2024.

Structure, Governance and Management

The Rumi Foundation ("the Foundation") is a charitable company limited by guarantee, established under a Memorandum and Articles of Association adopted by the Foundation on incorporation on 8 June 2006, as amended by the Articles of Association adopted on 27 October 2019. The Foundation was registered as a charity on 7 July 2006. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

The Trustees of the Foundation are also directors for the purposes of company law under the company's Articles and are shown on page 2 to this report. The Trustees who served during the year are listed below:

- B Pollard
- D Muriithi
- S Malcolmson

Organisational structure

The Rumi Foundation has a Board made up of three Trustees who meet at least twice a year and are responsible for managing the business of the Foundation. The Foundation retains third party professional managers to oversee its property portfolio. The Foundation's legal advisors are BDB Pitmans LLP.

At the year end the Foundation's corporate structure includes one subsidiary, Hundred Squared Limited, which is dormant and is 100% owned by the Foundation. The Trustees appoint the directors of the subsidiary.

Trustees' recruitment and appointment

Under the requirements of the Articles of Association the Trustees are appointed for fixed terms in office of a maximum of three years, and on retirement are eligible for re-appointment subject to the conditions in the Articles. New Trustees are recruited by the board and are selected for their experience and knowledge of the areas in which the Foundations operates.

The Trustees have adopted a skills matrix and are recruited for their expertise and experience. The role of Trustee does not carry any remuneration, as such all Trustees give their time freely and no Trustee remuneration was paid in the year (2023: £nil). In accordance with its expenses policy the Foundation reimbursed one of the Trustees' travel costs totalling £3,695 (2023: £Nil). Trustees are required to disclose all related interests, any such interests or transactions are shown in Note 19 and, in accordance with the Foundation's policies, withdraw from decisions where a conflict of interest arises.

The Trustees have adopted a Trustees' Roles and Responsibilities Policy, which includes a Trustees' Code of Conduct.

Trustee Induction and Training

As part of their induction programme any new Trustees are made aware of their responsibilities as Trustees.

The existing Trustees recognise the need to have regular training on their roles and responsibilities and continuously seek to educate themselves to improve their skills and best practices. The Trustees appoint specialist advisors for professional support where necessary.

Risk Policy

The Trustees have adopted a Risk Assessment Register which considers the major risks to which the Foundation is exposed and sets out systems and procedures to mitigate them. The Trustees have reviewed the risks in the year and consider the major risk to be the safety of, and investment returns on, its funds. The Trustees seek professional advice to manage risks as appropriate.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT

incorporating the Strategic Report and Directors' Report (continued)

The Trustees have specifically considered a number of business risks such as: the credit-worthiness of its tenants and debtors, the risk of changes in interest rates and the risks associated with property investment. The Foundation has made investments where the Trustees believe such risks are as low as possible and the Trustees seek professional advice where appropriate.

Reserves policy

The Trustees have formalised the Foundation's reserves policy with reference to Charity Commission guidance (CC19) and accounting standards (as disclosed in note 2a). The Trustees have adopted a policy which defines free reserves as funds which are available for use by the Foundation, which are deemed to be those that are readily realisable in liquid investments, excluding any funds whose uses are restricted or else designated for any particular purposes (no such funds currently exist).

The policy specifies that the Foundation's free reserves should not, as a minimum, fall below the amount required to run its charitable activities for at least one year should there be any call for funds on the Foundation, bearing in mind the levels of stable income which the Foundation currently receives. The Foundation's charitable giving and associated overheads, amounts to approximately £1.0 million per annum (2023: £1.7m) and the free reserves did not fall below this target.

At the year end, the aggregate cash position of the Foundation and its subsidiaries (together 'the Group') was around £6.4 million and this represented the Foundation's free reserves balance. The Group expects to receive around £7 million in annual rental income from its investment properties.

The Trustees are comfortable that the level of reserves held at the end of the financial year are suitable, despite being in excess of the levels required by its long term policy, detailed above. This year the Trustees have continued their cautious approach to the Foundation's finances due to operating in the current high interest and high inflation environment, which is likely to continue in the year ahead. The Foundation held a large cash balance and projects relatively secure rental income from its UK real estate investments in the coming year, which will provide a source of continuing reliable income.

The Trustees have examined the future anticipated cash flows of the Foundation and are satisfied that the Foundation has sufficient resources to meet its continuing obligations.

Investment Policy

The Trustees have created an investment policy to further the Foundation's charitable objectives and are aware of the Charity Commission's guidance (CC14) on the importance of managing risk in the formation of the Foundation's investment policy. As the Foundation's charitable objectives include the furtherance of charitable purposes both in the UK and overseas, the investment policy aims to invest its funds to create revenue streams in areas where the Foundation is undertaking or planning to undertake charitable activities.

The investment policy is to make appropriate investments achieving a reasonable balance of risk and reward in a range of both short and long-term investments. The Trustees leverage their own investment skills and also seek independent advice where appropriate to ensure that this balance is met.

The current investment strategy of the Foundation is to continue to build its capital to create an Expendable Endowment which can support a larger number of long-term projects in the future. In the current economic environment, the Trustees consider an appropriate target return to be 3% - 5% before interest costs, in a blend of income and capital appreciation. The Trustees have regard to environmental, social and ethical considerations in evaluating potential investment opportunities for the Foundation.

The focus of the Foundation's investment policy for the year was to maintain its income-yielding investments and to maximise the value of those investments through good asset management techniques. The Foundation's realised return on investment in the current financial year was within the target range.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT

incorporating the Strategic Report and Directors' Report (continued)

The Trustees also recognise that by making social investments The Foundation can invest to directly meet its charitable objects. During the year the Foundation provided further funds to its existing programme related investment. The investment was made exclusively to further the charitable aims of The Foundation by providing seed funding to scientific projects that will bring benefit to all mankind and relieve poverty. Any future financial return is not the primary reason for making the investment and on the basis the Foundation does not expect a financial return for approximately 5 years, at least, an impairment has been recognised against these investments thereby reducing the carrying value of accumulated programme related investments. Further details of the programme related investment are given in Note 13.

During the financial year, the Trustees continued to improve the Foundation's existing property portfolio by renovating vacant units and improving common parts, whilst renegotiating rents with existing tenants. Investment properties have been valued by the Trustees taking account of independent professional advice.

Rental income was consistent with the previous year and is expected to increase as vacant offices are let. The Foundation monitors the covenants of its tenants to maximise the sustainability of its rental income. Rates of return on bank deposit accounts increased during the year, to the benefit of the Foundation, which received interest on its cash deposits of £329,244 (2023: £146,213). With these investments, the Foundation continued to increase its annual income and to receive the requisite earnings from its investments to fund its activities through the financial year. During the year the Trustees added £356,795 (2023: £210,517) to the Foundation's other financial investments. Their intention in making these investments is to reduce risk and diversify future revenue streams. The value of the Foundation's other financial investments at the year end was £3,394,091 (2023: £3,047,148).

Fundraising Policy

The Foundation is in compliance with the Charities (Protection and Social Investment) Act 2016. The Foundation does not fundraise and has not subscribed to any bodies that promote fundraising standards. The Foundation has not received any complaints about fundraising or of the activities of any person acting on behalf of the Foundation.

Grant-Making Policy

The Trustees have an established grant making framework whereby the Foundation works with large, established foundations to, together, support smaller, grassroots organisations that are making changes in an innovative way. The purpose of this grant making framework is to leverage the Foundation's impact by building up and maintaining strong long-term relationships with its strategic grant partners, which enables the Foundation to scale the impact of its activities. Furthermore, the Foundation's general policy is to enter into longer-term relationships as it enables the Foundation to build up a more meaningful and productive dialogue with the grant recipient.

As part of its due diligence procedures on potential grant recipients, the Foundation ordinarily meets with every organisation it is considering funding and interviews them. Where appropriate the Foundation then records the terms on which it provides its grants in written grant agreements using Grant Offer Letters and Terms & Conditions and Grant Reporting Forms. The Foundation monitors the application and impact of its grant funding by meeting with each grant recipient on a regular basis to carry out a detailed assessment of the grant activities. In addition, the Foundation conducts site visits to the projects supported by some of its larger grants.

Objectives and Activities for the Public Benefit

The objects and purposes of the Foundation as set out in its Articles, are:

- the advancement of education of the public of any age in the UK and overseas and in particular, but without prejudice to the generality of the foregoing:
 - the provision, support and promotion of the education of children and young people in schools and institutions of further and higher education;
 - the education of disadvantaged members of the public;
 - the promotion of the arts; and
- the relief of poverty.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT

incorporating the Strategic Report and Directors' Report (continued)

The Trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when exercising their powers and duties and also when reviewing the Foundation's aims and objectives, when setting the grant-making policy for the year and planning future activities.

The Trustees are satisfied that the processes and activities of the Foundation satisfy the public benefit test set out in s.4 Charities Act 2011.

The Foundation carries out these objects in the shorter term by providing financial support to schools, universities, healthcare and educational programmes that have a specific focus on the advancement of education, the relief of poverty, or both. The Foundation also provides financial support to schools in the most disadvantaged areas of the world, aimed at both educating disadvantaged members of the public and relieving poverty. In the longer term, the Foundation seeks to promote and support research into scientific and human advancement at educational institutions, specifically in areas which will further the education of, and relieve poverty amongst, the disadvantaged. This will further the Foundation's objects of the relief of poverty and promoting education. The intention is to partner with those particularly focused around social sciences, healthcare, technology and creative industries, where any innovation is most likely to further the Foundation's objects. The Trustees are aware that such collaborations may also lead to significant private benefit. Any projects supported will be carefully assessed for this risk and measures will be implemented to ensure any private gain is incidental to the benefit provided to humanity as a whole. The Foundation also aims, in particular, to support the education of girls.

Achievements and Performance during the period and plans for the future

The Foundation continued to work with existing charitable partners and sought to identify new long term partners to help fulfil its charitable vision.

The Foundation focused its partnerships this year on the education, empowerment and advancement of young people in our society today, and on community engagement and civic involvement. Education provides a route out of poverty for young people and prevents future generations from having to experience poverty. Also, by having educated, motivated people actively engaging with their community, the benefits of any educational programme or one designed to relieve poverty can be brought to individuals that were not initially involved with that programme.

The Foundation assesses how its giving meets its objects and measures the success of the programmes or other charities it has funded against a number criteria. These include the number of people that have been helped, has the project or organisation grown and is there potential for future growth, the objective and subjective impact any funding has had on a community or organisation and whether any future giving will provide further impact. When measured against these criteria the Foundation had a very successful year. Future giving will continue to be measured against these criteria. The Trustees will continue learning from and improving their work and seeking the best opportunities for the Foundation to further its objects.

Details of grant funding and charitable expenditure are set out in Note 8. Further details of selected initiatives are set out below.

Drawing on their experience of working with charitable partners in previous years, the Trustees wanted to explore whether the networks the Foundation has built could successfully be used to connect charitable organisations with each other. As the Foundation has continued to mature, the Trustees were increasingly able to identify the unique ability of the Foundation to work with large, established foundations all around the world and at the same time to support smaller, grassroots foundations that are making change in an innovative way. Through the Trustees' unique networks, the Foundation can match these young changemakers with established foundations, further helping their growth and allowing them to access funding and recognition on a larger scale. The Foundation acts as an accelerator for social impact enterprises and organisations.

The Trustees use their networks and entrepreneurial skills to find innovative organisations that are making change at the grassroots level and provides these charities with funding to develop their ideas and to experiment and test how they can make the most impact. The Foundation provides guidance and mentorship and local networks to these young founders, and then connects the charities with larger, global organisations who help them grow, can provide them with additional levels of funding, and can give them access to best practices and networks of similar organisations around the world.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT

incorporating the Strategic Report and Directors' Report (continued)

As the Foundation has entered into discussions with its grantees, it has also become clear how important it is for these charities to receive some unrestricted funds to allow them to satisfy their core costs, rather than to restrict funding to specific projects and not to underlying costs. The Trustees work with the grantees, particularly the smaller charities, to ensure that they are allocating the Foundation's funds wisely, are acting in accordance with the Trustees' suggestions and guidance, and that their impact is measured against the criteria given above. Where funds have been allocated to support a particular project, this is indicated below.

Royal Foundation

The Foundation continued its relationship with the Royal Foundation, the charitable organisation of the Prince and Princess of Wales. The Foundation provided unrestricted core funding, that will be magnified many times and have huge impact, by supporting the Earthshot Prize, for example, which was launched by the Prince of Wales in October 2020. The Prize will run between 2021 and 2030 and will be awarded annually to 5 winners whose solutions substantially help the environment and therefore work to relieve poverty, by halting or even reversing the degradation of the planet, which disproportionately affects the world's poorest people. The prize fund will distribute £50 million over the course of the next decade. The Foundation also supported the mental health programmes of the Royal Foundation. The support was given with the intention of introducing some of the Foundation's innovative, grassroots charities that focus on educating those suffering with mental health issues to the Royal Foundation, increasing their impact and scale. Representatives of the Foundation worked closely with staff of the Royal Foundation to co-ordinate and plan for further engagement during the next financial year to continue to benefit disadvantaged members of the public and its mission to relieve poverty.

The Obama Foundation

The Foundation continued its long-term partnership with the Obama Foundation to further its object of education. The Obama Foundation operates globally, supporting outstanding civic innovators, those leaders who are working with their communities to create transformational change and addressing some of the world's most pressing problems.

The Obama Foundation runs educational programs in North America, Europe, Africa, Asia and Pacific regions. People enrolled in these programs are offered tailored workshops that will help them grow their existing skills develop new ones, further enhancing their 'leadership toolkit'. The Obama Foundation also engages with young people aged 18 - 25 to identify future leaders, it then supports them by offering educational workshops, mentoring and networking opportunities and cultural events where the emerging leaders can meet and engage with innovative thinkers and inspirational civic leaders from around the world. As a key supporter of the Obama Foundation's European programme representatives from the Foundation have attended events hosted by the Obama Foundation and directly witnessed its impact and the community spirit created amongst the emerging leaders.

Kings College - The Global Institute for Women's Leadership

The Foundation continued its relationship with the Global Institute for Women's Leadership, an innovative charity that engages in rigorous academic research with the aim of playing a key role in driving gender equality in leadership. The Foundation gave unrestricted funding that has helped to facilitate research by Global Institute for Women's Leadership to provide insights that policymakers, practitioners and campaigners can use to make evidence-based decisions, effective interventions and policies that create real change.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT

incorporating the Strategic Report and Directors' Report (continued)

Clinton Foundation

The Foundation continued its partnership with The Clinton Foundation. The mission of The Clinton Foundation is to improve global health, strengthen economies, promote healthier childhoods, and protect the environment by fostering partnerships among governments, businesses, non-governmental organisations, and private citizens to turn good intentions into measurable results.

Representatives of the Foundation met with representatives of the Clinton Foundation to discuss the application, use and impact of the Foundation's grant. The grant furthers the Foundation's objects of education of disadvantaged members of the public and the relief of poverty.

Renaissance Foundation

The Renaissance Foundation is a key grassroots organisation that seeks to empower young people aged 12-18 experiencing significant challenges in their lives. The Renaissance Foundation runs a 3 year tailored outreach programme which aims to inspire and support disadvantaged young people facing barriers to education, work and fulfilment. The Renaissance Foundation also offers a space known as the Hub, where young people, including young carers who care for family members that may have physical or mental health problems or substance abuse issues, can gain some respite. Representatives of the Rumi Foundation have met regularly with the Renaissance Foundation to assess the impact of its giving.

Inspiring Girls International

Inspiring Girls International works in partnership with other charities and businesses around the world to help educate and inspire girls around the world to achieve their ambitions. In the last year Inspiring Girls teams held 835 events, reached 55,089 and registered 2,244 role models. and expanded to include 9 new global teams in Australia, Algeria, Belgium, Guatemala, Jersey, Poland, Portugal, Switzerland and Russia. As a result, Inspiring Girls is now active in 28 countries around the world. The Foundation was an early donor to Inspiring Girls International and it is great to see the impact of these funds and the growth of its work educating and empowering women directly empowers whole families to improve their economic well-being.

Other Initiatives

The Foundation also supported a number of other organisations including institutions within the creative industries, educational projects and children's charities in the UK and across the globe to further all of the Foundation's objectives.

Financial Review

The year to 31 March 2024 was challenging due to high interest rates and a difficult overall economic environment. As a result, the Trustees decided to prioritise reducing the Foundation's debt. This was achieved by disposing of one of its investment properties, with the resulting funds used to pay down debt. This decision was made with the expectation that the values of the remaining property portfolio have started to increase and are likely to recover further over the next 2 or 3 years and eclipse the loss of this property. With this in mind, and also based on taking independent third party advice, the value of the investment properties has been increased. The Foundation's income is mainly rental income derived from its investment property portfolio, the operation of which has inherent costs associated with it. However, where possible, the Trustees sought to reduce costs. The Foundation also benefitted from the elimination of exceptional costs as a result of COVID 19, such as bad debts, when compared to the previous year. The Trustees continue to seek to build a long-term Expendable Endowment for the Foundation to allow it to sustainably increase its charitable giving without eroding the Foundation's capital base. This will allow the Foundation to continue to grow in size as it finds more long-term major charitable projects with which it can partner, both large and small.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT

incorporating the Strategic Report and Directors' Report (continued)

Going Concern

Over the last year, global and national events have left most advanced economies with inflation levels greatly in excess of previous forecasts with Central Banks increasing interest rates to combat it and the UK is no exception to this trend. The Trustees, taking into account the expected impact of the high interest and high inflation environment we are currently operating in, consider that the investment and reserves policies they have put in place are sufficient to allow the Foundation to continue to meet its charitable purposes for the foreseeable future. The Trustees will be monitoring the economy and seek to find ways for the Foundation to support those most impacted and in greatest need.

Trustees' Responsibilities Statement

The Trustees (who are also directors of The Rumi Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) and The Financial Reporting Standard 102. 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 the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- and follow the applicable UK Accounting Standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the that the Group will continue in business.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company and Group's transactions and disclose with reasonable accuracy, at any time, the financial position of the charitable company and Group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

In accordance with Section 485 of the Companies Act 2006, the Trustees confirm that CLA Evelyn Partners Limited have been reappointed as auditor of the company.

Awareness of relevant audit information

The Trustees of the company confirm that, in fulfilling their duties as Trustees, they have:

- taken all the necessary steps in order to make themselves aware of any information relevant to the audit and to establish that the auditor is aware of that information; and
- so far as they are aware, there is no relevant audit information of which the auditor has not been made aware.

Approved by the board of trustees and signed on behalf of the board



S Malcolmson
Trustee

Date: **8 July 2024**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RUMI FOUNDATION

Opinion

We have audited the financial statements of The Rumi Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated & Parent Charitable Company Balance Sheets, the Consolidated Statement of Cash Flows and the 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 FRS 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 group's and of the parent charitable company's affairs as at 31 March 2024 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Report and Accounts, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report and Accounts. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RUMI FOUNDATION (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report, which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Trustees' Annual Report.

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the trustees (who are directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent 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 the Companies Act 2006 and under section 151 of the Charities Act 2011, and report in accordance with those Acts 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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RUMI FOUNDATION (CONTINUED)

We obtained a general understanding of the group's and charitable parent company's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We obtained an understanding of the group's and charitable parent company's policies and procedures in relation to compliance with relevant laws and regulations. We also drew on our existing understanding of charity regulation.

We understand that the group and charitable parent company complies with the framework through:

- Updating operating procedures and internal controls as legal and regulatory requirements change; and
- The Trustees' close oversight through regular board meetings.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the group's and charitable parent company's ability to conduct operations and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significant in the context of the charitable group:

- FRS 102 and the requirements of the Companies Act 2006 in respect of the preparation and presentation of the financial statements;
- Health and safety regulations, including building and fire safety; and
- Charity law and regulation.

To obtain evidence about compliance with the significant laws and regulations identified above, we made enquiries of the Trustees as to the risks of and any instances of non-compliance with laws and regulations, reading minutes of meetings of the Trustees and enquiring into any correspondence between regulators and the parent charitable company.

The senior statutory audit led a discussion with all members of the engagement team regarding the susceptibility of the group's and charitable parent company's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were the risk of manipulation of the financial statements through manual journal entries, incorrect treatment of the valuation of investment properties, and recognition of the bank loans including compliance with loan covenants.

The procedures we carried out to gain evidence in the above areas included:

- Testing a sample of manual journal entries, selected through applying specific risk assessments based on the group's and charitable parent company's processes and controls surrounding manual journals;
- Testing of the accuracy (valuation) of investment properties, through review of the significant assumptions and judgements adopted by management in determining fair value. and
- Agreeing the year end loan balances to third party confirmations received directly from the finance providers including reviewing covenant compliance both as at year end and for going concern purposes.

The senior statutory auditor was satisfied that the engagement team collectively had the appropriate competence and capabilities to identify or recognise irregularities.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charitable company, and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

CLA Evelyn Partners Limited

Daniel Quilter

Senior Statutory Auditor, for and on behalf of
CLA Evelyn Partners Limited
Statutory Auditor
Chartered Accountants
Date: 11 July 2024

45 Gresham Street
London
EC2V 7BG

THE RUMI FOUNDATION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING THE INCOME & EXPENDITURE ACCOUNT**

FOR THE YEAR TO 31 MARCH 2024

		Total Funds	Total Funds
		31 March 2024	31 March 2023
	Notes	£	£
Income from:			
Voluntary income	4	1,165,214	250,000
Investment income	5	7,387,812	7,265,052
Other trading income	6	88,185	21,203
Total income		<u>8,641,211</u>	<u>7,536,255</u>
Expenditure on:			
Raising funds			
Administrative costs	7	105,416	95,554
Real Estate Management			
Administrative costs	7	3,064,270	2,249,451
Interest payable	7	6,610,589	4,239,116
Charitable activities	7	1,029,157	1,728,757
Total expenditure		<u>10,809,432</u>	<u>8,312,878</u>
Net gain / (loss) on investments		808,946	(15,575,460)
Net loss and net movement in funds		<u>(1,359,275)</u>	<u>(16,352,083)</u>
Funds as at 1 April		63,698,253	80,050,336
Funds as at 31 March		<u>62,338,978</u>	<u>63,698,253</u>

All income and expenditure derive from continuing activities.

THE RUMI FOUNDATION

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2024

	Notes	2024 £	2023 £
Fixed Assets			
Tangible fixed assets	12	1,726,328	1,825,683
Investments	13	3,511,591	3,164,648
Investment properties	14	137,220,638	144,667,870
		142,458,557	149,658,201
Current Assets			
Debtors	15	877,066	4,857,267
Cash at bank and in hand		6,393,075	12,522,648
		7,270,141	17,379,915
Creditors: amounts falling due within one year	17	(6,578,683)	(9,143,768)
		691,458	8,236,147
Net Current Assets			
Creditors: amounts falling due after more than one year	18	(80,811,037)	(94,196,095)
		62,338,978	63,698,253
Net Assets			
		62,338,978	63,698,253
Represented by:			
Unrestricted charity funds			
Accumulated fund	20	61,746,312	62,208,158
Revaluation reserve	20	592,666	1,490,095
		62,338,978	63,698,253
		62,338,978	63,698,253

The accounts were approved and authorised for issue by the Board of Directors on 8 July 2024 and were signed on its behalf by:



S Malcolmson
Director

Company Number: 5840786

THE RUMI FOUNDATION

COMPANY BALANCE SHEET AS AT 31 MARCH 2024

	Notes	2024 £	2023 £
Fixed Assets			
Tangible fixed assets	12	1,726,328	1,825,683
Investments	13	3,511,691	3,164,748
Investment properties	14	137,220,638	144,667,870
		<hr/>	<hr/>
		142,458,657	149,658,301
Current Assets			
Debtors	15	877,066	4,857,267
Cash at bank and in hand		6,393,075	12,522,648
		<hr/>	<hr/>
		7,270,141	17,379,915
Creditors: amounts falling due within one year	17	(6,578,783)	(9,143,868)
		<hr/>	<hr/>
Net Current Assets		691,358	8,236,047
Creditors: amounts falling due after more than one year	18	(80,811,037)	(94,196,095)
		<hr/>	<hr/>
Net Assets		62,338,978	63,698,253
		<hr/>	<hr/>
Represented by:			
Unrestricted			
Accumulated fund	20	61,746,312	62,208,158
Revaluation reserve	20	592,666	1,490,095
		<hr/>	<hr/>
		62,338,978	63,698,253
		<hr/>	<hr/>

The Foundation has taken advantage of the exemption under section 408 of the Companies Act 2006 from publishing its individual income statement, statement of other comprehensive income and related notes.

The company's loss in the year ended 31 March 2024 was £1,359,274 (2023: £16,352,083).

The accounts were approved and authorised for issue by the Board of Directors on 8 July 2024 and were signed on its behalf by:



S Malcolmson
Director

Company Number: 5840786

THE RUMI FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR TO 31 MARCH 2024

Operating activities	Notes	2024 £	2023 £
Net loss		(1,359,275)	(16,352,083)
Depreciation charge		115,912	106,222
Amortisation of capitalised expenses		116,051	-
Loss on disposal of investment property		157,167	-
Interest paid		6,610,589	4,239,116
Interest received		(473,697)	(231,830)
Change in debtors		3,980,201	819,012
Change in creditors		1,434,993	429,218
Revaluation gain		(808,946)	-
Revaluation loss		-	15,575,460
Impairment of investments		-	712,500
Net cash generated from operating activities		9,772,995	5,297,615
Investing activities			
Additions to fixed assets		(16,557)	(149,331)
Additions to investment properties		(3,190,713)	(998,536)
Proceeds from disposal of investment properties		11,250,000	-
Additions to investments		(356,795)	(960,517)
Disposals of investments		9,852	-
Interest received		473,697	231,830
Net cash inflow / (outflow) from investing activities		8,169,484	(1,876,554)
Financing activities			
New loans		-	4,000,000
Loans repaid		(17,461,463)	(458,149)
Interest paid		(6,610,589)	(4,239,116)
Net cash generated from / (used in) financing activities		(24,072,052)	(697,265)
(Decrease) / increase in cash and cash equivalents		(6,129,573)	2,723,796
Cash and cash equivalents at beginning of the year		12,522,648	9,798,852
Cash and cash equivalents at the end of the year	23	6,393,075	12,522,648

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2024

1 Legal status

The Rumi Foundation ("the Foundation") is a private company limited by guarantee (Company number: 5840786) and a registered charity (Charity number: 1115154) incorporated in England and Wales. The address of the registered office is 1st Floor, Clutha House, 10 Storey's Gate, London SW1P 3AY.

In the event of the charitable company being wound up the liability in respect of the guarantee is limited to £1 per member.

The average number of employees in the year was nil (2023: nil)

2 Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

(a) Basis of preparation

The consolidated 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 United Kingdom and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared under the historical cost convention as modified by the valuation of certain assets including investment properties, in accordance with the Group's accounting policies.

The group's functional currency is sterling (£).

The Foundation is a public benefit entity and the Group is a public benefit group, as defined by FRS 102.

The principal accounting policies of the Group are set out below.

(b) Going concern

These financial statements have been prepared on a going concern basis.

The Trustees have reviewed their forecasts for the coming year, taking into account the impact of the high interest rate environment we are currently operating in. The Trustees noted that the Group has a diverse investment property portfolio, consisting of a number of properties with a range of uses, its covenants with its tenants are strong, and it also has a portfolio of other financial investments contributing to a consolidated net current asset position of £691,458 at 31 March 2024. Therefore the Trustees consider that there is reasonable assurance the Group and the Foundation will have sufficient resources to enable them to continue in operation for the foreseeable future, being a period of no less than one year from the date of approval of these Financial Statements. Accordingly, the going concern basis has been adopted in the preparation of the financial statements.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2024 (continued)

2 Accounting policies (continued)

(c) Basis of consolidation

The group financial statements incorporate the financial statements of the Foundation and entities controlled by the Foundation (its subsidiaries) prepared to 31 March each year. Control is achieved where the Foundation has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired during the year are included in the Statement of Financial Activities from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group.

All intra-group transactions and balances and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

The Foundation has taken advantage of the exemption under section 408 of the Companies Act 2006 from publishing its individual income statement, statement of other comprehensive income and related notes.

(d) Business combinations and goodwill

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the group.

The cost of a business combination is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group in exchange for control and the costs directly attributable to the business combination. The consideration transferred includes the estimate of any asset or liability resulting from a contingent consideration arrangement where the transfer of further consideration is probable and can be measured reliably. Identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination are measured initially at their fair values at the acquisition date. Contingent liabilities are only recognised where the fair value can be measured reliably.

The group measures goodwill at the acquisition date as the excess of the cost of the business combination over the acquirer's interest in the net amount of the identifiable assets, liabilities and contingent liabilities recognised. Subsequently goodwill is amortised on a straight line basis over its useful life of three years.

When the excess is negative, the negative goodwill arising is recognised separately on the face of the balance sheet and released up to the fair value of the non-monetary assets as the non-monetary assets are recovered and otherwise in the periods expected to be benefited.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2024 (continued)

2 Accounting policies (continued)

(e) Income

All income is included in the Statement of Financial Activities when the Group is entitled to the income and the amount can be quantified with reasonable accuracy and the receipt is considered to be probable.

Voluntary income is received by the way of donations and is included in full in the Statement of Financial Activities when receivable.

Investment income relates to interest on bank deposits, rental income arising from investment properties and interest on long term secured debt. Investment income is recognised on an accruals basis. Rental income is recognised as earned with the cost of any lease incentives being spread equally over the lease term. Any rental income relating to future periods is recognised in deferred income.

Other trading income relates to sales of development properties and other miscellaneous income.

(f) Expenditure

Expenditure is recognised on an accruals basis, as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which relates.

- Grants are recognised at the earlier of payment and when a constructive obligation to the recipient is created. Any grant recognised but unpaid, is recognised as a creditor.
- Raising funds comprise the costs associated with attracting voluntary income.
- Real estate management comprise property management costs, financing costs and the cost of developments sold.
- Charitable expenditure comprises those costs incurred by the Group in the delivery of its activities and the services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- Governance costs are allocated between expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.

(g) Taxation

The tax expense represents the sum of the tax currently payable and any deferred tax.

The current tax charge is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. The Group's activities are charitable and therefore, to the extent that any surpluses are applied to its charitable objects, the Group is not liable to tax. In addition, its subsidiaries incur no current tax charge as all their profits, which would otherwise be taxable, are distributed to the Foundation by way of Gift Aid and thus no tax liability arises.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2024 (continued)

2 Accounting policies (continued)

(h) Taxation (continued)

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date, and where it is probable that a tax liability will arise. Deferred tax on investment property revaluation gains are not recognised where it is probable that the crystallised profits will be donated to the Group such that no tax liability will ultimately arise.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to the Statement of Financial Activities, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Whilst the tax expense is immaterial, it is recognised as a part of the cost of the relevant activity, rather than being disclosed separately in the Statement of Financial Activities.

(i) Tangible Fixed Assets

Tangible fixed assets are valued using the cost model and are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing an asset to the condition necessary for it to operate in the manner intended for it by the trustees.

Other than freehold land, depreciation is charged on assets so as to allocate their cost less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following basis:

Freehold buildings	- 4% straight line
Fixtures and fittings	- 20% straight line

(j) Investments

Investments are initially recognised at cost and subsequently at fair value, if this can be measured reliably; or if fair value cannot be measured reliably, at cost less impairment. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

(k) Social Investments

Programme related investments are held at fair value, if this can be measured reliably; or if fair value cannot be measured reliably, at cost less impairment. Where a decision is taken that a programme related investment should be held to generate a financial return and that the primary motivation for holding it is no longer to further the objects of the Foundation, it will be transferred to the main investment portfolio and measured accordingly.

(l) Investment properties

Investment properties which are properties held to earn rentals and / or capital appreciation are initially measured at cost and subsequently at fair value. Revaluation surpluses and deficits are recognised as part of the Statement of Financial Activities.

Where there is a mixed use property, the fair value of the investment element is included in Investment Properties and the cost is included in Tangible fixed assets, in accordance with FRS 102.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2024 (continued)

2 Accounting policies (continued)

(m) Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade (including rental) and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due.

Loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to proceeds received net of direct issue costs. These liabilities are subsequently measured at the amortised cost, using the effective interest rate method.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(n) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and bank deposits with maturities of three months or less.

(o) Recognition of liabilities

All expenditure is recognised once there is a legal or constructive obligation committing the Group to the expenditure.

(p) Funds structure

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group. Unrestricted funds comprise the revaluation reserve and general reserves. The revaluation reserve is the excess of the fair value of investment property over cost; the general reserves are the accumulated reserves of the Group, not otherwise classified as restricted reserves or revaluation reserves. Restricted funds are subject to restrictions on their expenditure imposed by the donor; currently there are no restricted funds.

(q) Foreign currency transactions

All transactions denominated in foreign currencies are translated at the rate of exchange ruling at the time of the transaction. All foreign exchange differences are taken to the Statement of Financial Activities in the period in which they arise. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated using the closing rate.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2024 (continued)

3 Key sources of estimation uncertainty and judgements

The preparation of the financial statements requires the use of estimates and assumptions that affect the amounts reported for the assets and liabilities as at the balance sheet date and the amounts reported for income and expenses for the year. Although these estimates and associated assumptions are based on historical experience and management's best knowledge of current events and actions, the actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Significant management judgements

Financial instruments classification

The classification of financial instruments as "basic" or "other" requires judgement as to whether all applicable conditions as basic are met. This includes consideration of the form and its return.

Recognition of grants payable

Grants payable are recognised at the earlier of payment or when a constructive obligation to the grant recipient arises. The point at which this occurs requires the exercise of judgement in the cases of conditional grants which have been advised to the recipients.

Significant management estimates

Valuation of investment property

Investment properties are included in the financial statements at their value at the year end, as required by FRS 102. Fair value is estimated based on expected future net income from the properties and market yield rates. The value of the investment properties is detailed in note 14.

Valuation of Programme Related Investments

The Trustees make a judgement in relation to the classification of investments between those made primarily for financial return and those held for non-financial objectives. Impairments to programme related investments are charged to Charitable Activities.

Programme related investments form a portfolio managed separately from the Group's other investments. These investments are held primarily to further the charitable aims of the Group rather than to provide a financial return. They are held at fair value, if this can be measured reliably; or if fair value cannot be measured reliably, at cost less impairment.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2024 (continued)

4 Voluntary income	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Donations	<u>1,165,214</u>	<u>250,000</u>	<u>1,165,214</u>	<u>250,000</u>

The income from donations was £1,165,214 (2023: £250,000) for the group.
All income was unrestricted.

The Foundation benefits greatly from the involvement and support of its volunteers, details of which are given in the Trustees' Annual Report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

5 Investment income	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Rental income	6,914,115	7,030,153	6,914,115	7,030,153
Interest on debt securities	144,453	85,617	144,453	85,617
Dividend income	-	3,069	-	3,069
Bank interest	329,244	146,213	329,244	146,213
	<u>7,387,812</u>	<u>7,265,052</u>	<u>7,387,812</u>	<u>7,265,052</u>

6 Other trading income	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Other income	88,185	21,203	88,185	21,203
	<u>88,185</u>	<u>21,203</u>	<u>88,185</u>	<u>21,203</u>

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2024 (continued)

7 Total Expenditure - Group

	Basis of allocation	Raising funds		Real Estate Management		Charitable activities		Total	
		2024 £	2023 £	2024 £	2023 £	2024 £	2023 £	2024 £	2023 £
Costs directly allocated to activities									
Grants	Direct	-	-	-	-	923,740	920,703	923,740	920,703
Other charitable activities	Direct	-	-	-	-	-	712,500	-	712,500
Disposal of investment property	Direct	-	-	296,213	-	-	-	296,213	-
Investment property expenses	Direct	-	-	2,303,200	1,735,982	-	-	2,303,200	1,735,982
Provision for doubtful debts	Direct	-	-	108,119	100,857	-	-	108,119	100,857
		<u>-</u>	<u>-</u>	<u>2,707,532</u>	<u>1,836,839</u>	<u>923,740</u>	<u>1,633,203</u>	<u>3,631,272</u>	<u>3,470,042</u>
Support costs allocated to activities									
Accountancy	Direct	-	-	67,188	57,947	-	-	67,188	57,947
Bank charges and fees	Direct	-	-	77,401	96,544	-	-	77,401	96,544
Interest on bank loans	Direct	-	-	6,610,589	4,239,116	-	-	6,610,589	4,239,116
		<u>-</u>	<u>-</u>	<u>6,755,178</u>	<u>4,393,607</u>	<u>-</u>	<u>-</u>	<u>6,755,178</u>	<u>4,393,607</u>
Governance costs allocated to activities									
Audit fees	Apportioned	16,666	15,705	16,667	15,705	16,667	15,705	50,000	47,115
Legal and professional	Direct	-	-	106,732	162,567	-	-	106,732	162,567
Other	Apportioned	88,750	79,849	88,750	79,849	88,750	79,849	266,250	239,547
		<u>105,416</u>	<u>95,554</u>	<u>212,149</u>	<u>258,121</u>	<u>105,417</u>	<u>95,554</u>	<u>422,982</u>	<u>449,229</u>
Total expenditure		<u>105,416</u>	<u>95,554</u>	<u>9,674,859</u>	<u>6,488,567</u>	<u>1,029,157</u>	<u>1,728,757</u>	<u>10,809,432</u>	<u>8,312,878</u>

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2024 (continued)

8 Grants and charitable expenditure		2024	2023
		£	£
Material Grants	Charitable Objective		
Clinton Foundation	Education	278,440	-
Obama Foundation	Education	278,440	-
Royal Foundation	Education	250,000	100,000
WE Charity UK	Education	-	100,000
Other Grants			
UK Education	Education	72,906	341,750
Equality Education	Education	35,050	156,591
UK Creative Industries	Education - Promotion of the Arts	8,904	33,070
Africa Education	Education	-	88,785
North America Education	Education	-	54,161
India Education	Education	-	28,846
UK Healthcare	Relief of poverty	-	17,500
		<u>923,740</u>	<u>920,703</u>

All grants were made to institutions. Further details of the key grants made during the year can be found in the Trustees' Annual Report.

9 Auditor's remuneration	2024	2023
	£	£
Fees payable to the Group's auditor for the audit of the Group's financial statements.	50,000	47,115
Accountancy and advisory fees	<u>5,187</u>	<u>8,060</u>
	<u>55,187</u>	<u>55,175</u>

10 Trustees' remuneration and expenses

No trustees received any remuneration during the year (2023: £Nil). In line with its policy on reimbursing expenses, a trustee was reimbursed for their travel costs totalling £3,695 (2023: £Nil). During the year a company controlled by a trustee received £62,533 (2023: £49,888) for the provision of accountancy services to the group, as detailed in Note 19.

11 Corporation Taxation

The Foundation is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2024 (continued)

12 Tangible fixed assets	Group			Company		
	Fixtures and Fittings £	Land and Buildings £	Total £	Fixtures and Fittings £	Land and Buildings £	Total £
Cost						
At 1 April 2023	149,331	2,110,000	2,259,331	149,331	2,110,000	2,259,331
Additions	16,557	-	16,557	16,557	-	16,557
At 31 March 2024	165,888	2,110,000	2,275,888	165,888	2,110,000	2,275,888
Depreciation						
At 1 April 2023	21,822	411,826	433,648	21,822	411,826	433,648
Charge for the year	31,512	84,400	115,912	31,512	84,400	115,912
At 31 March 2024	53,334	496,226	549,560	53,334	496,226	549,560
Net Book Value						
At 31 March 2024	112,554	1,613,774	1,726,328	112,554	1,613,774	1,726,328
At 31 March 2023	127,509	1,698,174	1,825,683	127,509	1,698,174	1,825,683

13 Investments

	Unlisted	Program	Subsidiaries	Total
	Investments	Related		
Group	£	Investments	£	£
At 1 April 2023	3,047,148	117,500	-	3,164,648
Additions	356,795	-	-	356,795
Impairment	-	-	-	-
Disposal	(9,852)	-	-	(9,852)
At 31 March 2024	3,394,091	117,500	-	3,511,591
Company				
At 1 April 2023	3,047,148	117,500	100	3,164,748
Additions	356,795	-	-	356,795
Impairment	-	-	-	-
Disposals	(9,852)	-	-	(9,852)
At 31 March 2024	3,394,091	117,500	100	3,511,691

At 31 March 2024, the Foundation's investments were held in the UK and USA.

Programme related investments form a portfolio managed separately from the Foundation's other investments. These investments are held primarily to further the charitable aims of the Foundation rather than to provide a financial return. They are held at fair value, if this can be measured reliably; or if fair value cannot be measured reliably, at cost less impairment, which is the case in this year. The Foundation has committed to provide further PRI funding of £750,000 during the year to 31 March 2025.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2024 (continued)

14 Investment properties

Group	Freehold £	Leasehold £	Total £
At 1 April 2023	137,432,345	7,235,525	144,667,870
Additions	3,072,531	118,182	3,190,713
Disposals	(11,407,167)	-	(11,407,167)
Amortisation of fees	(39,724)	-	(39,724)
Revaluation gains / (losses)	958,354	(149,408)	808,946
	<hr/>	<hr/>	<hr/>
At 31 March 2024	130,016,339	7,204,299	137,220,638
	<hr/>	<hr/>	<hr/>
Company	Freehold £	Leasehold £	Total £
At 1 April 2023	137,432,345	7,235,525	144,667,870
Additions	3,072,531	118,182	3,190,713
Disposals	(11,407,167)	-	(11,407,167)
Amortisation of fees	(39,724)	-	(39,724)
Revaluation gains / (losses)	958,354	(149,408)	808,946
	<hr/>	<hr/>	<hr/>
At 31 March 2024	130,016,339	7,204,299	137,220,638
	<hr/>	<hr/>	<hr/>

Historical cost of freehold properties at 31 March 2024 amounted to £128,876,892 (2023: £135,983,611) for the Group and Foundation. Historical cost of leasehold properties at 31 March 2024 amounted to £7,194,164 (2023: £7,194,164) for Group and Foundation. Additions are comprised of improvements to some of the properties during the year.

Investment properties have been valued by the Trustees taking account of independent professional advice. Fair value is estimated based on expected future net income from the properties and market yield rates.

15 Debtors	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Trade debtors	293,054	369,590	293,054	369,590
Other debtors	132,419	4,416,890	132,419	4,416,890
Accrued income	287,625	-	287,625	-
Prepayments	163,968	70,787	163,968	70,787
	<hr/>	<hr/>	<hr/>	<hr/>
	877,066	4,857,267	877,066	4,857,267
	<hr/>	<hr/>	<hr/>	<hr/>

In 2022 the Foundation disposed of one of its investment properties. Included in Other Debtors in 2023 was a loan of £4,320,000 extended to the purchasers of the property. The loan was repaid on 2 August 2023 reducing the balance outstanding at 31 March 2024 to £nil.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2024 (continued)

16 Operating leases with tenants

The Group leases out all its investment properties under operating leases. The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

Due:	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Not later than one year	3,903,331	3,823,430	3,903,331	3,823,430
Later than one year but within five years	5,956,359	4,833,042	5,956,359	4,833,042
Later than five years	4,991,664	5,563,826	4,991,664	5,563,826
	<u>14,851,354</u>	<u>14,220,298</u>	<u>14,851,354</u>	<u>14,220,298</u>

None of the leases entered into give tenants the right or option to purchase or contain contingent rents.

17 Creditors: Amounts falling due within one year

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	1,039,955	197,820	1,039,955	197,820
Secured bank loan	540,000	4,540,000	540,000	4,540,000
Accruals and deferred income	2,496,007	2,375,837	2,496,007	2,375,837
Other creditors	2,501,083	1,775,895	2,501,183	1,775,995
Other taxes and social security costs	1,638	254,216	1,638	254,216
	<u>6,578,683</u>	<u>9,143,768</u>	<u>6,578,783</u>	<u>9,143,868</u>

18 Creditors: Amounts falling due after one year

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Secured loan	20,000,000	22,000,000	20,000,000	22,000,000
Secured bank loan	60,811,037	72,196,095	60,811,037	72,196,095
	<u>80,811,037</u>	<u>94,196,095</u>	<u>80,811,037</u>	<u>94,196,095</u>

Bank loans

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Amounts due within one year	540,000	4,540,000	540,000	4,540,000
Amounts due within two to five years	60,811,037	72,196,095	60,811,037	72,196,095
	<u>61,351,037</u>	<u>76,736,095</u>	<u>61,351,037</u>	<u>76,736,095</u>

The secured bank loan is secured with a charge against the properties to which the loan relates, the value of the properties offered as security is £137,220,638 (2023: £144,667,870). The loan is repayable in 2026, and interest on the loan accrues at 2% above SONIA.

The Secured loan is secured by a second charge against the security properties in the above note. The loan is repayable in 2026 and interest on the loan accrues at a fixed rate of 8%.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2024 (continued)

19 Related party transactions and key management personnel

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the Foundation. In the opinion of the Trustees, key management are the board of Trustees. The Trustees appoint specialist advisors for professional support where necessary.

During the year Aristeia Accounting Limited, a company controlled by Stuart Malcolmson who is also a Trustee of the Foundation, invoiced £62,533 (2023: £49,888) for the provision of accountancy services, of which £5,000 (2023: £5,200) was unpaid at the year end.

During the year David Muriithi, a Trustee, received £3,695 (2023: £Nil) for his travel costs, which were wholly incurred whilst fulfilling his duties as a Trustee.

20 Movements in funds

	Revaluation reserve £	Accumulated fund £	Total Funds £
Group			
At 1 April 2023	1,490,095	62,208,158	63,698,253
Income	-	8,344,998	8,344,998
Expenditure	-	(10,513,219)	(10,513,219)
Revaluation gains on investment properties	808,946	-	808,946
Realisation of revaluation on disposal of investment property	(1,706,375)	1,706,375	-
	<hr/>	<hr/>	<hr/>
Movement for the year	(897,429)	(461,846)	(1,359,275)
At March 2024	<hr/> <u>592,666</u>	<hr/> <u>61,746,312</u>	<hr/> <u>62,338,978</u>
Company			
At 1 April 2023	1,490,095	62,208,158	63,698,253
Income	-	8,344,998	8,344,998
Expenditure	-	(10,513,219)	(10,513,219)
Revaluation gains on investment properties	808,946	-	808,946
Realisation of revaluation on disposal of investment property	(1,706,375)	1,706,375	-
	<hr/>	<hr/>	<hr/>
Movement for the year	(897,429)	(461,846)	(1,359,275)
At 31 March 2024	<hr/> <u>592,666</u>	<hr/> <u>61,746,312</u>	<hr/> <u>62,338,978</u>

21 Financial instruments

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Financial assets				
Financial assets measured at fair value through the profit & loss	3,511,591	3,164,648	3,511,691	3,164,748
	<hr/>	<hr/>	<hr/>	<hr/>

All other financial assets and liabilities are measured at amortised cost.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2024 (continued)

22 Subsidiaries

Details of the company's subsidiaries at 31 March 2024 are as follows:

Name of undertaking	Registered	Nature of business	Class of shares held	2024 % Held Direct	2023 % Held Direct
Hundred Squared Limited	12602560 England and Wales	Dormant	Ordinary	100	100

Summary financial information of the significant subsidiaries at 31 March 2024:

	Hundred Squared Limited
Turnover	-
Fair value gain	-
Expenses	-
Loss	-
Assets	100
Liabilities	-
Net Assets	100

Gift Aid donations to the Foundation are excluded from the profit and loss information above.

23 Analysis of changes in net debt

	At 1 April 2023	Cash Flows	At 31 March 2024
Cash and cash equivalents			
Cash and cash equivalents	12,522,648	(6,129,573)	6,393,075
	12,522,648	(6,129,573)	6,393,075
Borrowings			
Debt due within one year	(4,540,000)	4,000,000	(540,000)
Debt due after one year	(94,196,095)	13,385,058	(80,811,037)
	(98,736,095)	17,385,058	(81,351,037)
Total Net Debt	(86,213,447)	11,255,485	(74,957,962)

THE RUMI FOUNDATION

England & Wales - Charity number 1115154

Accounts

Company Number: 5840786
Charity Number: 1115154

THE RUMI FOUNDATION
REPORT AND ACCOUNTS

For the year ended

31 MARCH 2023

THE RUMI FOUNDATION

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THE RUMI FOUNDATION

TRUSTEES AND ADVISORS

Trustees and Directors	S Malcolmson D Muriithi B Pollard
Secretary	S Malcolmson
Registered office	1st Floor Clutha House 10 Storey's Gate London SW1P 3AY
Bankers	National Westminster Bank Plc Piccadilly and New Bond Street 63 Piccadilly London W1J 0AJ
Auditor	CLA Evelyn Partners Limited Statutory Auditor 45 Gresham Street London EC2V 7BG
Tax Advisors	Evelyn Partners LLP Accountants 45 Gresham Street London EC2V 7BG
Legal Advisors	BDB Pitmans LLP 1 Bartholomew Close London EC1A 7BL
Property Advisors	Coreprop Group Limited 92 Banner Street London EC1Y 8JU
Company registration number	5840786
Charity registration number	1115154

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT incorporating the Strategic Report and Directors' Report

The Trustees present their report and the accounts for the year ended 31 March 2023.

Structure, Governance and Management

The Rumi Foundation ("the Foundation") is a charitable company limited by guarantee, established under a Memorandum and Articles of Association adopted by the Foundation on incorporation on 8 June 2006, as amended by the Articles of Association adopted on 27 October 2019. The Foundation was registered as a charity on 7 July 2006. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

The Trustees of the Foundation are also directors for the purposes of company law under the company's Articles and are shown on page 2 to this report. The Trustees who served during the year are listed below:

- B Pollard
- D Muriithi
- S Malcolmson

Organisational structure

The Rumi Foundation has a Board made up of three Trustees who meet at least twice a year and are responsible for managing the business of the Foundation. The Foundation retains third party professional managers to oversee its property portfolio. The Foundation's legal advisors are BDB Pitmans LLP.

At the year end the Foundation's corporate structure includes one subsidiary, Hundred Squared Limited, which is dormant and is 100% owned by the Foundation. The Trustees appoint the directors of the subsidiary.

Trustees' recruitment and appointment

Under the requirements of the Articles of Association the Trustees are appointed for fixed terms in office of a maximum of three years, and on retirement are eligible for re-appointment subject to the conditions in the Articles. New Trustees are recruited by the board and are selected for their experience and knowledge of the areas in which the Foundations operates.

The Trustees have adopted a skills matrix and are recruited for their expertise and experience. The role of Trustee does not carry any remuneration, as such all Trustees give their time freely and no Trustee remuneration or expenses were paid in the year (2022: £nil). Trustees are required to disclose all related interests, any such interests or transactions are shown in Note 19 and in accordance with the Foundation's policies withdraw from decisions where a conflict of interest arises.

The Trustees have adopted a Trustees' Roles and Responsibilities Policy, which includes a Trustees' Code of Conduct.

Trustee Induction and Training

As part of their induction programme any new Trustees are made aware of their responsibilities as Trustees.

The existing Trustees recognise the need to have regular training on their roles and responsibilities and continuously seek to educate themselves to improve their skills and best practices. The Trustees appoint specialist advisors for professional support where necessary.

Risk Policy

The Trustees have adopted a Risk Assessment Register which considers the major risks to which the Foundation is exposed and sets out systems and procedures to mitigate them. The Trustees consider the major risk to be the safety of, and investment returns on, its funds. The Trustees seek professional advice to manage risks as appropriate.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT

incorporating the Strategic Report and Directors' Report (continued)

The Trustees have specifically considered a number of business risks such as: the credit-worthiness of its tenants and debtors, the risk of changes in interest rates and the risks associated with property investment. The Foundation has made investments where the Trustees believe such risks are as low as possible and the Trustees seek professional advice where appropriate.

Reserves policy

The Trustees have formalised the Foundation's reserves policy with reference to Charity Commission guidance (CC19) and accounting standards (as disclosed in note 2a). The Trustees have adopted a policy which defines free reserves as funds which are available for use by the Foundation, which are deemed to be those that are readily realisable in liquid investments, excluding any funds whose uses are restricted or else designated for any particular purposes (no such funds currently exist).

The policy specifies that the Foundation's free reserves should not, as a minimum, fall below the amount required to run its charitable activities for at least one year should there be any call for funds on the Foundation, bearing in mind the levels of stable income which the Foundation currently receives. The Foundation's charitable giving and associated overheads, amounts to approximately £1.7 million per annum and the free reserves did not fall below this target.

At the year end, the aggregate cash position of the Foundation and its subsidiaries (together 'the Group') was around £12.5 million and this represented the Foundation's free reserves balance. The Group expects to receive around £7 million in annual rental income from its investment properties.

The Trustees are comfortable that the level of reserves held at the end of the financial year are suitable, despite being in excess of the levels required by its long term policy, detailed above. This year the Trustees have continued their cautious approach to the Foundation's finances due to operating in the current high interest and high inflation environment, which is likely to only get worse in the year ahead. The Foundation held a large cash balance and projects relatively secure rental income from its UK real estate investments in the coming year, which will provide a source of continuing reliable income.

The Trustees have examined the future anticipated cash flows of the Foundation and are satisfied that the Foundation has sufficient resources to meet its continuing obligations.

Investment Policy

The Trustees have created an investment policy to further the Foundation's charitable objectives and are aware of the Charity Commission's guidance (CC14) on the importance of managing risk in the formation of the Foundation's investment policy. As the Foundation's charitable objectives include the furtherance of charitable purposes both in the UK and overseas, the investment policy aims to invest its funds to create revenue streams in areas where the Foundation is undertaking or planning to undertake charitable activities.

The investment policy is to make appropriate investments achieving a reasonable balance of risk and reward in a range of both short and long-term investments. The Trustees leverage their own investment skills and also seek independent advice where appropriate to ensure that this balance is met.

The current investment strategy of the Foundation is to continue to build its capital to create an Expendable Endowment which can support a larger number of long-term projects in the future. In the current economic environment, the Trustees consider an appropriate target return to be 3% - 5%, in a blend of income and capital appreciation. The Trustees have regard to environmental, social and ethical considerations in evaluating potential investment opportunities for the Foundation.

The focus of the Foundation's investment policy for the year was to maintain its income-yielding investments and to maximise the value of those investments through good asset management techniques. The Foundation's realised return on investment in the current financial year was within the target range, however there is a revaluation loss recognised in the year in respect of investment properties which means the overall return on investment is not. The Trustees are however satisfied that the overall return across a 5 year period is within the target range.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT

incorporating the Strategic Report and Directors' Report (continued)

The Trustees also recognise that by making social investments The Foundation can invest to directly meet its charitable objects. During the year the Foundation provided further funds to its existing programme related investment. The investment was made exclusively to further the charitable aims of The Foundation by providing seed funding to scientific projects that will bring benefit to all mankind and relieve poverty. Any future financial return is not the primary reason for making the investment and on the basis the Foundation does not expect a financial return for approximately 5 years, at least, an impairment has been recognised against these investments thereby reducing the carrying value of accumulated programme related investments. Further details of the programme related investment are given in Note 13.

During the financial year, the Trustees continued to improve the Foundation's existing property portfolio by renovating vacant units and improving common parts, whilst renegotiating rents with existing tenants. Investment properties have been valued by the Trustees taking account of independent professional advice.

During the year the Trustees added £210,517 (2022: £2,561,779) to the Foundation's other financial investments. Their intention in making these investments is to reduce risk and diversify future revenue streams. The value of the Foundation's other financial investments at the year end was £3,047,148 (2022: £2,836,631). Rental income was consistent with the previous year and is expected to increase as vacant offices are let. The Foundation monitors the covenants of its tenants to maximise the sustainability of its rental income. Rates of return on bank deposit accounts increased during the year, to the benefit of the Foundation, which received interest on its cash deposits of £146,213 (2022: £3). With these investments, the Foundation continued to increase its annual income and to receive the requisite earnings from its investments to fund its activities through the financial year.

Fundraising Policy

The Foundation is in compliance with the Charities (Protection and Social Investment) Act 2016. The Foundation does not fundraise and has not subscribed to any bodies that promote fundraising standards. The Foundation has not received any complaints about fundraising or of the activities of any person acting on behalf of the Foundation.

Grant-Making Policy

The Trustees have an established grant making framework whereby the Foundation works with large, established foundations to, together, support smaller, grassroots organisations that are making changes in an innovative way. The purpose of this grant making framework is to leverage the Foundation's impact by building up and maintaining strong long-term relationships with its strategic grant partners, which enables the Foundation to scale the impact of its activities. Furthermore, the Foundation's general policy is to enter longer-term relationships as it enables the Foundation to build up a more meaningful and productive dialogue with the grant recipient.

As part of its due diligence procedures on potential grant recipients, the Foundation ordinarily meets with every organisation it is considering funding and interviews them. Where appropriate the Foundation then records the terms on which it provides its grants in written grant agreements using Grant Offer Letters and Terms & Conditions and Grant Reporting Forms. The Foundation monitors the application and impact of its grant funding by meeting with each grant recipient on a regular basis to carry out a detailed assessment of the grant activities. In addition, the Foundation conducts site visits to the projects supported by some of its larger grants.

Objectives and Activities for the Public Benefit

The objects and purposes of the Foundation as set out in its Articles, are:

- the advancement of education of the public of any age in the UK and overseas and in particular, but without prejudice to the generality of the foregoing:
 - the provision, support and promotion of the education of children and young people in schools and institutions of further and higher education;
 - the education of disadvantaged members of the public;
 - the promotion of the arts; and
- the relief of poverty.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT

incorporating the Strategic Report and Directors' Report (continued)

The Trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when exercising their powers and duties and also when reviewing the Foundation's aims and objectives, when setting the grant-making policy for the year and planning future activities.

The Trustees are satisfied that the processes and activities of the Foundation satisfy the public benefit test set out in s.4 Charities Act 2011.

The Foundation carries out these objects in the shorter term by providing financial support to schools, universities, healthcare and educational programmes that have a specific focus on the advancement of education, the relief of poverty, or both. The Foundation also provides financial support to schools in the most disadvantaged areas of the world, aimed at both educating disadvantaged members of the public and relieving poverty. In the longer term, the Foundation seeks to promote and support research into scientific and human advancement at educational institutions, specifically in areas which will further the education of, and relieve poverty amongst, the disadvantaged. This will further the Foundation's objects of the relief of poverty and promoting education. The intention is to partner with those particularly focused around social sciences, healthcare, technology and creative industries, where any innovation is most likely to further the Foundation's objects. The Trustees are aware that such collaborations may also lead to significant private benefit. Any projects supported will be carefully assessed for this risk and measures will be implemented to ensure any private gain is incidental to the benefit provided to humanity as a whole. The Foundation also aims, in particular, to support the education of girls.

Achievements and Performance during the period and plans for the future

The Foundation continued to work with existing charitable partners and sought to identify new long term partners to help fulfil its charitable vision.

The Foundation focused its partnerships this year on the education, empowerment and advancement of young people in our society today, and on community engagement and civic involvement. Education provides a route out of poverty for young people and prevents future generations from having to experience poverty. Also by having educated, motivated people actively engaging with their community the benefits of any educational programme or one designed to relieve poverty can be brought to individuals that were not initially involved with that programme.

The Foundation assesses how its giving meets its objects and measures the success of the programmes or other charities it has funded against a number of criteria. These include the number of people that have been helped, has the project or organisation grown and is there potential for future growth, the objective and subjective impact any funding has had on a community or organisation and whether any future giving will provide further impact. When measured against these criteria the Foundation had a very successful year. Future giving will continue to be measured against these criteria. The Trustees will continue learning from and improving their work and seeking the best opportunities for the Foundation to further its objects.

Details of grant funding and charitable expenditure are set out in Note 8. Further details of selected initiatives are set out below.

Drawing on their experience of working with charitable partners in previous years, the Trustees wanted to explore whether the networks the Foundation has built could successfully be used to connect charitable organisations with each other. As the Foundation has continued to mature, the Trustees were increasingly able to identify the unique ability of the Foundation to work with large, established foundations all around the world and at the same time to support smaller, grassroots foundations that are making change in an innovative way. Through the Trustees' unique networks, the Foundation can match these young changemakers with established foundations, further helping their growth and allowing them to access funding and recognition on a larger scale. The Foundation acts as an accelerator for social impact enterprises and organisations.

The Trustees use their networks and entrepreneurial skills to find innovative organisations that are making change at the grassroots level and provides these charities with funding to develop their ideas and to experiment and test how they can make the most impact. The Foundation provides guidance and mentorship and local networks to these young founders, and then connects the charities with larger, global organisations who help them grow, can provide them with additional levels of funding, and can give them access to best practices and networks of similar organisations around the world.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT

incorporating the Strategic Report and Directors' Report (continued)

As the Foundation has entered into discussions with its grantees, it has also become clear how important it is for these charities to receive some unrestricted funds to allow them to satisfy their core costs, rather than to restrict funding to specific projects and not to underlying costs. The Trustees work with the grantees, particularly the smaller charities, to ensure that they are allocating the Foundation's funds wisely, are acting in accordance with the Trustees' suggestions and guidance, and that their impact is measured against the criteria given above. Where funds have been allocated to support a particular project, this is indicated below.

The Jane Goodall Institute

The Foundation initiated a partnership with the Jane Goodall Institute to further its object of education. The Jane Goodall Institute operates globally, inspiring and supporting young people to become creative, compassionate and responsible change makers in their communities and to carry that passion on as they become future leaders.

The Jane Goodall Institute runs its educational program 'Roots and Shoots' in North America, Europe, Africa, Asia and Pacific regions. Young people enrolled in this program are offered support in finding innovative projects that provide solutions for issues that may be effecting their communities, such as climate change, environmental degradation or social injustice. The young people are encouraged to use four steps of the Roots and Shoots Formula to complete their community service project. As a supporter of the Roots and Shoots programme, representatives from the Foundation have attended events hosted by the Jane Goodall Institute and directly witnessed its impact and the community spirit created amongst the young people.

Royal Foundation

The Foundation continued its relationship with the Royal Foundation, the charitable organisation of the Prince and Princess of Wales. The Foundation provided unrestricted core funding, that will be magnified many times and have huge impact, for the Earthshot Prize which was launched by the Prince of Wales in October 2020. The Prize will run between 2021 and 2030 and will be awarded annually to 5 winners whose solutions substantially help the environment and therefore work to relieve poverty, by halting or even reversing the degradation of the planet, which disproportionately effects the world's poorest people. The prize fund will distribute £50 million over the course of the next decade. The Foundation also supported the mental health programmes of the Royal Foundation. The support was given with the intention of introducing some of the Foundation's innovative, grassroots charities that focus on educating those suffering with mental health issues to the Royal Foundation, increasing their impact and scale. Representatives of the Foundation worked closely with staff of the Royal Foundation to co-ordinate and plan for further engagement during the next financial year to continue to benefit disadvantaged members of the public and its mission to relieve poverty.

Kings College - The Global Institute for Women's Leadership

The Foundation continued its relationship with the Global Institute for Women's Leadership, an innovative charity that engages in rigorous academic research with the aim of playing a key role in driving gender equality in leadership. The Foundation gave unrestricted funding that has helped to facilitate research by Global Institute for Women's Leadership to provide insights that policymakers, practitioners and campaigners can use to make evidence-based decisions, effective interventions and policies that create real change.

African Gifted Foundation

During the year the Foundation began a new relationship with the African Gifted Foundation. The African Gifted Foundation provides opportunities to gifted young women from across Africa, with a specific focus on the teaching of STEM (Science, Technology, Engineering and Mathematics) subjects. It achieves this by operating Africa's first STEM academy for academically gifted girls.

Representatives of the Foundation met with representatives of the African Gifted Foundation to discuss the application, use and impact of the Foundation's grant. The grant furthers the Foundation's objects of education of disadvantaged members of the public and the relief of poverty.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT

incorporating the Strategic Report and Directors' Report (continued)

Mandela Heritage Collection

During the year the Rumi Foundation provided funding to establish a permanent photographic exhibition charting the life of Nelson Mandela, hosted in the Nelson Mandela Capture Site Museum in Natal, South Africa. The exhibition is part of the museum's educational tour, where visitors can learn about the history of South Africa and how Nelson Mandela first influenced and then changed it. Making this grant meets the Foundation's objects of educating disadvantaged members of the public.

Renaissance Foundation

The Renaissance Foundation is a key smaller, grassroots organisation that seeks to empower young people aged 12-18 experiencing significant challenges in their lives. The Renaissance Foundation runs a 3 year tailored outreach programme which aims to inspire and support disadvantaged young people facing barriers to education, work and fulfilment. The Renaissance Foundation also offers a space known as the Hub, where young people, including young carers who care for family members that may have physical or mental health problems or substance abuse issues, can gain some respite. Representatives of the Rumi Foundation have met regularly with the Renaissance Foundation to assess the impact of its giving.

Queens Commonwealth Trust

The Queen's Commonwealth Trust (QCT) operates in 56 Commonwealth countries, supporting a network of over 850 young leaders aged 18-35. The young leaders are supported over a 2 year period through the Youth Ventures Programme, where the QCT work side by side with the young leaders and their teams to build resilient organisations which will deliver more value for, and impact in, their communities. The Rumi Foundation receives regular updates showing the impact of its giving, furthering its charitable objects of educating disadvantaged members of the public and the relief of poverty. The Rumi Foundation is proud to support the QCT in its work.

Inspiring Girls International

Inspiring Girls International works in partnership with other charities and businesses around the world to help educate and inspire girls around the world to achieve their ambitions. In the last year Inspiring Girls teams held 835 events, reached 55,089 and registered 2,244 role models. and expanded to include 9 new global teams in Australia, Algeria, Belgium, Guatemala, Jersey, Poland, Portugal, Switzerland and Russia. As a result Inspiring Girls is now active in 28 countries around the world. The Foundation was an early donor to Inspiring Girls International and it is great to see the impact of these funds and the growth of its work educating and empowering women directly empowers whole families to improve their economic well-being.

Other Initiatives

The Foundation also supported a number of other organisations including institutions within the creative industries, educational projects and children's charities in the UK and across the globe to further all of the Foundation's objectives.

Financial Review

The Foundation had a successful year in an increasingly challenging economic environment. Due to changes in working habits brought about by the response to COVID 19 and increasing interest rates, the Trustees took the prudent and cautious decision to write down the value of the Foundations investment property portfolio based on advice from professional external valuers, causing the Foundation to show a large loss in the year. This decision was made with the expectation that property values are likely to recover over the next 2 or 3 years. The Foundation's income is mainly rental income derived from its investment property portfolio, the operation of which has inherent costs associated with it, however where possible the Trustees sought to reduce costs. The Foundation also benefitted from the elimination of exceptional costs as a result of COVID 19, such as bad debts, when compared to the previous year. The Trustees continue to seek to build a long-term Expendable Endowment for the Foundation to allow it to sustainably increase its charitable giving without eroding the Foundation's capital base. This will allow the Foundation to continue to grow in size as it finds more long-term major charitable projects with which it can partner, both large and small.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT

incorporating the Strategic Report and Directors' Report (continued)

Going Concern

Over the last year, global and national events have left most advanced economies with inflation levels greatly in excess of previous forecasts with Central Banks increasing interest rates to combat it and the UK is no exception to this trend. The Trustees, taking into account the expected impact of the high interest and high inflation environment we are currently operating in, consider that the investment and reserves policies they have put in place are sufficient to allow the Foundation to continue to meet its charitable purposes for the foreseeable future. The Trustees will be monitoring the economy and seek to find ways for the Foundation to support those most impacted and in greatest need.

Trustees' Responsibilities Statement

The Trustees (who are also directors of The Rumi Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) and The Financial Reporting Standard 102. 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 the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- and follow the applicable UK Accounting Standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the that the Group will continue in business.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company and Group's transactions and disclose with reasonable accuracy, at any time, the financial position of the charitable company and Group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

In accordance with Section 485 of the Companies Act 2006, the Trustees confirm that CLA Evelyn Partners Limited have been reappointed as auditors of the company.

Awareness of relevant audit information

The Trustees of the company confirm that, in fulfilling their duties as Trustees, they have:

- taken all the necessary steps in order to make themselves aware of any information relevant to the audit and to establish that the auditors are aware of that information; and
- so far as they are aware, there is no relevant audit information of which the auditors have not been made aware.

Approved by the board of trustees and signed on behalf of the board



S Malcolmson
Trustee

Date: 7 August 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RUMI FOUNDATION

Opinion

We have audited the financial statements of The Rumi Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated & Parent Charitable Company Balance Sheets, the Consolidated Statement of Cash Flows and the 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 FRS 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 group's and of the parent charitable company's affairs as at 31 March 2023 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Report and Accounts, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report and Accounts. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RUMI FOUNDATION (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report, which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Trustees' Annual Report.

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the trustees (who are directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent 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 the Companies Act 2006 and under section 151 of the Charities Act 2011, and report in accordance with those Acts 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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RUMI FOUNDATION
(CONTINUED)**

We obtained a general understanding of the group's and charitable parent company's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We obtained an understanding of the group's and charitable parent company's policies and procedures in relation to compliance with relevant laws and regulations. We also drew on our existing understanding of charity regulation.

We understand that the group and charitable parent company complies with the framework through:

- Updating operating procedures and internal controls as legal and regulatory requirements change; and
- The Trustees' close oversight through regular board meetings.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the group's and charitable parent company's ability to conduct operations and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significant in the context of the charitable group:

- FRS 102 and the requirements of the Companies Act 2006 in respect of the preparation and presentation of the financial statements;
- Health and safety regulations, including building and fire safety; and
- Charity law and regulation.

The senior statutory audit led a discussion with all members of the engagement team regarding the susceptibility of the group's and charitable parent company's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were the risk of manipulation of the financial statements through manual journal entries, and incorrect treatment of the valuation of investment properties.

The procedures we carried out to gain evidence in the above areas included testing:

- A sample of manual journal entries, selected through applying specific risk assessments based on the group's and charitable parent company's processes and controls surrounding manual journals;
- Making enquiries of the Trustees as to the risks of and any instances of non-compliance with laws and regulations;
- Reading minutes of meetings of trustees and enquiring into any correspondence between regulators and the charitable company; and
- Reviewing support for the valuation of investment properties.

The senior statutory auditor was satisfied that the engagement team collectively had the appropriate competence and capabilities to identify or recognise irregularities.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charitable company, and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

CLA Evelyn Partners Limited

Daniel Quilter

Senior Statutory Auditor, for and on behalf of
CLA Evelyn Partners Limited
Statutory Auditor
Chartered Accountants
Date: 7 August 2023

45 Gresham Street
London
EC2V 7BG

THE RUMI FOUNDATION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING THE INCOME & EXPENDITURE ACCOUNT**

FOR THE YEAR TO 31 MARCH 2023

		Total Funds	Total Funds
		31 March 2023	31 March 2022
	Notes	£	£
Income from:			
Voluntary income	4	250,000	710,000
Investment income	5	7,265,052	6,922,525
Other trading income	6	21,203	27,345
Total income		<u>7,536,255</u>	<u>7,659,870</u>
Expenditure on:			
Raising funds			
Administrative costs	7	95,554	71,037
Real Estate Management			
Administrative costs	7	2,249,451	3,430,343
Interest payable	7	4,239,116	2,556,207
Charitable activities	7	1,728,757	2,141,135
Total expenditure		<u>8,312,878</u>	<u>8,198,722</u>
Net (loss) / gain on investments		(15,575,460)	4,160,973
Net (loss) / income and net movement in funds		<u>(16,352,083)</u>	<u>3,622,121</u>
Funds as at 1 April		80,050,336	76,428,215
Funds as at 31 March		<u>63,698,253</u>	<u>80,050,336</u>

All income and expenditure derive from continuing activities.

THE RUMI FOUNDATION

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2023

	Notes	2023 £	2022 £
Fixed Assets			
Tangible fixed assets	12	1,825,683	1,782,574
Investments	13	3,164,648	2,916,631
Investment properties	14	144,667,870	159,244,794
		<hr/>	<hr/>
		149,658,201	163,943,999
Current Assets			
Debtors	15	4,857,267	5,676,279
Cash at bank and in hand		12,522,648	9,798,852
		<hr/>	<hr/>
		17,379,915	15,475,131
Creditors: amounts falling due within one year	17	(9,143,768)	(4,714,550)
		<hr/>	<hr/>
Net Current Assets		8,236,147	10,760,581
Creditors: amounts falling due after more than one year	18	(94,196,095)	(94,654,244)
		<hr/>	<hr/>
Net Assets		63,698,253	80,050,336
		<hr/>	<hr/>
Represented by:			
Unrestricted charity funds			
Accumulated fund	20	62,208,158	62,984,781
Revaluation reserve	20	1,490,095	17,065,555
		<hr/>	<hr/>
		63,698,253	80,050,336
		<hr/>	<hr/>

The accounts were approved and authorised for issue by the Board of Directors on 7 August 2023 and were signed on its behalf by:



S Malcolmson
Director

Company Number: 5840786

THE RUMI FOUNDATION

COMPANY BALANCE SHEET AS AT 31 MARCH 2023

	Notes	2023 £	2022 £
Fixed Assets			
Tangible fixed assets	12	1,825,683	1,782,574
Investments	13	3,164,748	2,920,989
Investment properties	14	144,667,870	159,244,794
		149,658,301	163,948,357
Current Assets			
Debtors	15	4,857,267	5,677,429
Cash at bank and in hand		12,522,648	9,793,344
		17,379,915	15,470,773
Creditors: amounts falling due within one year	17	(9,143,868)	(4,714,550)
		8,236,047	10,756,223
Net Current Assets			
Creditors: amounts falling due after more than one year	18	(94,196,095)	(94,654,244)
		63,698,253	80,050,336
Net Assets			
Represented by:			
Unrestricted			
Accumulated fund	20	62,208,158	62,984,781
Revaluation reserve	20	1,490,095	17,065,555
		63,698,253	80,050,336

The Foundation has taken advantage of the exemption under section 408 of the Companies Act 2006 from publishing its individual income statement, statement of other comprehensive income and related notes.

The company's loss in the year ended 31 March 2023 was £16,352,083 (2022: surplus of £3,622,121).

The accounts were approved and authorised for issue by the Board of Directors on 7 August 2023 and were signed on its behalf by:



S Malcolmson
Director

Company Number: 5840786

THE RUMI FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR TO 31 MARCH 2023

Net cash generated from operating activities	Notes	2023 £	2022 £
Net (loss) / income		(16,352,083)	3,622,121
Depreciation charge		106,222	84,400
Interest paid		4,239,116	2,556,207
Interest received		(231,830)	(3)
Change in debtors		819,012	(367,288)
Change in creditors		429,218	985,671
Revaluation gain		-	(4,160,973)
Revaluation loss		15,575,460	-
Impairment of investments		712,500	1,520,000
Net cash generated from operating activities		5,297,615	4,240,135
Investing activities			
Additions to investment properties		(998,536)	(8,121,027)
Disposals of investment properties		-	2,880,000
Additions to investments		(960,517)	(4,161,779)
Additions to fixed assets		(149,331)	-
Interest received		231,830	3
Net cash outflow from investing activities		(1,876,554)	(9,402,803)
Financing activities			
New loans		4,000,000	-
Loans repaid		(458,149)	(458,148)
Interest paid		(4,239,116)	(2,556,207)
Net cash outflow from financing activities		(697,265)	(3,014,355)
Increase / (decrease) in cash and cash equivalents		2,723,796	(8,177,023)
Cash and cash equivalents at beginning of the year		9,798,852	17,975,875
Cash and cash equivalents at the end of the year	23	12,522,648	9,798,852

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2023

1 Legal status

The Rumi Foundation ("the Foundation") is a private company limited by guarantee (Company number: 5840786) and a registered charity (Charity number: 1115154) incorporated in England and Wales. The address of the registered office is 1st Floor, Clutha House, 10 Storey's Gate, London SW1P 3AY.

In the event of the charitable company being wound up the liability in respect of the guarantee is limited to £1 per member.

2 Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

(a) Basis of preparation

The consolidated 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 United Kingdom and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared under the historical cost convention as modified by the valuation of certain assets including investment properties, in accordance with the Group's accounting policies.

The group's functional currency is sterling (£).

The Foundation is a public benefit entity and the Group is a public benefit group, as defined by FRS 102.

The principal accounting policies of the Group are set out below.

(b) Going concern

These financial statements have been prepared on a going concern basis.

The Trustees have reviewed their forecasts for the coming year, taking into account the impact of the high interest rate environment we are currently operating in. The Trustees noted that the Group has a diverse investment property portfolio, consisting of a number of properties with a range of uses, its covenants with its tenants are strong, and it also has a portfolio of other financial investments contributing to a consolidated net current asset position of £8,236,047 at 31 March 2023. Therefore the Trustees consider that there is reasonable assurance the Group and the Foundation will have sufficient resources to enable them to continue in operation for the foreseeable future, being a period of no less than one year from the date of approval of these Financial Statements. Accordingly, the going concern basis has been adopted in the preparation of the financial statements.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2023 (continued)

2 Accounting policies (continued)

(c) Basis of consolidation

The group financial statements incorporate the financial statements of the Foundation and entities controlled by the Foundation (its subsidiaries) prepared to 31 March each year. Control is achieved where the Foundation has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired during the year are included in the Statement of Financial Activities from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group.

All intra-group transactions and balances and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

The Foundation has taken advantage of the exemption under section 408 of the Companies Act 2006 from publishing its individual income statement, statement of other comprehensive income and related notes.

(d) Business combinations and goodwill

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the group.

The cost of a business combination is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group in exchange for control and the costs directly attributable to the business combination. The consideration transferred includes the estimate of any asset or liability resulting from a contingent consideration arrangement where the transfer of further consideration is probable and can be measured reliably. Identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination are measured initially at their fair values at the acquisition date. Contingent liabilities are only recognised where the fair value can be measured reliably.

The group measures goodwill at the acquisition date as the excess of the cost of the business combination over the acquirer's interest in the net amount of the identifiable assets, liabilities and contingent liabilities recognised. Subsequently goodwill is amortised on a straight line basis over its useful life of three years.

When the excess is negative, the negative goodwill arising is recognised separately on the face of the balance sheet and released up to the fair value of the non-monetary assets as the non-monetary assets are recovered and otherwise in the periods expected to be benefited.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2023 (continued)

2 Accounting policies (continued)

(e) Income

All income is included in the Statement of Financial Activities when the Group is entitled to the income and the amount can be quantified with reasonable accuracy and the receipt is considered to be probable.

Voluntary income is received by the way of donations and is included in full in the Statement of Financial Activities when receivable.

Investment income relates to interest on bank deposits, rental income arising from investment properties and interest on long term secured debt. Investment income is recognised on an accruals basis. Rental income is recognised as earned with the cost of any lease incentives being spread equally over the lease term. Any rental income relating to future periods is recognised in deferred income.

Other trading income relates to sales of development properties and other miscellaneous income.

(f) Expenditure

Expenditure is recognised on an accruals basis, as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which relates.

- Grants are recognised at the earlier of payment and when a constructive obligation to the recipient is created. Any grant recognised but unpaid, is recognised as a creditor.
- Raising funds comprise the costs associated with attracting voluntary income.
- Real estate management comprise property management costs, financing costs and the cost of developments sold.
- Charitable expenditure comprises those costs incurred by the Group in the delivery of its activities and the services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- Governance costs are allocated between expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.

(g) Taxation

The tax expense represents the sum of the tax currently payable and any deferred tax.

The current tax charge is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. The Group's activities are charitable and therefore, to the extent that any surpluses are applied to its charitable objects, the Group is not liable to tax. In addition, its subsidiaries incur no current tax charge as all their profits, which would otherwise be taxable, are distributed to the Foundation by way of Gift Aid and thus no tax liability arises.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2023 (continued)

2 Accounting policies (continued)

(h) Taxation (continued)

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date, and where it is probable that a tax liability will arise. Deferred tax on investment property revaluation gains are not recognised where it is probable that the crystallised profits will be donated to the Group such that no tax liability will ultimately arise.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to the Statement of Financial Activities, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Whilst the tax expense is immaterial, it is recognised as a part of the cost of the relevant activity, rather than being disclosed separately in the Statement of Financial Activities.

(i) Tangible Fixed Assets

Tangible fixed assets are valued using the cost model and are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing an asset to the condition necessary for it to operate in the manner intended for it by the trustees.

Other than freehold land, depreciation is charged on assets so as to allocate their cost less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following basis:

Freehold buildings	- 4% straight line
Fixtures and fittings	- 20% straight line

(j) Investments

Investments are initially recognised at cost and subsequently at fair value, if this can be measured reliably; or if fair value cannot be measured reliably, at cost less impairment. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

(k) Social Investments

Programme related investments are held at fair value, if this can be measured reliably; or if fair value cannot be measured reliably, at cost less impairment. Where a decision is taken that a programme related investment should be held to generate a financial return and that the primary motivation for holding it is no longer to further the objects of the Foundation, it will be transferred to the main investment portfolio and measured accordingly.

(l) Investment properties

Investment properties which are properties held to earn rentals and / or capital appreciation are initially measured at cost and subsequently at fair value. Revaluation surpluses and deficits are recognised as part of the Statement of Financial Activities.

Where there is a mixed use property the fair value of the investment element is included in Investment Properties and the cost is included in Tangible fixed assets, in accordance with FRS 102

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2023 (continued)

2 Accounting policies (continued)

(m) Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade (including rental) and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due.

Loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to proceeds received net of direct issue costs. These liabilities are subsequently measured at the amortised cost, using the effective interest rate method.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(n) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and bank deposits with maturities of three months or less.

(o) Recognition of liabilities

All expenditure is recognised once there is a legal or constructive obligation committing the Group to the expenditure.

(p) Funds structure

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group. Unrestricted funds comprise the revaluation reserve and general reserves. The revaluation reserve is the excess of the fair value of investment property in excess of cost; the general reserves are the accumulated reserves of the Group, not otherwise classified as restricted reserves or revaluation reserves. Restricted funds are subjected to restrictions on their expenditure imposed by the donor, currently there are no restricted funds.

(q) Foreign currency transactions

All transactions denominated in foreign currencies are translated at the rate of exchange ruling at the time of the transaction. All foreign exchange differences are taken to the Statement of Financial Activities in the period in which they arise. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated using the closing rate.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2023 (continued)

3 Key sources of estimation uncertainty and judgements

The preparation of the financial statements requires the use of estimates and assumptions that affect the amounts reported for the assets and liabilities as at the balance sheet date and the amounts reported for income and expenses for the year. Although these estimates and associated assumptions are based on historical experience and management's best knowledge of current events and actions, the actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Significant management judgements

Financial instruments classification

The classification of financial instruments as "basic" or "other" requires judgement as to whether all applicable conditions as basic are met. This includes consideration of the form and its return.

Recognition of grants payable

Grants payable are recognised at the earlier of payment or when a constructive obligation to the grant recipient arises. The point at which this occurs requires the exercise of judgement in the cases of conditional grants which have been advised to the recipients.

Significant management estimates

Valuation of investment property

Investment properties are included in the financial statements at their value at the year end, as required by FRS 102. Fair value is estimated based on expected future net income from the properties and market yield rates. The value of the investment properties is detailed in note 14.

Valuation of Programme Related Investments

The Trustees make a judgement in relation to the classification of investments between those made primarily for financial return and those held for non-financial objectives. Impairments to programme related investments are charged to Charitable Activities.

Programme related investments form a portfolio managed separately from the Group's other investments. These investments are held primarily to further the charitable aims of the Group rather than to provide a financial return. They are held at fair value, if this can be measured reliably; or if fair value cannot be measured reliably, at cost less impairment.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2023 (continued)

4 Voluntary income	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Donations	<u>250,000</u>	<u>710,000</u>	<u>250,000</u>	<u>710,000</u>

The income from donations was £250,000 (2022: £710,000) for the group.
All income was unrestricted.

The Foundation benefits greatly from the involvement and support of its volunteers, details of which are given in the Trustees' Annual Report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

5 Investment income	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Rental income	7,030,153	6,907,927	7,030,153	6,907,927
Interest on debt securities	85,617	-	85,617	-
Dividend income	3,069	14,595	3,069	14,595
Bank interest	146,213	3	146,213	3
	<u>7,265,052</u>	<u>6,922,525</u>	<u>7,265,052</u>	<u>6,922,525</u>

6 Other trading income	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Other income	21,203	27,345	21,203	27,345
	<u>21,203</u>	<u>27,345</u>	<u>21,203</u>	<u>27,345</u>

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2023 (continued)

7 Total Expenditure - Group

	Basis of allocation	Raising funds		Real Estate Management		Charitable activities		Total		
		2023	2022	2023	2022	2023	2022	2023	2022	
		£	£	£	£	£	£	£	£	
Costs directly allocated to activities										
Grants	Direct	-	-	-	-	920,703	833,432	920,703	833,432	
Other charitable activities	Direct	-	-	-	-	712,500	1,236,667	712,500	1,236,667	
Disposal of investment property	Direct	-	-	-	76,000	-	-	-	76,000	
Investment property expenses	Direct	-	-	1,735,982	2,637,481	-	-	1,735,982	2,637,481	
Provision for doubtful debts	Direct	-	-	100,857	347,487	-	-	100,857	347,487	
		<u>-</u>	<u>-</u>	<u>1,836,839</u>	<u>3,060,968</u>	<u>1,633,203</u>	<u>2,070,099</u>	<u>3,470,042</u>	<u>5,131,067</u>	
Support costs allocated to activities										
Accountancy	Direct	-	-	57,947	61,322	-	-	57,947	61,322	
Bank charges and fees	Direct	-	-	96,544	86,092	-	-	96,544	86,092	
Interest on bank loans	Direct	-	-	4,239,116	2,556,207	-	-	4,239,116	2,556,207	
		<u>-</u>	<u>-</u>	<u>4,393,607</u>	<u>2,703,621</u>	<u>-</u>	<u>-</u>	<u>4,393,607</u>	<u>2,703,621</u>	
Governance costs allocated to activities										
Audit fees	Apportioned	15,705	12,080	15,705	12,080	15,705	12,080	47,115	36,240	
Legal and professional	Direct	-	-	162,567	150,924	-	-	162,567	150,924	
Other	Apportioned	79,849	58,957	79,849	58,957	79,849	58,956	239,547	176,870	
		<u>95,554</u>	<u>71,037</u>	<u>258,121</u>	<u>221,961</u>	<u>95,554</u>	<u>71,036</u>	<u>449,229</u>	<u>364,034</u>	
Total expenditure		<u>95,554</u>	<u>71,037</u>	<u>6,488,567</u>	<u>5,986,550</u>	<u>1,728,757</u>	<u>2,141,135</u>	<u>8,312,878</u>	<u>8,198,722</u>	

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2023 (continued)

8 Grants and charitable expenditure		2023	2022
		£	£
Material Grants	Charitable Objective		
WE Charity UK	Education	100,000	-
Royal Foundation	Education	100,000	100,000
Clinton Foundation	Education	-	221,663
Obama Foundation	Education	-	198,958
Other Grants			
UK Education	Education	341,750	90,500
Equality Education	Education	156,591	114,365
Africa Education	Education	88,785	48,333
North America Education	Education	54,161	18,500
UK Creative Industries	Education - Promotion of the Arts	33,070	7,780
India Education	Education	28,846	33,333
UK Healthcare	Relief of poverty	17,500	-
		<u>920,703</u>	<u>833,432</u>

All grants were made to institutions. Further details of the key grants made during the year can be found in the Trustees' Annual Report.

9 Auditor's remuneration		2023	2022
		£	£
Fees payable to the Group's auditor for the audit of the Group's financial statements.		47,115	36,240
Accountancy and advisory fees		<u>8,060</u>	<u>4,778</u>
		<u>55,175</u>	<u>41,018</u>

10 Trustees' remuneration and expenses

No trustees received any remuneration or expenses during the year (2022: £Nil). During the year a company controlled by a trustee received £49,888 (2022: £46,975) for the provision of accountancy services to the group, as detailed in Note 19.

11 Corporation Taxation

The Foundation is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2023 (continued)

12 Tangible fixed assets	Group			Company		
	Fixtures and Fittings £	Land and Buildings £	Total £	Fixtures and Fittings £	Land and Buildings £	Total £
Cost						
At 1 April 2022	-	2,110,000	2,110,000	-	2,110,000	2,110,000
Additions	149,331	-	149,331	149,331	-	149,331
At 31 March 2023	149,331	2,110,000	2,259,331	149,331	2,110,000	2,259,331
Depreciation						
At 1 April 2022	-	327,426	327,426	-	327,426	327,426
Charge for the year	21,822	84,400	106,222	21,822	84,400	106,222
At 31 March 2023	21,822	411,826	433,648	21,822	411,826	433,648
Net Book Value						
At 31 March 2023	127,509	1,698,174	1,825,683	127,509	1,698,174	1,825,683
At 31 March 2022	-	1,782,574	1,782,574	-	1,782,574	1,782,574

13 Investments

	Unlisted	Program Related	Subsidiaries £	Total £
	Investments £	Investments £		
Group				
At 1 April 2022	2,836,631	80,000	-	2,916,631
Additions	210,517	750,000	-	960,517
Impairment	-	(712,500)	-	(712,500)
At 31 March 2023	3,047,148	117,500	-	3,164,648
Company				
At 1 April 2022	2,836,631	80,000	4,358	2,920,989
Additions	210,517	750,000	100	960,617
Impairment	-	(712,500)	-	(712,500)
Disposals	-	-	(4,358)	(4,358)
At 31 March 2023	3,047,148	117,500	100	3,164,748

At 31 March 2023, the Foundation's investments were held in the UK and USA.

Programme related investments form a portfolio managed separately from the Foundation's other investments. These investments are held primarily to further the charitable aims of the Foundation rather than to provide a financial return. They are held at fair value, if this can be measured reliably; or if fair value cannot be measured reliably, at cost less impairment. The Foundation has committed to provide further PRI funding of £750,000 during the year to 31 March 2024.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2023 (continued)

14 Investment properties

Group	Freehold	Leasehold	Total
	£	£	£
At 1 April 2022	151,059,269	8,185,525	159,244,794
Additions	883,165	115,371	998,536
Disposals	-	-	-
Revaluation losses	(14,510,089)	(1,065,371)	(15,575,460)
	<hr/>	<hr/>	<hr/>
At 31 March 2023	137,432,345	7,235,525	144,667,870
	<hr/>	<hr/>	<hr/>
Company	Freehold	Leasehold	Total
	£	£	£
At 1 April 2022	151,059,269	8,185,525	159,244,794
Additions	883,165	115,371	998,536
Disposals	-	-	-
Revaluation gains	(14,510,089)	(1,065,371)	(15,575,460)
	<hr/>	<hr/>	<hr/>
At 31 March 2023	137,432,345	7,235,525	144,667,870
	<hr/>	<hr/>	<hr/>

Historical cost of freehold properties at 31 March 2023 amounted to £135,983,611 (2022: £135,983,611) for the Group and Foundation. Historical cost of leasehold properties at 31 March 2023 amounted to £7,194,164 (2022: £7,194,164) for Group and Foundation. Additions are comprised of improvements to some of the properties during the year.

Investment properties have been valued by the Trustees taking account of independent professional advice. Fair value is estimated based on expected future net income from the properties and market yield rates.

15 Debtors	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	369,590	1,213,960	369,590	1,213,960
Other debtors	4,416,890	4,374,255	4,416,890	4,374,255
Accrued income	-	-	-	1,150
Prepayments	70,787	88,064	70,787	88,064
	<hr/>	<hr/>	<hr/>	<hr/>
	4,857,267	5,676,279	4,857,267	5,677,429
	<hr/>	<hr/>	<hr/>	<hr/>

During the previous year the Foundation disposed of one of its investment properties. Included in Other Debtors is a loan of £4,320,000 (2022: £4,320,000) extended to the purchasers of the property. The loan is at 60% LTV, secured by first charge against the property and attracts interest at 8% per annum. The loan is repayable on 13 December 2023.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2023 (continued)

16 Operating leases with tenants

The Group leases out all its investment properties under operating leases. The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

Due:	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Not later than one year	3,823,430	3,491,059	3,823,430	3,491,059
Later than one year but within five years	4,833,042	4,729,166	4,833,042	4,729,166
Later than five years	5,563,826	6,064,661	5,563,826	6,064,661
	<u>14,220,298</u>	<u>14,284,886</u>	<u>14,220,298</u>	<u>14,284,886</u>

None of the leases entered into give tenants the right or option to purchase or contain contingent rents.

17 Creditors: Amounts falling due within one year

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	197,820	198,682	197,820	198,682
Secured bank loan	4,540,000	540,000	4,540,000	540,000
Accruals and deferred income	2,375,837	2,500,492	2,375,837	2,500,492
Other creditors	1,775,895	1,302,489	1,775,995	1,302,489
Other taxes and social security costs	254,216	172,887	254,216	172,887
	<u>9,143,768</u>	<u>4,714,550</u>	<u>9,143,868</u>	<u>4,714,550</u>

18 Creditors: Amounts falling due after one year

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Secured loan	22,000,000	22,000,000	22,000,000	22,000,000
Secured bank loan	72,196,095	72,654,244	72,196,095	72,654,244
	<u>94,196,095</u>	<u>94,654,244</u>	<u>94,196,095</u>	<u>94,654,244</u>

Bank loans

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Amounts due within one year	4,540,000	540,000	4,540,000	540,000
Amounts due within two to five years	72,196,095	72,654,244	72,196,095	72,654,244
	<u>76,736,095</u>	<u>73,194,244</u>	<u>76,736,095</u>	<u>73,194,244</u>

The secured bank loan is secured with a charge against the properties to which the loan relates, the value of the properties offered as security is £144,667,870 (2022: £159,244,794). The loan is repayable in 2026, and interest on the loan accrues at 2% above SONIA.

The Secured loan is secured by a second charge against the security properties in the above note. The loan is repayable in 2026 and interest on the loan accrues at a fixed rate of 8%.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2023 (continued)

19 Related party transactions and key management personnel

During the year Aristeia Accounting Limited, a company controlled by Stuart Malcolmson who is also a Trustee of the Foundation, invoiced £49,888 (2022: £46,975) for the provision of accountancy services, of which £5,200 (2022: £3,852) was unpaid at the year end.

During the year, a payment was made to the son of Brent Pollard, who is a Trustee of the Foundation. The amount was paid for media and promotion services provided on one of the Group's projects. The total amount invoiced was £2,500 (2022: £nil) and was fully settled in the year.

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the Foundation. In the opinion of the Trustees, key management are the board of Trustees. The Trustees appoint specialist advisors for professional support where necessary.

20 Movements in funds

	Revaluation reserve £	Accumulated fund £	Total Funds £
Group			
At 1 April 2022	17,065,555	62,984,781	80,050,336
Income	-	7,536,255	7,536,255
Expenditure	-	(8,312,878)	(8,312,878)
Revaluation losses on investment properties	(15,575,460)	-	(15,575,460)
	<hr/>	<hr/>	<hr/>
Movement for the year	(15,575,460)	(776,623)	(16,352,083)
	<hr/>	<hr/>	<hr/>
	1,490,095	62,208,158	63,698,253
Company			
At 1 April 2022	17,065,555	62,984,781	80,050,336
Income	-	7,536,255	7,536,255
Expenditure	-	(8,312,878)	(8,312,878)
Revaluation gains on investment properties	(15,575,460)	-	(15,575,460)
	<hr/>	<hr/>	<hr/>
Movement for the year	(15,575,460)	(776,623)	(16,352,083)
	<hr/>	<hr/>	<hr/>
	1,490,095	62,208,158	63,698,253

21 Financial instruments

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Financial assets				
Financial assets measured at fair value through the profit & loss	3,164,648	2,916,631	3,164,748	2,916,631
	<hr/>	<hr/>	<hr/>	<hr/>

All other financial assets and liabilities are measured at amortised cost.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2023 (continued)

22 Subsidiaries

All of the Foundation's subsidiaries have the same registered address as the Group as detailed in note 1. Details of the subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Registered	Nature of business	Class of shares held	2023 % Held Direct	2022 % Held Direct
Hundred Squared Limited	12602560 England and Wales	Dormant	Ordinary	100	-

Summary financial information of the significant subsidiaries at 31 March 2023:

	Hundred Squared Limited 2023
Turnover	-
Fair value gain	-
Expenses	-
Loss	-
Assets	100
Liabilities	-
Net Assets	100

Gift Aid donations to the Foundation are excluded from the profit and loss information above.

23 Analysis of changes in net debt

	At 1 April 2022	Cash Flows	At 31 March 2023
Cash and cash equivalents			
Cash and cash equivalents	9,798,852	2,723,796	12,522,648
	9,798,852	2,723,796	12,522,648
Borrowings			
Debt due within one year	(540,000)	(4,000,000)	(4,540,000)
Debt due after one year	(94,654,244)	458,149	(94,196,095)
	(95,194,244)	(3,541,851)	(98,736,095)
Total Net Debt	(85,395,392)	(818,055)	(86,213,447)

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2023 (continued)

24 Post Balance Sheet Events

A repayment of £4,000,000 was made against the secured bank loan, in April 2023.

THE RUMI FOUNDATION

England & Wales - Charity number 1115154

Accounts

Company Number: 5840786
Charity Number: 1115154

THE RUMI FOUNDATION
REPORT AND ACCOUNTS

For the year ended
31 MARCH 2022

THE RUMI FOUNDATION

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THE RUMI FOUNDATION

TRUSTEES AND ADVISORS

Trustees and Directors	D Muriithi B Pollard S Malcolmson
Secretary	S Malcolmson
Registered office	1st Floor Clutha House 10 Storey's Gate London SW1P 3AY
Bankers	National Westminster Bank Plc Piccadilly and New Bond Street 63 Piccadilly London W1J 0AJ
Auditor	Nexia Smith & Williamson Chartered Accountants Statutory Auditor 45 Gresham Street London EC2V 7BG
Tax Advisors	Smith & Williamson LLP Accountants 45 Gresham Street London EC2V 7BG
Legal Advisors	BDB Pitmans LLP 1 Bartholomew Close London EC1A 7BL
Company registration number	5840786
Charity registration number	1115154

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT

incorporating the Strategic Report and Directors' Report

The Trustees present their report and the accounts for the year ended 31 March 2022.

Structure, Governance and Management

The Foundation is a charitable company limited by guarantee, established under a Memorandum and Articles of Association adopted by the Charity on incorporation on 8 June 2006, as amended by the Articles of Association adopted on 27 October 2019. The Foundation was registered as a charity on 7 July 2006. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

The Trustees of the Foundation are also directors for the purposes of company law under the company's Articles and are shown on page 2 to this report. The Trustees who served during the year are listed below:

- B Pollard
- D Muriithi
- S Malcolmson

Organisational structure

The Rumi Foundation has a Board made up of three Trustees who meet at least twice a year and are responsible for managing the business of the Foundation. The Foundation retains third party professional managers to oversee its property portfolio. The Foundation's legal advisors are BDB Pitmans LLP.

At the year end the Foundation's corporate structure includes one subsidiary, Whitechapel Acquisitions Limited, which is non trading and is 100% owned by the Foundation. The Trustees appoint the directors of the subsidiary.

Trustees' recruitment and appointment

Under the requirements of the Articles of Association the Trustees are appointed for fixed terms in office of a maximum of three years, and on retirement are eligible for re-appointment subject to the conditions in the Articles.

The Trustees have adopted a skills matrix and are recruited for their expertise and experience. The role of Trustee does not carry any remuneration, as such all Trustees give their time freely and no Trustee remuneration or expenses were paid in the year (2021: £nil). Trustees are required to disclose all related interests, any such interests or transactions are shown in Note 19 and in accordance with the Foundation's policies withdraw from decisions where a conflict of interest arises.

The Trustees have adopted a Trustees' Roles and Responsibilities Policy, which includes a Trustees' Code of Conduct.

Trustee Induction and Training

As part of their induction programme any new Trustees are made aware of their responsibilities as Trustees.

The existing Trustees recognise the need to have regular training on their roles and responsibilities and continuously seek to educate themselves to improve their skills and best practices. The Trustees appoint specialist advisors for professional support where necessary.

Risk Policy

The Trustees have adopted a Risk Assessment Register which considers the major risks to which the Foundation is exposed and sets out systems and procedures to mitigate them. The Trustees consider the major risk to be the safety of, and investment returns on, its funds. The Trustees seek professional advice to manage risks as appropriate.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT

incorporating the Strategic Report and Directors' Report (continued)

The Trustees have specifically considered a number of business risks such as: the credit-worthiness of its tenants and debtors, the risk of changes in interest rates and the risks associated with property investment. The Foundation has made investments where the Trustees believe such risks are as low as possible and the Trustees seek professional advice where appropriate.

Reserves policy

The Trustees have formalised the Foundation's reserves policy with reference to Charity Commission guidance (CC19) and accounting standards (Charities SORP FRS102). The Trustees have adopted a policy which defines free reserves as funds which are available for use by the Foundation, which are deemed to be those that are readily realisable in liquid investments, excluding any funds whose uses are restricted or else designated for any particular purposes (no such funds currently exist).

The policy specifies that the Foundation's free reserves should not fall below the amount required to run its activities for at least one year should there be any call for funds on the Foundation, bearing in mind the levels of stable income which the Foundation currently receives. The Foundation's expenditure excluding property management costs and interest is around £2.2 million per annum.

At the year end, the Group's cash consisted of around £9.8 million and the Group expects to receive around £6 million in annual income from investments.

The Trustees are comfortable that the level of reserves held at the end of the financial year are suitable, despite being in excess of the levels required by its long term policy, detailed above. This year the Trustees have opted for a cautious approach to the Foundation's finances due to the disruption caused by COVID 19 and the pressure of the current high inflation environment, that is likely to only get worse in the year ahead. The Foundation held a large cash balance and projects relatively secure rental income from its UK real estate investments in the coming year, which will provide a source of continuing reliable income.

The Trustees have examined the future anticipated cash flows of the Foundation and are satisfied that the Foundation has sufficient resources to meet its continuing obligations.

Investment Policy

The Trustees have created an investment policy to further the Foundation's charitable objectives and are aware of the Charity Commission's guidance (CC14) on the importance of managing risk in the formation of the Foundation's investment policy. As the Foundation's charitable objectives include the furtherance of charitable purposes both in the UK and overseas, the investment policy aims to invest its funds to create revenue streams in areas where the Foundation is undertaking or planning to undertake charitable activities.

The investment policy is to make appropriate investments achieving a reasonable balance of risk and reward in a range of both short and long-term investments. The Trustees leverage their own investment skills and also seek independent advice where appropriate to ensure that this balance is met.

The current fundraising strategy of the Foundation is to continue to build its capital to create an Expendable Endowment which can support a larger number of long-term projects in the future. In the low interest rate environment, the Trustees consider an appropriate target return to be 3% - 5%, in a blend of income and capital appreciation. The Trustees have regard to environmental, social and ethical considerations in evaluating potential investment opportunities for the Foundation.

The focus of the Foundation's investment policy for the year was to continue to source good value, income-yielding investments and to increase the value of existing investments through good asset management techniques. The Foundation's return on investment in the current financial year was within the target range.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT

incorporating the Strategic Report and Directors' Report (continued)

The Trustees also recognise that by making social investments The Foundation can invest to directly meet its charitable objects. During the year the Foundation made a programme related investment, the investment was made exclusively to further the charitable aims of The Foundation by funding the specific activities or assets of the organisation in receipt of the investment. Any future financial return is not the primary reason for making the investment, further details of the programme related investment are given in Note 13.

During the financial year, the Trustees continued to improve the Foundation's existing property portfolio by renovating vacant units and improving common parts, whilst renegotiating rents with existing tenants. Investment properties have been valued by the Trustees taking account of independent professional advice. The resulting increase in values reflects the improvements undertaken in the year.

The Trustees made a number of financial investments in the year, with the intention of reducing risk and diversifying future revenue streams. The value of the Foundation's other financial investments at the year end was £2,836,631 (2021: £274,852). Rental income continues to increase as further investment properties have been acquired and the Foundation monitors the covenants of its tenants to maximise the sustainability of its rental income. With these new investments, the Foundation continued to increase its annual income and to record the requisite earnings from its investments to fund its activities through the financial year.

Fundraising Policy

The Foundation is in compliance with the Charities (Protection and Social Investment) Act 2016

Grant-Making Policy

The Trustees have an established grant making framework whereby the Foundation works with large, established foundations to, together, support smaller, grassroots organisations that are making changes in an innovative way. The purpose of this grant making framework is to leverage the Foundation's impact by building up and maintaining strong long-term relationships with its strategic grant partners, which enables the Foundation to scale the impact of its activities. Furthermore, the Foundation's general policy is to enter longer-term grant arrangements as it enables the Foundation to build up a more meaningful and productive relationship with the grant recipient.

As part of its due diligence procedures on potential grant recipients, the Foundation ordinarily meets with every organisation it is considering funding and interviews them. Where appropriate the Foundation then records the terms on which it provides its grants in written grant agreements using Grant Offer Letters and Terms & Conditions and Grant Reporting Forms. The Foundation monitors the application and impact of its grant funding by meeting with each grant recipient on a regular basis to carry out a detailed assessment of the grant activities. In addition, the Foundation conducts site visits to the projects supported by some of its larger grants.

Objectives and Activities for the Public Benefit

The objects and purposes of the Charity as set out in its Articles, are:

- the advancement of education of the public of any age in the UK and overseas and in particular, but without prejudice to the generality of the foregoing:
 - the provision, support and promotion of the education of children and young people in schools and institutions of further and higher education;
 - the education of disadvantaged members of the public;
 - the promotion of the arts; and
- the relief of poverty.

The Trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when exercising their powers and duties and also when reviewing the Foundation's aims and objectives, when setting the grant-making policy for the year and planning future activities.

The Trustees are satisfied that the processes and activities of the Foundation satisfy the public benefit test set out in s.4 Charities Act 2011.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT

incorporating the Strategic Report and Directors' Report (continued)

The Foundation carries out these objects in the shorter term by providing financial support to schools, universities, healthcare and educational programmes that have a specific focus on the advancement of education, the relief of poverty, or both. The Foundation also provides financial support to schools in the most disadvantaged areas of the world, aimed at both educating disadvantaged members of the public and relieving poverty. In the longer term, the Foundation seek to promote and support research into scientific and human advancement at educational institutions. The intention is to partner with those particularly focused around social sciences, healthcare, technology and creative industries, where any innovation is most likely to further the Foundation's objects. The Foundation also aims, in particular, to support the education of girls.

Achievements and Performance during the period and plans for the future

The Foundation continued to work with existing charitable partners and sought to identify new long term partners to help fulfil its charitable vision.

The Foundation focused its partnerships this year on the education, empowerment and advancement of young people in our society today, and on community engagement and civic involvement. Education provides a route out of poverty for young people and prevents future generations from having to experience poverty. Also by having educated, motivated people actively engaging with their community the benefits of any educational programme or one designed to relieve poverty can be brought to individuals that were not initially involved with that programme.

The Foundation assesses how its giving meets its objects and measures the success of the programmes or other charities it has funded against a number criteria. These may be the number of people that have been helped, has the project or organisation grown and is there potential for future growth, the objective and subjective impact any funding has had on a community or organisation and whether any future giving will provide further impact. When measured against these criteria the Foundation had a very successful year. Future giving will continue to be measured against these criteria. The Trustees will continue learning from and improving their work and seeking the best opportunities for the Foundation to further its objects.

Details of grant funding and charitable expenditure are set out in Note 8. Further details of selected initiatives are set out below.

Drawing on their experience of working with charitable partners in previous years, the Trustees wanted to explore whether the networks the Foundation has built could successfully be used to connect charitable organisations with each other. As the Foundation has continued to mature, the Trustees were increasingly able to identify the unique ability of the Foundation to work with large, established foundations all around the world and at the same time to support smaller, grassroots foundations that are making change in an innovative way. Through the Trustees' unique networks, the Foundation can match these young changemakers with established foundations, further helping their growth and allowing them to access funding and recognition on a larger scale. The Foundation acts as an accelerator for social impact enterprises and organisations.

The Trustees use their networks and entrepreneurial skills to find innovative organisations that are making change at the grassroots level and provides these charities with funding to develop their ideas and to experiment and test how they can make the most impact. The Foundation provides guidance and mentorship and local networks to these young founders, and then connects the charities with larger, global organisations who help them grow, can provide them with additional levels of funding, and can give them access to best practices and networks of similar organisations around the world.

As the Foundation has entered into discussions with its grantees, it has also become clear how important it is for these charities to receive some unrestricted funds to allow them to satisfy their core costs, rather than to restrict funding to specific projects and not to underlying costs. The Trustees work with the grantees, particularly the smaller charities, to ensure that they are allocating the Foundation's funds wisely, are acting in accordance with the Trustees' suggestions and guidance, and that their impact is measured against the criteria given above. Where funds have been allocated to support a particular project, this is indicated below.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT

incorporating the Strategic Report and Directors' Report (continued)

Royal Foundation

The Foundation continued its relationship with the Royal Foundation, the charitable organisation of the Duke and Duchess of Cambridge. The Foundation provided unrestricted core funding for the Earthshot Prize, a project launched by the Duke of Cambridge in October 2020. The Prize will run between 2021 and 2030 and will be awarded annually to 5 winners whose solutions substantially help the environment and therefore work to relieve poverty. The prize fund will distribute £50 million over the course of the next decade. The Foundation also supported the mental health programmes of the Royal Foundation. The support was given with the intention of introducing some of the Foundation's innovative, grassroots charities that focus on educating those suffering with mental health issues to the Royal Foundation, increasing their impact and scale. Representatives of the Foundation worked closely with staff of the Royal Foundation to begin this co-ordination and plan for further engagement during the next financial year to continue to benefit disadvantaged members of the public and its mission to relieve poverty.

The Obama Foundation

The Foundation continued its long-term partnership with the Obama Foundation to further its object of education. The Obama Foundation operates globally, supporting outstanding civic innovators, those leaders who are working with their communities to create transformational change and addressing some of the world's most pressing problems.

The Obama Foundation runs educational programs in North America, Europe, Africa, Asia and Pacific regions. People enrolled in these programs are offered tailored workshops that will help them grow their existing skills develop new ones, further enhancing their 'leadership toolkit'. The Obama Foundation also engages with young people aged 18 - 25 to identify future leaders, it then supports them by offering educational workshops, mentoring and networking opportunities and cultural events where the emerging leaders can meet and engage with innovative thinkers and inspirational civic leaders from around the world. As a key supporter of the Obama Foundation's European programme representatives from the Foundation have attended events hosted by the Obama Foundation and directly witnessed it's impact and the community spirit created amongst the emerging leaders.

Kings College - The Global Institute for Women's Leadership

The Foundation continued its relationship with the Global Institute for Women's Leadership, an innovative charity that engages in rigorous academic research with the aim of playing key role in driving gender equality in leadership. Research undertaken by Global Institute for Women's Leadership provides insights that policymakers, practitioners and campaigners can use to make evidence-based decisions, effective interventions and policies that create real change.

Clinton Foundation

The Foundation continued its partnership with The Clinton Foundation. The mission of The Clinton Foundation is to improve global health, strengthen economies, promote healthier childhoods, and protect the environment by fostering partnerships among governments, businesses, non-governmental organisations, and private citizens to turn good intentions into measurable results.

The Foundation's main direction of funds provided to The Clinton Foundation is to education and health causes, particularly in Africa. The Community Agribusiness Approach programme provides education to rural farmers in sub-Saharan Africa to understand markets and climate-smart agriculture production. In Rwanda, The Clinton Foundation estimates that every \$1 of funding has resulted in \$3.80 of increased income for farmers.

Representatives of the Foundation met with representatives of the Clinton Foundation to discuss the application, use and impact of the Foundation's grant. The grant furthers the Foundation's objects of education of disadvantaged members of the public and the relief of poverty.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT

incorporating the Strategic Report and Directors' Report (continued)

The Cares Family

During the year the Foundation began a new relationship with the Cares Family, a charity that works to dispel loneliness and the resulting social dislocation that appears to be all too common in our society. The Cares Family has a number of programmes that brings together, in friendship, older people with their younger neighbours by offering a mix of activities online, on the phone and in person. Over the course of 2021 a total 4,800 older and younger neighbours have shared time, new experiences and connection.

These activities ultimately make The Cares Family's reach broader, their work more accessible and their model more adaptable than ever, which will enable even greater impact in the years ahead.

Renaissance Foundation

The Renaissance Foundation is a key smaller, grassroots organisation that seeks to empower young people aged 12-18 experiencing significant challenges in their lives. The Renaissance Foundation runs a 3 year tailored outreach programme which aims to inspire and support disadvantaged young people facing barriers to education, work and fulfilment. Representatives of the Rumi Foundation have met regularly with the Renaissance Foundation to assess the impact of its giving.

The Migration Museum

The Migration Museum explores how the movement of people to and from Britain across the ages has shaped who we are, as individuals, communities and as a nation. The museum is located in Lewisham in South London and stages engaging exhibitions and dynamic events, alongside a far-reaching education programme for primary, secondary, university and adult learners. The museum also has a growing digital presence and convenes a knowledge-sharing Migration Network of museums and galleries.

Inspiring Girls International

Inspiring Girls International works in partnership with other charities and businesses around the world to help educate and inspire girls around the world to achieve their ambitions. In the last year Inspiring Girls teams held 835 events, reached 55,089 and registered 2,244 role models. and expanded to include 9 new global teams in Australia, Algeria, Belgium, Guatemala, Jersey, Poland, Portugal, Switzerland and Russia. As a result Inspiring Girls is now active in 28 countries around the world. The Foundation is pleased to support Inspiring Girls International as its work educating and empowering women directly empowers whole families to improve their economic well-being.

Other Initiatives

The Foundation also supported a number of other organisations including institutions within the creative industries, educational projects and children's charities in the UK and across the globe to further all of the Foundation's objectives.

Financial Review

The Foundation had another successful year. The Trustees continue to seek to build a long-term Expendable Endowment for the Foundation to allow it to sustainably increase its charitable giving without eroding the Foundation's capital base. This will allow the Foundation to continue to grow in size as it finds more long-term major charitable projects with which it can partner, both large and smaller.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT

incorporating the Strategic Report and Directors' Report (continued)

Going Concern

Over the last year, global and national events have left most advanced economies with inflation levels greatly in excess of previous forecasts, the UK is no exception to this trend. The Trustees, taking into account the expected impact of the high inflationary environment we are currently operating in, consider that the investment and reserves policies they have put in place are sufficient to allow the Foundation to continue to meet its charitable purposes for the foreseeable future. The Trustees will be monitoring the economy and seek to find ways for the Foundation to support those most impacted and in greatest need.

Trustees' Responsibilities Statement

The Trustees (who are also directors of The Rumi Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) and The Financial Reporting Standard 102. 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 the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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 charitable company will continue in business.

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

Auditors

In accordance with Section 485 of the Companies Act 2006, the Trustees confirm that Nexia Smith & Williamson have been reappointed as auditors of the company.

Awareness of relevant audit information

The Trustees of the company confirm that, in fulfilling their duties as Trustees, they have:

- taken all the necessary steps in order to make themselves aware of any information relevant to the audit and to establish that the auditors are aware of that information; and
- so far as they are aware, there is no relevant audit information of which the auditors have not been made aware.

Approved by the board of trustees and signed on behalf of the board



S Malcolmson
Trustee

Date: 8 July 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND THE TRUSTEES OF THE RUMI FOUNDATION

Opinion

We have audited the financial statements of The Rumi Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated & Parent Charitable Company Balance Sheets, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and of the parent charitable company's affairs as at 31 March 2022 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Report and Accounts, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND THE TRUSTEES OF THE RUMI FOUNDATION
(CONTINUED)**

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report, which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Trustees' Annual Report.

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the trustees (who are directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent 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 the Companies Act 2006 and under section 151 of the Charities Act 2011, and report in accordance with those Acts 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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND THE TRUSTEES OF THE RUMI FOUNDATION
(CONTINUED)**

We obtained a general understanding of the charitable group's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We obtained an understanding of the charitable group's policies and procedures in relation to compliance with relevant laws and regulations. We also drew on our existing understanding of charity regulation.

We understand that the charitable group complies with the framework through:

- Updating operating procedures and internal controls as legal and regulatory requirements change; and
- The Trustees' close oversight through regular board meetings.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the charitable group's ability to conduct operations and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significant in the context of the charitable group.

- FRS 102 and the requirements of the Companies Act 2006 in respect of the preparation and presentation of the financial statements;
- Health and safety regulations, including building and fire safety; and
- Charity law and regulation.

The senior statutory audit led a discussion with all members of the engagement team regarding the susceptibility of the Charity's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were the risk of manipulation of the financial statements through manual journal entries, and incorrect treatment of the valuation of investment properties.

The procedures we carried out to gain evidence in the above areas included testing:

- A sample of manual journal entries, selected through applying specific risk assessments based on the Charity's processes and controls surrounding manual journals;
- Making enquiries of the Trustees as to the risks of and any instances of non-compliance with laws and regulations;
- Reading minutes of meetings of trustees and enquiring into any correspondence between regulators and the charitable company; and
- Reviewing support for the valuation of investment properties.

The senior statutory auditor was satisfied that the engagement team collectively had the appropriate competence and capabilities to identify or recognise irregularities.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charitable company, and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nexia Smith & Williamson

Andrew Bond

Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants
Date: 8 July 2022

45 Gresham Street
London
EC2V 7BG

THE RUMI FOUNDATION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING THE INCOME & EXPENDITURE ACCOUNT**

FOR THE YEAR TO 31 MARCH 2022

		Total Funds	Total Funds
		31 March 2022	31 March 2021
	Notes	£	£
Income from:			
Donations	4	710,000	1,219,308
Investments	5	6,922,525	5,403,509
Other trading income	6	27,345	12,942
Total income		<u>7,659,870</u>	<u>6,635,759</u>
Expenditure on:			
Raising funds			
Administrative costs	7	71,037	159,056
Real Estate Management			
Administrative costs	7	3,430,343	1,848,829
Interest payable	7	2,556,207	1,401,226
Charitable activities	7	2,141,135	1,128,183
Total expenditure		<u>8,198,722</u>	<u>4,537,294</u>
Net gain on investments		4,160,973	2,841,173
Net income and net movement in funds		<u>3,622,121</u>	<u>4,939,638</u>
Funds as at 1 April		76,428,215	71,488,577
Funds as at 31 March		<u>80,050,336</u>	<u>76,428,215</u>

All incoming resources and resources expended derive from continuing activities.

THE RUMI FOUNDATION

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2022

	Notes	2022 £	2021 £
Fixed Assets			
Tangible fixed assets	12	1,782,574	1,866,974
Investments	13	2,916,631	274,852
Investment properties	14	159,244,794	154,162,794
		163,943,999	156,304,620
Current Assets			
Debtors	15	5,676,279	988,991
Cash at bank and in hand		9,798,852	17,975,875
		15,475,131	18,964,866
Creditors: amounts falling due within one year	17	(4,714,550)	(3,728,879)
		10,760,581	15,235,987
Net Current Assets			
Creditors: amounts falling due after more than one year	18	(94,654,244)	(95,112,392)
		80,050,336	76,428,215
Net Assets			
Represented by:			
Unrestricted charity funds			
Accumulated fund	20	62,984,781	62,693,251
Revaluation reserve	20	17,065,555	13,734,964
		80,050,336	76,428,215

The accounts were approved and authorised for issue by the Board of Directors on 8 July 2022 and were signed on its behalf by:



S Malcolmson
Director

Company Number: 5840786

THE RUMI FOUNDATION**COMPANY BALANCE SHEET AS AT 31 MARCH 2022**

	Notes	2022 £	2021 £
Fixed Assets			
Tangible fixed assets	12	1,782,574	1,866,974
Investments	13	2,920,989	279,852
Investment properties	14	159,244,794	154,162,794
		<hr/>	<hr/>
		163,948,357	156,309,620
 Current Assets			
Debtors	15	5,677,429	995,633
Cash at bank and in hand		9,793,344	17,964,876
		<hr/>	<hr/>
		15,470,773	18,960,509
Creditors: amounts falling due within one year	17	(4,714,550)	(3,728,879)
		<hr/>	<hr/>
Net Current Assets		10,756,223	15,231,630
Creditors: amounts falling due after more than one year	18	(94,654,244)	(95,112,392)
		<hr/>	<hr/>
Net Assets		80,050,336	76,428,858
		<hr/>	<hr/>
Represented by:			
Unrestricted			
Accumulated fund	20	62,984,781	62,693,894
Revaluation reserve	20	17,065,555	13,734,964
		<hr/>	<hr/>
		80,050,336	76,428,858
		<hr/>	<hr/>

The Foundation has taken advantage of the exemption under section 408 of the Companies Act 2006 from publishing its individual income statement, statement of other comprehensive income and related notes.

The company's surplus for the year ended 31 March 2022 was £3,622,121 (2021 £5,558,417).

The accounts were approved and authorised for issue by the Board of Directors on 8 July 2022 and were signed on its behalf by:



S Malcolmson
Director

Company Number: 5840786

THE RUMI FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR TO 31 MARCH 2022

Net cash generated from operating activities	Notes	2022 £	2021 £
Net income		3,622,121	4,939,638
Depreciation charge		84,400	84,400
Interest paid		2,556,207	1,401,226
Interest received		(3)	(729,708)
Change in debtors		(367,288)	58,528
Change in creditors		985,671	2,660,192
Revaluation gain		(4,160,973)	(2,841,173)
Revaluation loss		-	-
Impairment of investments		1,520,000	-
Net cash (used) / generated from operating activities		4,240,135	5,573,103
Investing activities			
Additions to investment properties		(8,121,027)	(52,942,328)
Disposals of investment properties		2,880,000	-
Additions to investments		(4,161,779)	-
Disposals of investments		-	23,426,000
Interest received		3	729,708
Cash paid on acquisition of subsidiaries net of cash acquired		-	(1,658,581)
Net cash outflow from investing activities		(9,402,803)	(30,445,201)
Financing activities			
New loans		-	43,216,052
Loans repaid		(458,148)	(540,000)
Interest paid		(2,556,207)	(1,401,226)
Net cash (outflow) / inflow from financing activities		(3,014,355)	41,274,826
(Decrease) / increase in cash and cash equivalents		(8,177,023)	16,402,728
Cash at 1 April		17,975,875	1,573,147
Cash and cash equivalents at year end	23	9,798,852	17,975,875

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2022

1 Legal status

The Rumi Foundation ("the Foundation") is a private company limited by guarantee (Company number: 5840786) and a registered charity (Charity number: 1115154) incorporated in England and Wales. The address of the registered office is 1st Floor, Clutha House, 10 Storey's Gate, London SW1P 3AY.

In the event of the charitable company being wound up the liability in respect of the guarantee is limited to £1 per member.

2 Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

(a) Basis of preparation

The consolidated 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 United Kingdom and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)),

The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared under the historical cost convention as modified by the valuation of certain assets including investment properties, in accordance with the Foundation's accounting policies.

The group's functional currency is sterling (£).

The Foundation is a public benefit entity and the Group is a public benefit group, as defined by FRS 102.

The principal accounting policies of the Foundation are set out below.

(b) Going concern

These financial statements have been prepared on a going concern basis.

Over the last year, global and national events have left most advanced economies with inflation levels greatly in excess of previous forecasts, the UK is no exception to this trend. The Trustees have reviewed the outlook for the coming year, taking into account the expected impact of the high inflationary environment we are currently operating in. The Trustees noted that the Foundation has a diverse investment property portfolio, consisting of a number of properties with a range of uses, its covenants with its tenants are strong, it also has a portfolio of other financial investments and consolidated net current assets of £10,760,581 at 31 March 2022. Therefore the Trustees consider that there is reasonable assurance the Group and the Foundation will have sufficient resources to enable them to continue in operation for the foreseeable future, being a period of no less than one year from the date of approval of these Financial Statements. Accordingly, the going concern basis has been adopted in the preparation of the financial statements.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2022 (continued)

2 Accounting policies (continued)

(c) Basis of consolidation

The group financial statements incorporate the financial statements of the Foundation and entities controlled by the Foundation (its subsidiaries) prepared to 31 March each year. Control is achieved where the Foundation has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired during the year are included in profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group.

All intra-group transactions and balances and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

The Foundation has taken advantage of the exemption under section 408 of the Companies Act 2006 from publishing its individual income statement, statement of other comprehensive income and related notes.

(d) Business combinations and goodwill

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the group.

The cost of a business combination is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group in exchange for control and the costs directly attributable to the business combination. The consideration transferred includes the estimate of any asset or liability resulting from a contingent consideration arrangement where the transfer of further consideration is probable and can be measured reliably. Identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination are measured initially at their fair values at the acquisition date. Contingent liabilities are only recognised where the fair value can be measured reliably.

The group measures goodwill at the acquisition date as the excess of the cost of the business combination over the acquirer's interest in the net amount of the identifiable assets, liabilities and contingent liabilities recognised. Subsequently goodwill is amortised on a straight line basis over its useful life of three years.

When the excess is negative, the negative goodwill arising is recognised separately on the face of the balance sheet and released up to the fair value of the non-monetary assets as the non-monetary assets are recovered and otherwise in the periods expected to be benefited.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2022 (continued)

2 Accounting policies (continued)

(e) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy and the receipt is considered to be probable.

Voluntary income is received by the way of donations and is included in full in the Statement of Financial Activities when receivable.

Investment income relates to interest on bank deposits, rental income arising from investment properties and interest on long term secured debt. Investment income is recognised on an accruals basis. Rental income is recognised as earned with the cost of any lease incentives being spread equally over the lease term. Any rental income relating to future periods is recognised in deferred income.

Other trading income relates to sales of development properties.

(f) 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 reported as part of the expenditure to which relates.

- Grants are recognised at the earlier of payment and when a constructive obligation to the recipient is created. Any grant recognised but unpaid, is recognised as a creditor.
- Raising funds comprise the costs associated with attracting voluntary income.
- Real estate management comprise property management costs, financing costs and the cost of developments sold.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and the services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- Governance costs are allocated between expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.

(g) Taxation

The tax expense represents the sum of the tax currently payable and any deferred tax.

The current tax charge is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. The Foundation's activities are charitable and therefore, to the extent that any surpluses are applied to its charitable objects, the Foundation is not liable to tax. In addition, its subsidiaries incur no current tax charge as all their profits, which would otherwise be taxable, are distributed to the Foundation by way of Gift Aid and thus no tax liability arises.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2022 (continued)

2 Accounting policies (continued)

(h) Taxation (continued)

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date, and where it is probable that a tax liability will arise. Deferred tax on investment property revaluation gains are not recognised where it is probable that the crystallised profits will be donated to the Foundation such that no tax liability will ultimately arise.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Whilst the tax expense is immaterial, it is recognised as a part of the cost of the relevant activity, rather than being disclosed separately in the Statement of Financial Activities.

(i) Property, Plant and Equipment

Property, Plant and Equipment are valued using the cost model and are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing an asset to the condition necessary for it to operate in the manner intended for it by the trustees.

Depreciation is charged on assets so as to allocate their cost less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following basis:

Freehold property - 4% straight line

(j) Investments

Investments are initially recognised at cost and subsequently at fair value, if this can be measured reliably; or if fair value cannot be measured reliably, at cost less impairment. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

(k) Social Investments

Programme related investments are held at fair value, if this can be measured reliably; or if fair value cannot be measured reliably, at cost less impairment. Where a decision is taken that a programme related investment should be held to generate a financial return and that the primary motivation for holding it is no longer to further the objects of the charity, it will be transferred to the main investment portfolio and measured accordingly.

(l) Investment properties

Investment properties which are properties held to earn rentals and / or capital appreciation are initially measured at cost and subsequently at fair value. Revaluation surpluses and deficits are recognised as part of the income statement.

Where there is a mixed use property the fair value of the investment element is included in Investment Properties and the cost is included in Property, Plant and Equipment, in accordance with FRS 102.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2022 (continued)

2 Accounting policies (continued)

(m) Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Foundation becomes a party to the contractual provisions of the instrument.

Trade (including rental) and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Foundation will not be able to collect all amounts due.

Loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to proceeds received net of direct issue costs. These liabilities are subsequently measured at the amortised cost, using the effective interest rate method.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(n) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and bank deposits with maturities of three months or less.

(o) Recognition of liabilities

All expenditure is recognised once there is a legal or constructive obligation committing the charity to the expenditure.

(p) Funds structure

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity. Unrestricted funds comprise the revaluation reserve and general reserves. The revaluation reserve is the excess of the fair value of investment property in excess of cost; the general reserves are the accumulated reserves of the Foundation, not otherwise classified as restricted reserves or revaluation reserves. Restricted funds are subjected to restrictions on their expenditure imposed by the donor, currently there are no restricted funds.

(q) Foreign currency transactions

All transactions denominated in foreign currencies are translated at the rate of exchange ruling at the time of the transaction. All foreign exchange differences are taken to the Statement of Financial Activities in the period in which they arise. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated using the closing rate.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2022 (continued)

3 Key sources of estimation uncertainty and judgements

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

Significant management judgements

Financial instruments classification

The classification of financial instruments as "basic" or "other" requires judgement as to whether all applicable conditions as basic are met. This includes consideration of the form and its return.

Recognition of grants payable

Grants payable are recognised at the earlier of payment or when a constructive obligation to the grant recipient arises. The point at which this occurs requires the exercise of judgement in the cases of conditional grants which have been advised to the recipients.

Significant management estimates

Valuation of investment property

Investment properties are included in the financial statements at their value at the year end, as required by FRS 102. Fair value is estimated based on expected future net income from the properties and market yield rates. The value of the investment properties is detailed in note 14.

Valuation of Programme Related Investments

The Trustees make a judgement in relation to the classification of investments between those made primarily for financial return and those held for non-financial objectives. Impairments to programme related investments are charged to Charitable Activities.

Programme related investments form a portfolio managed separately from the Foundation's other investments. These investments are held primarily to further the charitable aims of the Foundation rather than to provide a financial return. They are held at fair value, if this can be measured reliably; or if fair value cannot be measured reliably, at cost less impairment.

Deferred taxation

Deferred tax on investment property revaluation gains arising in subsidiaries are not recognised where it is probable that the crystallised profits will be donated to the Foundation such that no tax liability will ultimately arise.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2022 (continued)

4 Voluntary income	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Donations	<u>710,000</u>	<u>1,219,308</u>	<u>710,000</u>	<u>1,744,692</u>

The income from donations was £710,000 (2021: £1,219,308) for the group. The company received donations of £ Nil from its wholly owned subsidiaries (2021: £1,744,692).

All income was unrestricted.

The Foundation benefits greatly from the involvement and support of its volunteers, details of which are given in the Annual Report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

5 Investment income	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Rental income	6,907,927	4,673,801	6,907,927	4,184,251
Interest on debt securities	-	729,673	-	850,851
Dividend income	14,595	-	14,595	-
Bank interest	3	35	3	27
	<u>6,922,525</u>	<u>5,403,509</u>	<u>6,922,525</u>	<u>5,035,129</u>

6 Other trading income	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Other income	27,345	12,942	27,345	12,942
Gain on exchange	-	-	-	-
	<u>27,345</u>	<u>12,942</u>	<u>27,345</u>	<u>12,942</u>

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2022 (continued)

7 Total Resources Expended - Group

	Basis of allocation	Raising funds		Real Estate Management		Charitable activities		2022 £	2021 £
		2022 £	2021 £	2022 £	2021 £	2022 £	2021 £		
Costs directly allocated to activities									
Grants	Direct	-	-	-	-	833,432	969,128	833,432	969,128
Other charitable activities	Direct	-	-	-	-	1,236,667	-	1,236,667	-
Disposal of investment property	Direct	-	-	76,000	-	-	-	76,000	-
Investment property expenses	Direct	-	-	2,637,481	1,192,324	-	-	2,637,481	1,192,324
Provision for doubtful debts	Direct	-	-	347,487	-	-	-	347,487	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		-	-	3,060,968	1,192,324	2,070,099	969,128	5,131,067	2,161,452
Support costs allocated to activities									
Accountancy	Direct	-	-	61,322	92,433	-	-	61,322	92,433
Bank charges and fees	Direct	-	-	86,092	80,181	-	-	86,092	80,181
Interest on bank loans	Direct	-	-	2,556,207	1,401,226	-	-	2,556,207	1,401,226
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		-	-	2,703,621	1,573,840	-	-	2,703,621	1,573,840
Governance costs allocated to activities									
Audit fees	Apportioned	12,080	19,098	12,080	-	12,080	19,097	36,240	38,195
Legal and professional	Direct	-	-	150,924	483,891	-	-	150,924	483,891
Other	Apportioned	58,957	139,958	58,957	-	58,956	139,958	176,870	279,916
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		71,037	159,056	221,961	483,891	71,036	159,055	364,034	802,002
Total expenditure		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		71,037	159,056	5,986,550	3,250,055	2,141,135	1,128,183	8,198,722	4,537,294

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2022 (continued)

8 Grants and charitable expenditure		2022	2021
		£	£
Material Grants	Charitable Objective		
Clinton Foundation	Education	221,663	76,176
Obama Foundation	Education	198,958	369,661
Royal Foundation	Education	100,000	100,000
Other Grants			
Equality Education	Education	114,365	122,037
UK Education	Education	90,500	127,800
Africa Education	Education	48,333	15,000
India Education	Education	33,333	30,454
North America Education	Education	18,500	50,000
UK Creative Industries	Education - Promotion of the Arts	7,780	47,000
UK Healthcare	Relief of poverty	-	31,000
		<u>833,432</u>	<u>969,128</u>

All grants were made to institutions.

9 Auditor's remuneration		2022	2021
		£	£
Fees payable to the Foundation's auditor for the audit of the Foundation's financial statements.		36,240	32,945
Accountancy and advisory fees		4,778	45,198
Restructuring and professional fees		-	15,912
		<u>41,018</u>	<u>94,055</u>

10 Trustees' remuneration and expenses

No trustees received any remuneration or expenses during the year (2021: £ Nil). During the year a company controlled by a trustee received £46,975 (2021: £49,918) for the provision of accountancy services to the group, as detailed in Note 19.

11 Corporation Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

The Trustees consider that it is probable no corporation tax will arise in the group's commercial subsidiary as all their profits, which otherwise would be taxable, are likely to be distributed to the Foundation by way of Gift Aid. Accordingly, no post acquisition tax charge has been provided on their results.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2022 (continued)

12 Tangible fixed assets	Group	Company
Cost	Land and Buildings £	Land and Buildings £
At 1 April 2021	2,110,000	2,110,000
Additions	-	-
At 31 March 2022	<u>2,110,000</u>	<u>2,110,000</u>
Depreciation		
At 1 April 2021	243,026	243,026
Charge for the year	84,400	84,400
At 31 March 2021	<u>327,426</u>	<u>327,426</u>
Net Book Value		
At 31 March 2022	<u>1,782,574</u>	<u>1,782,574</u>
At 31 March 2021	<u>1,866,974</u>	<u>1,866,974</u>

13 Investments

	Unlisted £	Program Related Investments £	Subsidiaries £	Total £
Group				
At 1 April 2021	274,852	-	-	274,852
Additions	2,561,779	1,600,000	-	4,161,779
Impairment	-	(1,520,000)	-	(1,520,000)
At 31 March 2022	<u>2,836,631</u>	<u>80,000</u>	<u>-</u>	<u>2,916,631</u>
Company				
At 1 April 2021	274,852	-	5,000	279,852
Additions	2,561,779	1,600,000	-	4,161,779
Impairment	-	(1,520,000)	-	(1,520,000)
Disposals	-	-	(642)	(642)
At 31 March 2022	<u>2,836,631</u>	<u>80,000</u>	<u>4,358</u>	<u>2,920,989</u>

At 31 March 2022, the charity's investments were held in the UK and USA.

Programme related investments form a portfolio managed separately from the Foundation's other investments. These investments are held primarily to further the charitable aims of the Foundation rather than to provide a financial return. They are held at fair value, if this can be measured reliably; or if fair value cannot be measured reliably, at cost less impairment. The Foundation has committed to provide further PRI funding of £1.5m during the year to 31 March 2023.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2022 (continued)

14 Investment properties

Group	Freehold £	Leasehold £	Total £
At 1 April 2021	147,412,794	6,750,000	154,162,794
Additions	6,830,502	1,290,525	8,121,027
Disposals	(7,200,000)	-	(7,200,000)
Revaluation gains	4,034,973	126,000	4,160,973
	<hr/>	<hr/>	<hr/>
At 31 March 2022	151,078,269	8,166,525	159,244,794
	<hr/>	<hr/>	<hr/>
Company	Freehold £	Leasehold £	Total £
At 1 April 2021	147,412,794	6,750,000	154,162,794
Additions	6,830,502	1,290,525	8,121,027
Disposals	(7,200,000)	-	(7,200,000)
Revaluation gains	4,034,973	126,000	4,160,973
	<hr/>	<hr/>	<hr/>
At 31 March 2022	151,078,269	8,166,525	159,244,794
	<hr/>	<hr/>	<hr/>

Historical cost of freehold properties at 31 March 2022 amounted to £134,544,694 (2021: £134,524,192) for the Group and £134,544,694 (2021: £134,524,192) for the Foundation. Historical cost of leasehold properties at 31 March 2022 amounted to £7,194,164 (2021: £5,903,638) for Group and Foundation. Additions are comprised of new properties acquired by the group and improvements to some of its existing properties during the year.

Investment properties have been valued by the Trustees taking account of independent professional advice. Fair value is estimated based on expected future net income from the properties and market yield rates.

15 Debtors	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	1,213,960	699,209	1,213,960	699,209
Other debtors	4,374,255	-	4,374,255	6,642
Accrued income	-	217,250	1,150	217,250
Prepayments	88,064	72,532	88,064	72,532
	<hr/>	<hr/>	<hr/>	<hr/>
	5,676,279	988,991	5,677,429	995,633
	<hr/>	<hr/>	<hr/>	<hr/>

During the year the Foundation disposed of one of its investment properties. Included in Other Debtors is a loan of £4,320,000 (2021: £Nil) extended to the purchasers of the property. The loan is at 60% LTV and secured by first charge against the property and is repayable on 31 December 2022, at which time if the loan remains unpaid interest of 8% per annum is payable.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2022 (continued)

16 Operating leases with tenants

The Foundation leases out all its investment properties under operating leases. The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

Due:	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Not later than one year	3,491,059	3,880,818	3,491,059	3,880,818
Later than one year but within five years	4,729,166	7,146,182	4,729,166	7,146,182
Later than five years	6,064,661	6,149,518	6,064,661	6,149,518
	<u>14,284,886</u>	<u>17,176,518</u>	<u>14,284,886</u>	<u>17,176,518</u>

None of the leases entered into give tenants the right or option to purchase or contain contingent rents.

17 Creditors: Amounts falling due within one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Secured bank loan	540,000	540,000	540,000	540,000
Accruals and deferred income	2,500,492	1,691,002	2,500,492	1,691,002
Other creditors	1,501,171	1,388,416	1,501,171	1,388,416
Other taxes and social security costs	172,887	109,461	172,887	109,461
	<u>4,714,550</u>	<u>3,728,879</u>	<u>4,714,550</u>	<u>3,728,879</u>

18 Creditors: Amounts falling due after one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Secured loan	22,000,000	22,000,000	22,000,000	22,000,000
Secured bank loan	72,654,244	73,112,392	72,654,244	73,112,392
	<u>94,654,244</u>	<u>95,112,392</u>	<u>94,654,244</u>	<u>95,112,392</u>

Bank loans

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Amounts due within one year	540,000	540,000	540,000	540,000
Amounts due within two to five years	72,654,244	73,112,392	72,654,244	73,112,392
	<u>73,194,244</u>	<u>73,652,392</u>	<u>73,194,244</u>	<u>73,652,392</u>

The secured bank loan is secured with a charge against the properties to which the loan relates, the value of the properties offered as security is £159,244,794 (2021: £151,562,794). The loan is repayable in 2024, and interest on the loan accrues at 2% above SONIA.

The Secured loan is secured by a second charge against the security properties in the above note. The loan is repayable in 2023 and interest on the loan accrues at a fixed rate of 4%.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2022 (continued)

19 Related party transactions and key management personnel

During the year Aristeia Accounting Limited, a company controlled by Stuart Malcolmson who is also a Trustee of the Foundation, invoiced £46,975 (2021: £49,919) for the provision of accountancy services, of which £3,852 (2021: £3,500) was unpaid at the year end.

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the Foundation. In the opinion of the Trustees, key management are the board of Trustees. The Trustees appoint specialist advisors for professional support where necessary.

20 Movements in funds

	Revaluation reserve £	Accumulated fund £	Total Funds £
Group			
At 1 April 2021	13,734,964	62,693,251	76,428,215
Incoming resources	-	7,583,869	7,583,869
Outgoing resources	-	(8,122,721)	(8,122,721)
Revaluation gains on investment properties	4,160,973	-	4,160,973
Realisation of revaluation on disposal of investment property	(830,382)	830,382	-
	<hr/>	<hr/>	<hr/>
Movement for the year	3,330,591	291,530	3,622,121
	<hr/> <u>17,065,555</u>	<hr/> <u>62,984,781</u>	<hr/> <u>80,050,336</u>
Company			
At 1 April 2021	13,734,964	62,693,894	76,428,858
Incoming resources	-	7,583,869	7,583,869
Outgoing resources	-	(8,122,721)	(8,122,721)
Revaluation gains on investment properties	4,160,973	-	4,160,973
Realisation of revaluation on disposal of investment property	(830,382)	830,382	-
Disposals	-	(643)	(643)
	<hr/>	<hr/>	<hr/>
Movement for the year	3,330,591	290,887	3,621,478
	<hr/> <u>17,065,555</u>	<hr/> <u>62,984,781</u>	<hr/> <u>80,050,336</u>

21 Financial instruments

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Financial assets				
Financial assets measured at fair value through the profit & loss	2,916,631	274,852	2,916,631	274,852
Financial assets measured at amortised cost	9,798,852	17,975,875	9,793,344	17,964,876
	<hr/>	<hr/>	<hr/>	<hr/>

Financial assets measured at amortised cost are comprised of cash.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2022 (continued)

22 Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered	Nature of business	Class of shares held	2022 % Held Direct	2021 % Held Direct
Whitechapel Acquisitions Limited	11380670 England and Wales	Property investment	Ordinary	100	100

Summary financial information of the significant subsidiaries at 31 March 2022:

	Whitechapel Acquisitions Limited 2022
Turnover	-
Fair value gain	-
Expenses	-
Loss	-
Assets	5,508
Liabilities	1,150
Net Assets	4,358

Gift Aid donations to the Foundation are excluded from the profit and loss information above.

23 Analysis of changes in net debt

	At 1 April 2021	Cash Flows	At 31 March 2022
Cash and cash equivalents			
Cash and cash equivalents	17,975,875	(8,177,023)	9,798,852
	17,975,875	(8,177,023)	9,798,852
Borrowings			
Debt due within one year	(540,000)	-	(540,000)
Debt due after one year	(95,112,392)	458,148	(94,654,244)
	(95,652,392)	458,148	(95,194,244)
Total Net Debt	(77,676,517)	(7,718,875)	(85,395,392)

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2022 (continued)

24 Post Balance Sheet Events

There are no significant events to report.

THE RUMI FOUNDATION

England & Wales - Charity number 1115154

Accounts

Company Number: 5840786
Charity Number: 1115154

THE RUMI FOUNDATION

REPORT AND ACCOUNTS

For the year ended

31 MARCH 2021

THE RUMI FOUNDATION

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THE RUMI FOUNDATION

TRUSTEES AND ADVISORS

Trustees and Directors

D Muriithi
B Pollard
J Verjee (resigned 30 September 2020)
S Malcolmson (appointed 28 September 2020)

Secretary

S Malcolmson

Registered office

1st Floor
Clutha House
10 Storey's Gate
London
SW1P 3AY

Bankers

National Westminster Bank Plc
Piccadilly and New Bond Street
63 Piccadilly
London
W1J 0AJ

Auditor

Nexia Smith & Williamson
Chartered Accountants
Statutory Auditor
25 Moorgate
London
EC2R 6AY

Tax Advisors

Smith & Williamson LLP
Accountants
25 Moorgate
London
EC2R 6AY

Company registration number

5840786

Charity registration number

1115154

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT

The Trustees present their report and the accounts for the year ended 31 March 2021.

Structure, Governance and Management

The Foundation is a charitable company limited by guarantee, incorporated on 8 June 2006 and registered as a charity on 7 July 2006. The Foundation was established under a Memorandum of Association which established the objectives and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

The Trustees of the Foundation are also directors for the purposes of company law under the company's Articles and are shown on page 2 to this report. The Trustees who served during the year are listed below:

- B Pollard
- D Muriithi
- J Verjee (resigned 30 September 2020)
- S Malcolmson (appointed 28 September 2020)

Organisational structure

The Rumi Foundation has a Board made up of three Trustees who meet at least twice a year and are responsible for managing the business of the Foundation. In the absence of staff to run the Foundation's day to day activities the Trustees have outsourced these operations to third party property management professionals who report back monthly.

At the year end the Foundation's corporate structure includes one active subsidiary which is 100% owned by the Foundation and engages in property investment. The Trustees appoint the directors of the subsidiary.

Trustees' recruitment and appointment

Under the requirements of the Articles of Association the Trustees are appointed for fixed terms in office of a maximum of three years, and on retirement are eligible for re-appointment subject to the conditions in the Articles.

The Trustees have adopted a skills matrix and are recruited for their expertise and experience. The role of Trustee does not carry any remuneration, as such all Trustees give their time freely and no Trustee remuneration or expenses were paid in the year (2020: £nil). Trustees are required to disclose all related interests, any such interests or transactions are shown in Note 19 and in accordance with the Foundation's policies withdraw from decisions where a conflict of interest arises.

The Trustees have adopted a Trustees' Roles and Responsibilities Policy, which includes a Trustees' Code of Conduct.

Trustee Induction and Training

As part of their induction programme any new Trustees are made aware of their responsibilities as Trustees.

The existing Trustees recognise the need to have regular training on their roles and responsibilities and continuously seek to educate themselves to improve their skills and best practices. The Trustees appoint specialist advisors for professional support where necessary.

Risk Policy

The Trustees have adopted a Risk Assessment Register which considers the major risks to which the Foundation is exposed and sets out systems and procedures to mitigate them. The Trustees consider the major risk to be the safety of, and investment returns on, its funds. The Trustees seek professional advice to manage risks as appropriate.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT (continued)

The Trustees have specifically considered a number of business risks such as: the credit-worthiness of its tenants and debtors, the risk of changes in interest rates and the risks associated with property investment. The Foundation has made investments where the Trustees believe such risks are as low as possible and the Trustees seek professional advice where appropriate.

Reserves policy

The Trustees have formalised the Foundation's reserves policy with reference to Charity Commission guidance (CC19) and accounting standards (Charities SORP FRS102). The Trustees have adopted a policy which defines free reserves as funds which are available for use by the Foundation, which are deemed to be those that are readily realisable in liquid investments, excluding any funds whose uses are restricted or else designated for any particular purposes (no such funds currently exist).

The policy specifies that the Foundation's free reserves should not fall below the amount required to run its activities for at least one year should there be any call for funds on the Foundation, bearing in mind the levels of stable income which the Foundation currently receives. The Foundation's expenditure including charitable donations is around £4.5 million per annum.

At the year end, the Group's cash consisted of around £18m and the Group expects to receive around £5 million in annual income from investments.

The Trustees are comfortable with the level of reserves held at the end of the financial year due to the cash balance held and the relatively secure rental income from its UK real estate investments which provide the Foundation with a source of continuing reliable income.

The Trustees have examined the future anticipated cash flows of the Foundation and are satisfied that the Foundation has sufficient resources to meet its continuing obligations.

Investment Policy

The Trustees have created an investment policy to further the Foundation's charitable objectives and are aware of the Charity Commission's guidance (CC14) on the importance of managing risk in the formation of the Foundation's investment policy. As the Foundation's charitable objectives include the furtherance of charitable purposes both in the UK and overseas, the investment policy aims to invest its funds to create revenue streams in areas where the Foundation is undertaking or planning to undertake charitable activities. Currently the Foundation does not engage in any external fundraising activities because all of its funding derives from its investments and subsidiaries.

The investment policy is to make appropriate investments achieving a reasonable balance of risk and reward in a range of both short and long-term investments. The Trustees leverage their own investment skills and also seek independent advice where appropriate to ensure that this balance is met.

The current investment strategy of the Foundation is to continue to build its capital to create an Expendable Endowment which can support a larger number of long-term projects in the future. In the low interest rate environment, the Trustees consider an appropriate target return to be 3% - 5%, in a blend of income and capital appreciation. The Trustees have regard to environmental, social and ethical considerations in evaluating potential investment opportunities for the Foundation.

The focus of the Foundation's investment policy for the year was to continue to source good value, income-yielding investments and to increase the value of existing investments through good asset management techniques. The Foundation's return on investment in the current financial year was within the target range.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT (continued)

During the financial year, the Trustees continued to improve the Foundation's existing property portfolio by renovating vacant units and improving common parts, whilst renegotiating rents with existing tenants. The Foundation obtained third party valuations of its existing assets and these resulted in increases in values to reflect the improvements undertaken in the year.

The Foundation's other investments of £274,852 have maintained their value. Rental income continues to increase as further investment properties have been acquired and the Foundation monitors the covenants of its tenants to maximise the sustainability of its rental income. With these new investments, the Foundation continued to increase its annual income and to record the requisite earnings from its investments to fund its activities through the financial year.

With the acquisition of 7 new freehold properties in the year, the Foundation increased its loan with the same lender as part of the existing long-term borrowing arrangement.

Fundraising Policy

The Foundation is in compliance with the Charities (Protection and Social Investment) Act 2016

Grant-Making Policy

The Trustees have an established grant making framework whereby the Foundation works with large, established foundations to, together, support smaller, grassroots organisations that are making changes in an innovative way. The purpose of this grant making framework is to leverage the Foundation's impact by building up and maintaining strong long-term relationships with its strategic grant partners, which enables the Foundation to scale the impact of its activities. Furthermore, the Foundation's general policy is to enter longer-term grant arrangements as it enables the Foundation to build up a more meaningful and productive relationship with the grant recipient.

As part of its due diligence procedures on potential grant recipients, the Foundation ordinarily meets with every organisation it is considering funding and interviews them. Where appropriate the Foundation then records the terms on which it provides its grants in written grant agreements using Grant Offer Letters and Terms & Conditions and Grant Reporting Forms. The Foundation monitors the application and impact of its grant funding by meeting with each grant recipient on a regular basis to carry out a detailed assessment of the grant activities. In addition, the Foundation conducts site visits to the projects supported by some of its larger grants.

Objectives and Activities for the Public Benefit

The objects and purposes of the Charity as set out in its Articles, are:

- the advancement of education in the UK and overseas, in particular by:
 - the provision, support and promotion of the education of children and young people in schools and institutions of further and higher education;
 - the education of disadvantaged members of the public;
 - the promotion of the arts; and
 - the relief of poverty.

The Trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities and setting the grant-making policy for the year.

The Trustees are satisfied that the processes and activities of the Foundation satisfy the public benefit test set out in s.4 Charities Act 2011.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT (continued)

The Foundation carries out these objects in the shorter term by providing financial support to schools, universities, healthcare and educational programmes. The Foundation also provides financial support to schools in the most disadvantaged areas of the world, aimed at both educating disadvantaged members of the public and relieving poverty. In the longer term, the Foundation will support research into scientific and human advancement and additionally supports the advancement of entrepreneurial thinking at educational institutions, particularly those focused around social sciences, healthcare, technology and creative industries, where commercial training is vital.

Achievements and Performance during the period and plans for the future

The Foundation continued to work with existing charitable partners and sought to identify new long term partners to help fulfil its charitable vision.

The Foundation focused its partnerships this year on the education, empowerment and advancement of young people in our society today, and on community engagement and civic involvement.

Details of grant funding and charitable expenditure are set out in Note 8. Further details of selected initiatives are set out below.

As the Foundation has continued to mature, the Trustees have begun to identify the unique ability of the Foundation to work with large, established foundations all around the world and at the same time to support smaller, grassroots foundations that are making change in an innovative way. Through the Trustees' unique networks, the Foundation can match these young changemakers with established foundations, further helping their growth and allowing them to access funding and recognition on a larger scale.

The Trustees use their networks and entrepreneurial skills to find innovative organisations that are making change at the grassroots level and provides these charities with funding to develop their ideas and to experiment and test how they can make the most impact. The Foundation provides guidance and mentorship and local networks to these young founders, and then connects the charities with larger, global organisations who help them grow, can provide them with additional levels of funding, and can give them access to best practices and networks of similar organisations around the world.

As the Foundation has entered into discussions with its grantees, it has also become clear how important it is for these charities to receive some unrestricted funds to allow them to satisfy their core costs, rather than to restrict funding to specific projects and not to underlying costs. The Trustees work with the grantees, particularly the smaller charities, to ensure that they are allocating the Foundation's funds wisely, are acting in accordance with the Trustees' suggestions and guidance, and that their impact is measured. Where funds have been allocated to support a particular project, this is indicated below.

The Obama Foundation

The Foundation continued its long-term partnership with the Obama Foundation to further its object of education. The Obama Foundation operates globally, supporting outstanding civic innovators, those leaders who are working with their communities to create transformational change and addressing some of the world's most pressing problems.

The Obama Foundation runs educational programs in North America, Europe, Africa, Asia and Pacific regions. People enrolled in these programs are offered tailored workshops that will help them grow their existing skills develop new ones, further enhancing their 'leadership toolkit'. The Obama Foundation also engages with young people aged 18 - 25 to identify future leaders, it then supports them by offering educational workshops, mentoring and networking opportunities and cultural events where the emerging leaders can meet and engage with innovative thinkers and inspirational civic leaders from around the world. As a key supporter of the Obama Foundation's European programme representatives from the Foundation have attended events hosted by the Obama Foundation and directly witnessed it's impact and the community spirit created amongst the emerging leaders.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT (continued)

Clinton Foundation

The Foundation also continued its partnership with The Clinton Foundation. The mission of The Clinton Foundation is to improve global health, strengthen economies, promote healthier childhoods, and protect the environment by fostering partnerships among governments, businesses, non-governmental organisations, and private citizens to turn good intentions into measurable results.

The Foundation's main direction of funds provided to The Clinton Foundation is to education and health causes, particularly in Africa and South America. The Community Agribusiness Approach programme provides education to rural farmers in sub-Saharan Africa to understand markets and climate-smart agriculture production. In Rwanda, The Clinton Foundation estimates that every \$1 of funding has resulted in \$3.80 of increased income for farmers.

Representatives of the Foundation met with representatives of the Clinton Foundation to discuss the application, use and impact of the Foundation's grant. The grant furthers the Foundation's objects of education of disadvantaged members of the public and relief of poverty.

Royal Foundation

The Foundation continued its relationship with the Royal Foundation, the charitable organisation of the Duke and Duchess of Cambridge. The Foundation provided unrestricted core funding for the Earthshot Prize, a project launched by the Duke of Cambridge in October 2020. The Prize will run between 2021 and 2030 and will be awarded annually to 5 winners whose solutions substantially help the environment. The prize fund will distribute £50 million over the course of the next decade. The Foundation also supported the mental health programmes of the Royal Foundation with a view to introducing some of the Foundation's innovative, grassroots charities to the Royal Foundation to increase their impact and scale. Representatives of the Foundation worked closely with staff of the Royal Foundation to begin this co-ordination and plan for further engagement during the next financial year to continue to educate disadvantaged members of the public.

UK Education

Renaissance Foundation

The Renaissance Foundation is a key smaller, grassroots organisation that seeks to empower young people aged 12-18 experiencing significant challenges in their lives. The Renaissance Foundation runs a 3 year tailored outreach programme which aims to inspire and support disadvantaged young people facing barriers to education, work and fulfilment. Representatives of the Rumi Foundation have met regularly with the Renaissance Foundation to assess the impact of its giving.

Equality Education

Global Institute for Women's Leadership

The Foundation began a new relationship with the Global Institute for Women's Leadership, an innovative charity that engages in rigorous academic research with the aim of playing key role in driving gender equality in leadership. Research undertaken by Global Institute for Women's Leadership provides insights that policymakers, practitioners and campaigners can use to make evidence-based decisions, effective interventions and policies that create real change.

UK Healthcare

Step up to Serve

Step up to Serve is an innovative social action charity that is behind the #iwill campaign, which seeks to engage young people under 20 years old to take action and help their communities. The #iwill campaign inspires young people to volunteer at hospitals and care for the elderly. The campaign was a very early actor as Coronavirus became prevalent in the UK at the end of March 2020 and #iwill ambassadors worked with the NHS Youth Forum to write the official Coronavirus guidelines for young people. This grant furthers the Foundation's objectives of educating young people and relieving poverty.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT (continued)

India Education

Yuva Unstoppable

The Foundation supported YUVA Unstoppable, a progressive charity which is dedicated to It works to providing underprivileged children with access to education, sanitation, drinking water, cleanliness and various non-curricular activities. YUVA Unstaoppable has been operating for more than 15 years and its 150,000 volunteer youth leaders have engaged with 1,500 government schools to help improve the life chances of 600,000 children.

Other Initiatives

The Foundation also supported a number of other organisations including institutions within the creative industries, educational projects and children's charities in the UK and across the globe to further all of the Foundation's objectives.

Financial Review

The Foundation had another successful year. The Trustees continue to seek to build a long-term Expendable Endowment for the Foundation to allow it to sustainably increase its charitable giving without eroding the Foundation's capital base. This will allow the Foundation to continue to grow in size as it finds more long-term major charitable projects with which it can partner, both large and smaller.

COVID-19

The COVID-19 pandemic has affected each and every one of us. The Foundation's relatively secure rental income has not been materially affected and the Trustees remain in active discussions with tenants to ensure they are able to pay rent on a sustainable basis. The Trustees consider that the investment and reserves policies they have put in place are sufficient to allow the Foundation to continue to meet its charitable purposes for the foreseeable future. The Trustees will continue to monitor UK Government advice on the global pandemic and seek to find ways for the Foundation to support those in greatest need.

Trustees' Responsibilities Statement

The Trustees (who are also directors of The Rumi Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) and The Financial Reporting Standard 102. 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 the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

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

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT (continued)

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

Auditors

In accordance with Section 485 of the Companies Act 2006, the Trustees confirm that Nexia Smith & Williamson have been reappointed as auditors of the company.

Awareness of relevant audit information

The Trustees of the company confirm that, in fulfilling their duties as Trustees, they have:

- taken all the necessary steps in order to make themselves aware of any information relevant to the and to establish that the auditors are aware of that information; and
- so far as they are aware, there is no relevant audit information of which the auditors have not been aware.

**Approved by the board of trustees
and signed on behalf of the board**



S Malcolmson
Trustee

Date: 21 July 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND THE TRUSTEES OF THE RUMI FOUNDATION**Opinion**

We have audited the financial statements of The Rumi Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated & Parent Charitable Company Balance Sheets, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and of the parent charitable company's affairs as at 31 March 2021 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Report and Accounts, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND THE TRUSTEES OF THE RUMI FOUNDATION (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report, which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report included within the Trustees' Annual Report.

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the trustees (who are directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and under section 151 of the Charities Act 2011, and report in accordance with those Acts 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting

Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND THE TRUSTEES OF THE RUMI FOUNDATION
(CONTINUED)**

We obtained a general understanding of the charitable group's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We obtained an understanding of the charitable group's policies and procedures in relation to compliance with relevant laws and regulations. We also drew on our existing understanding of charity regulation.

We understand that the charitable group complies with the framework through:

- Updating operating procedures and internal controls as legal and regulatory requirements change; and
- The Trustees' close oversight through regular board meetings.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the charitable group's ability to conduct operations and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significant in the context of the charitable group.

- FRS 102 and the requirements of the Companies Act 2006 in respect of the preparation and presentation of the financial statements;
- Health and safety regulations, including building and fire safety; and
- Charity law and regulation.

The senior statutory audit led a discussion with all members of the engagement team regarding the susceptibility of the Charity's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were the risk of manipulation of the financial statements through manual journal entries, and incorrect treatment of the valuation of investment properties.

The procedures we carried out to gain evidence in the above areas included testing:

- A sample of manual journal entries, selected through applying specific risk assessments based on the Charity's processes and controls surrounding manual journals;
- Making enquiries of the Trustees as to the risks of and any instances of non-compliance with laws and regulations;
- Reading minutes of meetings of trustees and enquiring into any correspondence between regulators and the charitable company; and
- Reviewing support for the valuation of investment properties.

The senior statutory auditor was satisfied that the engagement team collectively had the appropriate competence and capabilities to identify or recognise irregularities.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charitable company, and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Bond

Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

Date: 23/07/2021

THE RUMI FOUNDATION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING THE INCOME & EXPENDITURE ACCOUNT**

FOR THE YEAR TO 31 MARCH 2021

		Total Funds	Total Funds
		31 March 2021	31 March 2020
	Notes	£	£
Income from:			
Donations	4	1,219,308	-
Investments	5	5,403,509	4,968,479
Other trading income	6	12,942	19,625
Total income		<u>6,635,759</u>	<u>4,988,104</u>
Expenditure on:			
Raising funds			
Administrative costs	7	2,007,885	1,124,017
Interest payable	7	1,401,226	1,420,389
Charitable activities	7	1,128,183	1,219,934
Total expenditure		<u>4,537,294</u>	<u>3,764,340</u>
Net gain / (loss) on investments		2,841,173	(184,859)
Net income and net movement in funds		<u>4,939,638</u>	<u>1,038,905</u>
Funds as at 1 April		71,488,577	70,449,672
Funds as at 31 March		<u>76,428,215</u>	<u>71,488,577</u>

All incoming resources and resources expended derive from continuing activities.

THE RUMI FOUNDATION

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021

	Notes	2021 £	2020 £
Fixed Assets			
Tangible fixed assets	12	1,866,974	1,951,374
Investments	13	274,852	23,700,852
Investment properties	14	154,162,794	98,379,293
		<hr/>	<hr/>
		156,304,620	124,031,519
Current Assets			
Debtors	15	988,991	1,047,519
Cash at bank and in hand		17,975,875	1,573,147
		<hr/>	<hr/>
		18,964,866	2,620,666
Creditors: amounts falling due within one year	17	(3,728,879)	(2,727,268)
		<hr/>	<hr/>
Net Current Assets / (Liabilities)		15,235,987	(106,602)
Creditors: amounts falling due after more than one year	18	(95,112,392)	(52,436,340)
		<hr/>	<hr/>
Net Assets		76,428,215	71,488,577
		<hr/>	<hr/>
Represented by:			
Unrestricted charity funds			
Accumulated fund	20	62,693,251	56,436,133
Revaluation reserve	20	13,734,964	15,052,444
		<hr/>	<hr/>
		76,428,215	71,488,577
		<hr/>	<hr/>

The accounts were approved and authorised for issue by the Board of Directors on 21 July 2021 and were signed on its behalf by:



S Malcolmson
Director

Company Number: 5840786

THE RUMI FOUNDATION**COMPANY BALANCE SHEET AS AT 31 MARCH 2021**

	Notes	2021 £	2020 £
Fixed Assets			
Tangible fixed assets	12	1,866,974	1,951,374
Investments	13	279,852	23,700,853
Investment properties	14	154,162,794	80,469,293
		<hr/>	<hr/>
		156,309,620	106,121,520
 Current Assets			
Debtors	15	995,633	18,175,324
Cash at bank and in hand		17,964,876	1,414,176
		<hr/>	<hr/>
		18,960,509	19,589,500
Creditors: amounts falling due within one year	17	(3,728,879)	(2,404,240)
		<hr/>	<hr/>
Net Current Assets		15,231,630	17,185,260
Creditors: amounts falling due after more than one year	18	(95,112,392)	(52,436,340)
		<hr/>	<hr/>
Net Assets		76,428,858	70,870,440
		<hr/>	<hr/>
Represented by:			
Unrestricted			
Accumulated fund	20	62,693,894	59,976,649
Revaluation reserve	20	13,734,964	10,893,791
		<hr/>	<hr/>
		76,428,858	70,870,440
		<hr/>	<hr/>

The Foundation has taken advantage of the exemption under section 408 of the Companies Act 2006 from publishing its individual income statement, statement of other comprehensive income and related notes.

The company's surplus for the year ended 31 March 2021 was £5,558,417 (2020 £1,435,476).

The accounts were approved and authorised for issue by the Board of Directors on 21 July 2021 and were signed on its behalf by:



S Malcolmson
Director

Company Number: 5840786

THE RUMI FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR TO 31 MARCH 2021

Net cash generated from operating activities	Notes	2021 £	2020 £
Net income		4,939,638	1,038,905
Depreciation charge		84,400	84,400
Interest paid		1,401,226	1,420,389
Interest received		(729,708)	(1,016,081)
Change in debtors		58,528	706,511
Change in creditors		2,660,192	512,680
Revaluation gain		(2,841,173)	-
Revaluation loss		-	171,303
Net cash generated from operating activities		5,573,103	2,918,107
Investing activities			
Additions to investment properties		(52,942,328)	(7,913,703)
Additions to investments		-	(3,526,000)
Disposals of investments		23,426,000	-
Interest received		729,708	1,016,081
Impairment of investments		-	148
Cash paid on acquisition of subsidiaries net of cash acquired		(1,658,581)	-
Net cash outflow from investing activities		(30,445,201)	(10,423,474)
Financing activities			
New loans		43,216,052	5,486,552
Loans repaid		(540,000)	-
Interest paid		(1,401,226)	(1,420,389)
Net cash inflow / (outflow) from financing activities		41,274,826	4,066,163
Increase / (decrease) in cash and cash equivalents		16,402,728	(3,439,204)
Cash at 1 April		1,573,147	5,012,351
Cash and cash equivalents at year end	23	17,975,875	1,573,147

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021

1 Legal status

The Rumi Foundation ("the Foundation") is a private company limited by guarantee (Company number: 5840786) and a registered charity (Charity number: 1115154) incorporated in England and Wales. The address of the registered office is 1st Floor, Clutha House, 10 Storey's Gate, London SW1P 3AY.

In the event of the charitable company being wound up the liability in respect of the guarantee is limited to £1 per member.

2 Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

(a) Basis of preparation

The consolidated 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 United Kingdom and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared under the historical cost convention as modified by the valuation of certain assets including investment properties, in accordance with the Foundation's accounting policies.

The group's functional currency is sterling (£).

The Foundation is a public benefit entity and the Group is a public benefit group, as defined by FRS 102.

The principal accounting policies of the Foundation are set out below.

(b) Going concern

These financial statements have been prepared on a going concern basis.

On 11th March 2020 the World Health Organisation declared the outbreak of the novel Coronavirus (COVID-19) a "Global Pandemic". The outbreak has impacted global financial markets and the UK economy is faced with an unprecedented set of circumstances to which the Group is not immune. Management have considered the impact of the Global Pandemic on the Group's income and have determined that it will not be significantly impacted. The Trustees have reviewed the outlook for the coming year, which takes into account the impact of the Global Pandemic and the fact the Foundation had consolidated net current assets of £15,235,987 at 31 March 2021, After making allowance for some reduction in income but also allowing for the fact that charitable expenditure and some overheads can be reduced, the Trustees consider that there is reasonable assurance the Group and the Foundation will have sufficient resources to enable them to continue in operational existence for the foreseeable future, being a period of no less than one year from the date of approval of these Financial Statements. Accordingly, the going concern basis has been adopted in the preparation of the financial statements.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

2 Accounting policies (continued)

(c) Basis of consolidation

The group financial statements incorporate the financial statements of the Foundation and entities controlled by the Foundation (its subsidiaries) prepared to 31 March each year. Control is achieved where the Foundation has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired during the year are included in profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group.

All intra-group transactions and balances and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

The Foundation has taken advantage of the exemption under section 408 of the Companies Act 2006 from publishing its individual income statement, statement of other comprehensive income and related notes.

(d) Business combinations and goodwill

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the group.

The cost of a business combination is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group in exchange for control and the costs directly attributable to the business combination. The consideration transferred includes the estimate of any asset or liability resulting from a contingent consideration arrangement where the transfer of further consideration is probable and can be measured reliably. Identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination are measured initially at their fair values at the acquisition date. Contingent liabilities are only recognised where the fair value can be measured reliably.

The group measures goodwill at the acquisition date as the excess of the cost of the business combination over the acquirer's interest in the net amount of the identifiable assets, liabilities and contingent liabilities recognised. Subsequently goodwill is amortised on a straight line basis over its useful life of three years.

When the excess is negative, the negative goodwill arising is recognised separately on the face of the balance sheet and released up to the fair value of the non-monetary assets as the non-monetary assets are recovered and otherwise in the periods expected to be benefited.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

2 Accounting policies (continued)

(d) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy and the receipt is considered to be probable.

Voluntary income is received by the way of donations and is included in full in the Statement of Financial Activities when receivable.

Investment income relates to interest on bank deposits, rental income arising from investment properties and interest on long term secured debt. Investment income is recognised on an accruals basis. Rental income is recognised as earned with the cost of any lease incentives being spread equally over the lease term. Any rental income relating to future periods is recognised in deferred income.

Other trading income relates to sales of development properties.

(e) 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 reported as part of the expenditure to which relates.

- Grants are recognised at the earlier of payment and when a constructive obligation to the recipient is created. Any grant recognised but unpaid, is recognised as a creditor.
- Raising funds comprise the costs associated with attracting voluntary income, property management costs, financing costs and the cost of developments sold.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and the services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- Governance costs are allocated between expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.

(f) Taxation

The tax expense represents the sum of the tax currently payable and any deferred tax.

The current tax charge is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. The Foundation's activities are charitable and therefore, to the extent that any surpluses are applied to its charitable objects, the Foundation is not liable to tax. In addition, its subsidiaries incur no current tax charge as all their profits, which would otherwise be taxable, are distributed to the Foundation by way of Gift Aid and thus no tax liability arises.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

2 Accounting policies (continued)

(f) Taxation (continued)

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date, and where it is probable that a tax liability will arise. Deferred tax on investment property revaluation gains are not recognised where it is probable that the crystallised profits will be donated to the Foundation such that no tax liability will ultimately arise.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Whilst the tax expense is immaterial, it is recognised as a part of the cost of the relevant activity, rather than being disclosed separately in the Statement of Financial Activities.

(g) Property, Plant and Equipment

Property, Plant and Equipment are valued using the cost model and are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing an asset to the condition necessary for it to operate in the manner intended for it by the trustees.

Depreciation is charged on assets so as to allocate their cost less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following basis:

Freehold property - 4% straight line

(h) Investments

Investments are initially recognised at cost and subsequently recorded at fair value as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

(i) Investment properties

Investment properties which are properties held to earn rentals and / or capital appreciation are initially measured at cost and subsequently at fair value. Revaluation surpluses and deficits are recognised as part of the income statement.

Where there is a mixed use property the fair value of the investment element is included in Investment Properties and the cost is included in Property, Plant and Equipment, in accordance with FRS 102.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

2 Accounting policies (continued)

(j) Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Foundation becomes a party to the contractual provisions of the instrument.

Trade (including rental) and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Foundation will not be able to collect all amounts due.

Loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to proceeds received net of direct issue costs. These liabilities are subsequently measured at the amortised cost, using the effective interest rate method.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(k) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and bank deposits with maturities of three months or less.

(l) Recognition of liabilities

All expenditure is recognised once there is a legal or constructive obligation committing the charity to the expenditure.

(m) Funds structure

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity. Unrestricted funds comprise the revaluation reserve and general reserves. The revaluation reserve is the excess of the fair value of investment property in excess of cost; the general reserves are the accumulated reserves of the Foundation, not otherwise classified as restricted reserves or revaluation reserves. Restricted funds are subjected to restrictions on their expenditure imposed by the donor, currently there are no restricted funds.

(n) Foreign currency transactions

All transactions denominated in foreign currencies are translated at the rate of exchange ruling at the time of the transaction. All foreign exchange differences are taken to the Statement of Financial Activities in the period in which they arise. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated using the closing rate.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

3 Key sources of estimation uncertainty and judgements

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

Significant management judgements

Financial instruments classification

The classification of financial instruments as "basic" or "other" requires judgement as to whether all applicable conditions as basic are met. This includes consideration of the form and its return.

Recognition of grants payable

Grants payable are recognised at the earlier of payment or when a constructive obligation to the grant recipient arises. The point at which this occurs requires the exercise of judgement in the cases of conditional grants which have been advised to the recipients.

Significant management estimates

Valuation of investment property

Investment properties are included in the financial statements at their value at the year end, as required by FRS 102. Fair value is estimated based on expected future net income from the properties and market yield rates. The value of the investment properties is detailed in note 14.

Deferred taxation

Deferred tax on investment property revaluation gains arising in subsidiaries are not recognised where it is probable that the crystallised profits will be donated to the Foundation such that no tax liability will ultimately arise.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

4 Voluntary income	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Donations	<u>1,219,308</u>	<u>-</u>	<u>1,744,692</u>	<u>250,000</u>

The income from donations was £1,219,308 (2020: £ Nil) for the group. The company received donations of £1,744,692 from its wholly owned subsidiaries (2020: £250,000). All income was unrestricted.

The Foundation benefits greatly from the involvement and support of its volunteers, details of which are given in the Annual Report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

5 Investment income	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Rental income	4,673,801	3,952,398	4,184,251	3,092,741
Interest on debt securities	729,673	1,010,508	850,851	1,591,311
Bank interest	35	5,573	27	5,302
	<u>5,403,509</u>	<u>4,968,479</u>	<u>5,035,129</u>	<u>4,689,354</u>

6 Other trading income	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Other income	12,942	19,538	12,942	19,291
Gain on exchange	-	87	-	87
	<u>12,942</u>	<u>19,625</u>	<u>12,942</u>	<u>19,378</u>

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

7 Total Resources Expended - Group

	Basis of allocation	Raising funds		Charitable activities		2021 £	2020 £
		2021 £	2020 £	2021 £	2020 £		
Costs directly allocated to activities							
Grants	Direct	-	-	969,128	1,078,241	969,128	1,078,241
Investment property expenses	Direct	1,192,324	602,449	-	-	1,192,324	602,449
		<u>1,192,324</u>	<u>602,449</u>	<u>969,128</u>	<u>1,078,241</u>	<u>2,161,452</u>	<u>1,680,690</u>
Support costs allocated to activities							
Accountancy	Direct	92,433	48,340	-	-	92,433	48,340
Bank charges and fees	Direct	80,181	59,187	-	-	80,181	59,187
Interest on bank loans	Direct	1,401,226	1,420,389	-	-	1,401,226	1,420,389
		<u>1,573,840</u>	<u>1,527,916</u>	<u>-</u>	<u>-</u>	<u>1,573,840</u>	<u>1,527,916</u>
Governance costs allocated to activities							
Audit fees	Apportioned	19,098	7,978	19,097	7,977	38,195	15,955
Legal and professional	Direct	483,891	272,346	-	-	483,891	272,346
Other	Apportioned	139,958	133,717	139,958	133,716	279,916	267,433
		<u>642,947</u>	<u>414,041</u>	<u>159,055</u>	<u>141,693</u>	<u>802,002</u>	<u>555,734</u>
Total expenditure		<u>3,409,111</u>	<u>2,544,406</u>	<u>1,128,183</u>	<u>1,219,934</u>	<u>4,537,294</u>	<u>3,764,340</u>

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

8 Grants and charitable expenditure		2021	2020
		£	£
Material Grants	Charitable Objective		
Obama Foundation	Education	369,661	-
Royal Foundation	Education	100,000	100,000
Clinton Foundation	Education	76,176	120,565
WE Charity UK	Education	-	337,153
Think Equal	Education	-	240,000
Other Grants			
Equality Education	Education	122,037	71,000
UK Education	Education	127,800	80,608
North America Education	Education	50,000	16,535
UK Creative Industries	Education - Promotion of the Arts	47,000	48,380
UK Healthcare	Relief of poverty	31,000	34,000
India Education	Education	30,454	-
Africa Education	Education	15,000	30,000
		<u>969,128</u>	<u>1,078,241</u>

All grants were made to institutions.

9 Auditor's remuneration		2021	2020
		£	£
Fees payable to the Foundation's auditor for the audit of the Foundation's financial statement.		32,945	27,145
Fees payable to the Foundation's auditor for the audit of the financial statements of the Foundation's subsidiaries.		-	5,665
Accountancy and advisory fees		45,198	2,750
Restructuring and professional fees		<u>15,912</u>	<u>8,236</u>
		<u>94,055</u>	<u>43,796</u>

10 Trustees' remuneration and expenses

No trustees received any remuneration or expenses during the year (2020: £ Nil). During the year a company controlled by a trustee received £49,918 for the provision of accountancy services to the group.

11 Corporation Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

The Trustees consider that it is probable no corporation tax will arise in the group's commercial subsidiary as all their profits, which otherwise would be taxable, are likely to be distributed to the Foundation by way of Gift Aid. Accordingly, no post acquisition tax charge has been provided on their results.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

12 Tangible fixed assets	Group	Company
Cost	Land and Buildings £	Land and Buildings £
At 1 April 2020	2,110,000	2,110,000
Additions	-	-
At 31 March 2021	<u>2,110,000</u>	<u>2,110,000</u>
Depreciation		
At 1 April 2020	158,626	158,626
Charge for the year	84,400	84,400
At 31 March 2020	<u>243,026</u>	<u>243,026</u>
Net Book Value		
At 31 March 2021	<u>1,866,974</u>	<u>1,866,974</u>
At 31 March 2020	<u>1,951,374</u>	<u>1,951,374</u>

13 Investments

	Unlisted £	Debt Securities £	Subsidiaries £	Total £
Group				
At 1 April 2020	274,852	23,426,000	-	23,700,852
Disposal	-	(23,426,000)	-	(23,426,000)
At 31 March 2021	<u>274,852</u>	<u>-</u>	<u>-</u>	<u>274,852</u>
Company				
At 1 April 2020	274,852	23,426,000	1	23,700,853
Additions	-	-	3,392,064	3,392,064
Disposals	-	(23,426,000)	(3,387,065)	(26,813,065)
At 31 March 2021	<u>274,852</u>	<u>-</u>	<u>5,000</u>	<u>279,852</u>

At 31 March 2021, the charity's investments were held in the UK and USA.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

14 Investment properties

Group	Freehold £	Leasehold £	Total £
At 1 April 2020	91,699,293	6,680,000	98,379,293
Additions	52,942,328	-	52,942,328
Revaluation gains	2,771,173	70,000	2,841,173
	<hr/>	<hr/>	<hr/>
At 31 March 2021	147,412,794	6,750,000	154,162,794
	<hr/>	<hr/>	<hr/>
Company	Freehold £	Leasehold £	Total £
At 1 April 2020	73,789,293	6,680,000	80,469,293
Additions	70,852,328	-	70,852,328
Revaluation gains	2,771,173	70,000	2,841,173
	<hr/>	<hr/>	<hr/>
At 31 March 2021	147,412,794	6,750,000	154,162,794
	<hr/>	<hr/>	<hr/>

Historical cost of freehold properties at 31 March 2021 amounted to £134,524,192 (2020: £77,423,211) for the Group and £134,524,192 (2020: £61,629,078) for the Foundation. Historical cost of leasehold properties at 31 March 2021 amounted to £5,903,638 (2020: £5,903,638) for Group and Foundation. Additions are comprised of new properties acquired by the group and improvements to some of its existing properties during the year.

Investment properties have been valued by the Trustees taking account of independent professional advice. Fair value is estimated based on expected future net income from the properties and market yield rates.

15 Debtors

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	699,209	710,099	699,209	563,521
Loan to subsidiary	-	-	-	17,275,458
Other debtors	-	-	6,642	-
Accrued income	217,250	307,316	217,250	307,316
Prepayments	72,532	30,104	72,532	29,029
	<hr/>	<hr/>	<hr/>	<hr/>
	988,991	1,047,519	995,633	18,175,324
	<hr/>	<hr/>	<hr/>	<hr/>

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

16 Operating leases with tenants

The Foundation leases out all its investment properties under operating leases. The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	Group		Company	
	2021	2020	2021	2020
Due:	£	£	£	£
Not later than one year	3,880,818	3,407,527	3,880,818	2,825,381
Later than one year but within five years	7,146,182	8,589,561	7,146,182	7,194,933
Later than five years	6,149,518	6,951,185	6,149,518	3,283,788
	<u>17,176,518</u>	<u>18,948,273</u>	<u>17,176,518</u>	<u>13,304,102</u>

None of the leases entered into give tenants the right or option to purchase or contain contingent rents.

17 Creditors: Amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Secured bank loan	540,000	540,000	540,000	540,000
Accruals and deferred income	1,691,002	1,241,182	1,691,002	1,050,165
Other creditors	1,388,416	912,941	1,388,416	780,930
Other taxes and social security costs	109,461	33,145	109,461	33,145
	<u>3,728,879</u>	<u>2,727,268</u>	<u>3,728,879</u>	<u>2,404,240</u>

18 Creditors: Amounts falling due after one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Secured loan	22,000,000	-	22,000,000	-
Secured bank loan	73,112,392	52,436,340	73,112,392	52,436,340
	<u>95,112,392</u>	<u>52,436,340</u>	<u>95,112,392</u>	<u>52,436,340</u>

Bank loans

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Amounts due within one year	540,000	540,000	540,000	540,000
Amounts due within two to five years	73,112,392	52,436,340	95,112,392	52,436,340
	<u>73,652,392</u>	<u>52,976,340</u>	<u>95,652,392</u>	<u>52,976,340</u>

The secured bank loan is secured with a charge against the properties to which the loan relates, the value of the properties offered as security is £151,562,794 (2020: £93,688,596). The loan is repayable in 2024, and interest on the loan accrues at 2% above LIBOR.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

19 Related party transactions and key management personnel

During the year Aristeia Accounting Limited, a company controlled by Stuart Malcolmson who is also a Trustee of the Foundation, invoiced £49,918.50 for the provision of accountancy services, of which £3,500 was unpaid at the year end.

During the year the Foundation received the following donations from related parties:

Whitechapel Acquisitions Limited, a wholly owned subsidiary, made a gift of net assets with a value of £225,370 (2020: £ Nil).

The following donations were received from subsidiaries that have since been liquidated:

Abacus Investments Limited, a wholly owned subsidiary now liquidated, made a gift of net assets with a value of £93,420 (2020: £ Nil).

Baltimore Holdings Limited, a wholly owned subsidiary now liquidated, made a gift of net assets with a value of £92,430 (2020: £ Nil).

Batemans Row Limited, a wholly owned subsidiary now liquidated, made cash donations of £41,259 (2020: £ Nil) and also made a gift of £200,000 (2020: £ Nil) arising from revaluation gains on property transferred during the year.

Boundary Street Holdings Limited, a wholly owned subsidiary now liquidated, made cash donations of £398,895 (2020: £250,000) and also made a gift of £335,742 (2020: £ Nil) arising from revaluation gains on property transferred during the year (2020: £ Nil). During the year the subsidiary fully repaid the amount of its loan from the Foundation. The balance of the loan at the year end was £ Nil (2020: £17,275,458).

Hoxton Square Acquisitions Limited, a wholly owned subsidiary now liquidated, made cash donations of £136,912 (2020: £ Nil) and also made a gift of net assets with a value of £100,860 (2020: £ Nil).

Pitfield Street Acquisitions Limited, a wholly owned subsidiary now liquidated, made cash donations of £19,703 (2020: £ Nil) and also made a gift of net assets with a value of £100,100 (2020: £ Nil).

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the Foundation. In the opinion of the Trustees, key management are the board of Trustees. The Trustees appoint specialist advisors for professional support where necessary.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

20 Movements in funds

	Revaluation reserve £	Accumulated fund £	Total Funds £
Group			
At 1 April 2020	15,052,444	56,436,133	71,488,577
Incoming resources	-	6,635,759	6,635,759
Outgoing resources	-	(4,537,295)	(4,537,295)
Revaluation gains on investment properties	2,841,173	-	2,841,173
Revaluation gains realised on intra-group investment property transfers	(4,158,653)	4,158,653	-
	<hr/>	<hr/>	<hr/>
Movement for the year	(1,317,480)	6,257,118	4,939,638
	<hr/>	<hr/>	<hr/>
	13,734,964	62,693,251	76,428,215
Company			
At 1 April 2020	10,893,791	59,976,649	70,870,440
Incoming resources	-	6,792,763	6,792,763
Outgoing resources	-	(4,075,518)	(4,075,518)
Revaluation gains on investment properties	2,841,173	-	2,841,173
	<hr/>	<hr/>	<hr/>
Movement for the year	2,841,173	2,717,245	5,558,418
	<hr/>	<hr/>	<hr/>
	13,734,964	62,693,894	76,428,858

21 Financial instruments

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Financial assets				
Financial assets measured at fair value through the profit & loss	274,852	274,852	274,852	274,852
Financial assets measured at amortised cost	17,975,875	1,573,147	17,964,876	1,414,176
	<hr/>	<hr/>	<hr/>	<hr/>

Financial assets measured at amortised cost are comprised of cash.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

22 Acquisition of subsidiaries

On 17th July 2020 the group acquired 100% of the share capital of Batemans Row Limited, its principal activity is property letting. Its acquisition has added to the value of the investment properties held by the group.

Net assets acquired:	Book value	Fair Value Adjustments	Amounts recognised at acquisition date
Investment property	1,700,000	948,610	2,648,610
Trade and other debtors	9,200	-	9,200
Cash at bank and in hand	152,609	-	152,609
Trade and other creditors	(70,419)	-	(70,419)
	<hr/>	<hr/>	<hr/>
	1,791,390	948,610	2,740,000
Goodwill	-	-	-
	<hr/>	<hr/>	<hr/>
Total consideration	1,791,390	948,610	2,740,000
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Satisfied by:			
Cash			2,740,000
			<hr/>
Total cost of acquisition			2,740,000
			<hr/> <hr/>

The value of the subsidiary at year end was £ Nil as the company entered a Members Voluntary Liquidation in the year, following the transfer of its property and assets to the parent company.

Adjustments arising on acquisition relate to the fair value uplift to the investment property. In line with the judgement set out in Note 3 no deferred tax has been recognised on the fair value uplift of the properties.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

22 Acquisition of subsidiaries (continued)

On 17th July 2020 the group obtained control of Abacus Investments Limited by means of being gifted 100% of the share capital of that company. Abacus Investments Limited's principal activity is property letting. Its acquisition has added to the value of the investment properties held by the group.

Net assets acquired:	Book value	Fair Value Adjustments	Amounts recognised at acquisition date
Investment property	3,667,500	-	3,667,500
Trade and other debtors	14,124	-	14,124
Cash at bank and in hand	-	-	-
Trade and other creditors	(3,579,187)	-	(3,579,187)
	<hr/>	<hr/>	<hr/>
	102,437	-	102,437
Goodwill	-	-	-
	<hr/>	<hr/>	<hr/>
Total consideration	102,437	-	102,437
	<hr/>	<hr/>	<hr/>
Satisfied by:			
Gift of shares			102,437
			<hr/>
Total amount of donation received			102,437
			<hr/>

The value of the subsidiary at year end was £ Nil as the company was dissolved in the year, following the transfer of its property and assets to the parent company.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

22 Acquisition of subsidiaries (continued)

On 17th July 2020 the group obtained control of Baltimore Holdings Limited by means of being gifted 100% of the share capital of that company. Baltimore Holdings Limited's principal activity is property letting. Its acquisition has added to the value of the investment properties held by the group.

Net assets acquired:	Book value	Fair Value Adjustments	Amounts recognised at acquisition date
Investment property	3,300,000	-	3,300,000
Trade and other debtors	9,293	-	9,293
Cash at bank and in hand	-	-	-
Trade and other creditors	(3,209,976)	-	(3,209,976)
	<hr/>	<hr/>	<hr/>
	99,317	-	99,317
Goodwill	-	-	-
	<hr/>	<hr/>	<hr/>
Total consideration	99,317	-	99,317
	<hr/>	<hr/>	<hr/>
Satisfied by:			
Gift of shares			99,317
			<hr/>
Total amount of donation received			99,317
			<hr/>

The value of the subsidiary at year end was £ Nil as the company entered a Members Voluntary Liquidation in the year, following the transfer of its property and assets to the parent company.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

22 Acquisition of subsidiaries (continued)

On 17th July 2020 the group obtained control of Hoxton Square Acquisitions Limited by means of being gifted 100% of the share capital of that company. Hoxton Square Acquisitions Limited's principal activity is property letting. Its acquisition has added to the value of the investment properties held by the group.

Net assets acquired:	Book value	Fair Value Adjustments	Amounts recognised at acquisition date
Investment property	9,275,200	-	9,275,200
Trade and other debtors	43,400	-	43,400
Cash at bank and in hand	447,400	-	447,400
Trade and other creditors	(9,665,140)	-	(9,665,140)
	<hr/>	<hr/>	<hr/>
	100,860	-	100,860
Goodwill	-	-	-
	<hr/>	<hr/>	<hr/>
Total consideration	100,860	-	100,860
	<hr/>	<hr/>	<hr/>
Satisfied by:			
Gift of shares			100,860
			<hr/>
Total amount of donation received			100,860
			<hr/>

The value of the subsidiary at year end was £ Nil as the company entered a Members Voluntary Liquidation in the year, following the transfer of its property and assets to the parent company.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

22 Acquisition of subsidiaries (continued)

On 17th July 2020 the group obtained control of Pitfield Street Acquisitions Limited by means of being gifted 100% of the share capital of that company. Pitfield Street Acquisitions Limited's principal activity is property letting. Its acquisition has added to the value of the investment properties held by the group.

Net assets acquired:	Book value	Fair Value Adjustments	Amounts recognised at acquisition date
Investment property	7,125,200	-	7,125,200
Trade and other debtors	29,960	-	29,960
Cash at bank and in hand	69,000	-	69,000
Trade and other creditors	(7,124,060)	-	(7,124,060)
	<hr/>	<hr/>	<hr/>
	100,100	-	100,100
Goodwill	-	-	-
	<hr/>	<hr/>	<hr/>
Total consideration	100,100	-	100,100
	<hr/>	<hr/>	<hr/>
Satisfied by:			
Gift of shares			100,100
			<hr/>
Total amount of donation received			100,100
			<hr/>

The value of the subsidiary at year end was £ Nil as the company entered a Members Voluntary Liquidation in the year, following the transfer of its property and assets to the parent company.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

22 Acquisition of subsidiaries (continued)

On 17th July 2020 the group obtained control of Whitechapel Acquisitions Limited by means of being gifted 100% of the share capital of that company. Whitechapel Acquisitions Limited's principal activity is property letting. Its acquisition has added to the value of the investment properties held by the group.

Net assets acquired:	Book value	Fair Value Adjustments	Amounts recognised at acquisition date
Investment property	22,955,200	-	22,955,200
Trade and other debtors	196,120	-	196,120
Cash at bank and in hand	412,410	-	412,410
Trade and other creditors	(23,314,380)	-	(23,314,380)
	<hr/>	<hr/>	<hr/>
	249,350	-	249,350
Goodwill	-	-	-
	<hr/>	<hr/>	<hr/>
Total consideration	249,350	-	249,350
	<hr/>	<hr/>	<hr/>
Satisfied by:			
Gift of shares			249,350
			<hr/>
Total cost of acquisition			249,350
			<hr/>
The value of the subsidiary at year end was arrived at by considering the following:			
Donation paid up to the Foundation			(244,350)
			<hr/>
Value at 31 March 2021			5,000
			<hr/>

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

23 Subsidiaries

Details of the company's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Registered	Nature of business	Class of shares held	2021 % Held Direct	2020 % Held Direct
Whitechapel Acquisitions Limited	11380670 England and Wales	Property investment	Ordinary	100	-

The following subsidiaries entered into Members Voluntary Liquidations or were dissolved in the year:

Abacus Investments Limited	14473 Guernsey	Property investment	Ordinary	-	-
Baltimore Holdings Limited	170767 British Virgin Islands	Property investment	Ordinary	-	-
Batemans Row Limited	02246858 England and Wales	Property investment	Ordinary	-	-
Boundary Street Holdings Ltd.	10697264 England and Wales	Property investment	Ordinary	-	100
Hoxton Square Acquisitions Limited	11634951 England and Wales	Property investment	Ordinary	-	-
Pitfield Street Acquisitions Limited	11702063 England and Wales	Property development	Ordinary	-	-

Summary financial information of the significant subsidiaries at 31 March 2021:

	Whitechapel Acquisitions Limited 2021
Turnover	489,550
Fair value gain	-
Expenses	574,816
Loss	(85,266)
Assets	11,000
Liabilities	6,642
Net Assets	4,358

Gift Aid donations to the Foundation are excluded from the profit and loss information above.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

24 Analysis of changes in net debt

	At 1 April 2020	Cash Flows	Other non cash changes	At 31 March 2021
Cash and cash equivalents				
Cash and cash equivalents	1,573,147	16,402,728	-	17,975,875
	1,573,147	16,402,728	-	17,975,875
Borrowings				
Debt due within one year	(540,000)	-	-	(540,000)
Debt due after one year	(52,436,340)	(42,676,052)	-	(95,112,392)
	(52,976,340)	(42,676,052)	-	(95,652,392)
Total Net Debt	(51,403,193)	(26,273,324)	-	(77,676,517)

25 Post Balance Sheet Events

The Foundation agreed the purchase of a commercial property located in Central London with a purchase price of £6,800,000, contracts to purchase the property were exchanged in July 2021. The Foundation accounts for transactions upon their completion and therefore the property will be an addition next year.