

Company registration no: 05785598
Registered charity no: 1116617

The Endowment Fund for TaCRI
(A Company Limited by Guarantee)

Annual report and financial statements
for the year ended 30 June 2022

The Endowment Fund for TaCRI

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The Endowment Fund for TaCRI

Trustees and advisors

Trustees	Professor Melchior Mlambiti Dr Wilhelm Mafuru Godlove Stephen (appointed 4 January 2022)
Company number	05785598
Registered charity number	1116617
Registered office	C/O Womble Bond Dickinson (UK) LLP The Spark Drayman's Way Newcastle Helix Newcastle Upon Tyne NE4 5DE
Business address	P O Box 3004 Moshi Tanzania
Auditors	Saffery Champness LLP St Catherine's Court Berkeley Place Clifton Bristol BS8 1BQ
Bankers	CRDB Bank Limited P O Box 1302 Moshi Tanzania
Solicitors	Womble Bond Dickinson (UK) LLP 3 Temple Quay Temple Back East Bristol BS1 6DZ
Investment managers	Quilter Cheviot Investment Management One Kingsway London WC2B 6AN

The Endowment Fund for TaCRI

Report of the Trustees For the year ended 30 June 2022

The Trustees present their report along with the financial statements of the charity for the year ended 30 June 2022.

Governing document

The Endowment Fund for TaCRI ("the Fund") is a company limited by guarantee, incorporated on 19 April 2006 and registered as a charity on 2 November 2006. The Fund was established under a Memorandum of Association which established the objects and powers of the Fund and is governed under its Articles of Association. In the event of the Fund being wound up each member promises to pay up to £1 towards the costs of dissolution and the liabilities incurred by the charity while the contributor was a member. The charity registration number, company number, principal office and registered office are noted on page 1.

Directors and Trustees

The Directors of the Fund are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees. The Trustees who served during the course of the year are noted on page 1. The Trustees are appointed and serve in accordance with the Articles of Association. The Trustees meet two times a year. The Trustees (and key management personnel) receive no remuneration from the charity.

The Board is composed of no fewer than three Trustees and a maximum of five Trustees of whom no fewer than two and a maximum of three are appointed by the Tanzanian Coffee Research Institute ("TaCRI") and no fewer than one and no more than two are appointed by the Government of Tanzania acting by the Minister of Agriculture.

The Trustees appoint a Chairperson and a Treasurer from amongst themselves. Sub-groups and advisory boards can also be appointed to provide other resources of expertise.

The Fund's legal advisors have worked with the Trustees to compile a Trustees' Policies document, as well as a Governance Timetable. They also provide legal and regulatory updates as required, to ensure that the Trustees' knowledge remains current.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Fund and of the incoming resources and application of resources, including the income and expenditure, of the Fund for that period.

In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, 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 Fund will continue in business.

The Endowment Fund for TaCRI

Report of the Trustees

For the year ended 30 June 2022

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the Fund's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Objects and activities of the charity

The objects of the Fund are to promote and conduct research into all aspects of coffee production in Tanzania and to disseminate the useful results of such research for the public benefit; relieve the poverty of coffee producers in Tanzania by enabling and assisting them to improve the effective management of their natural resources; and provide assistance and support to TaCRI in respect of the objects referred to above.

Risk management

The Trustees have assessed the major risks to which the Fund is exposed, in particular those related to the operations and finances of the Fund, and are satisfied that systems are in place to mitigate their exposure to the major risks.

Public benefit

The Trustees are aware of the Charity Commission guidance on public benefit and have paid due regard to this guidance when deciding on what activities the Fund should undertake (as set out below).

Achievement and performance

During the year, the Fund has supported the following projects: -

- i. Maintenance of germplasm, field trials and selection of fields to develop more productive coffee varieties.
 - ii. Management of seed gardens to produce compact hybrid seeds and Robusta composite seeds.
 - iii. Annual hybridization operation was carried out to produce hand pollinated compact hybrid seeds.
 - iv. Out of 19 Arabica coffee hybrids developed by TaCRI with funding from the Fund (along with third party funders) and recommended to be grown in regions with high levels of Coffee Berry Disease (CBD) and Coffee Leaf Rust (CLR), three (N39-3, N39-10 and TaCRI 3F) are also showing a high level of drought tolerance. The Trustees expect this to be a significant advantage to coffee growers suffering the effects of climate change. In collaboration with Tanzania Official Seed Certification Institute (TOSCI), data for these proposed lines for release continued to be reviewed.
 - v. Working gears, tools, inputs and reagents were procured for Breeding, Pathology, Integrated Pest Management (IPM) and Tissue Culture laboratories.
 - vi. Efforts were initiated to propagate five green manure plants (Mucuna, Lupine, Canavalia, Crotalaria and Lablab) to be used as part of an Integrated Soil Fertility Management (ISFM). During the period, about 50 kg Crotalaria seeds were produced which will be distributed to substations for ISFM purposes.
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The Endowment Fund for TaCRI

Report of the Trustees

For the year ended 30 June 2022

Investigation of the other green manure plants is currently underway. The Trustees consider this research will be important in informing strategies to increase coffee production and quality.

- vii. During the period the evaluation of the trapping trials of black coffee twig borer management using different lures (Methanol, Ethanol and Methylated spirit) in Arabica coffee continued to be implemented. The preliminary evaluation shows promising results in dealing with and addressing the damaging consequences of this pest. This project is expected to conclude after two seasons and it is hoped that once final reports are prepared the Fund will be able to issue recommendations so that coffee farmers can use the trapping technology to increase coffee production and quality.
 - viii. Evaluation of Crotale 46 EC chemical for management of coffee thrips was done during the period. Results were promising and recommendations were made for it to be registered by TPHPA and be used by farmers as an alternative for thrips management to minimise the damaging effects of this pest and increase coffee production and quality.
 - ix. Trials to evaluate plant management practices (canopy management, shade management and banana intercropping) were well managed and data collected during the period. Results of these studies will benefit coffee farmers by enabling them to use best practices to increase coffee production and quality.
 - x. The TaCRI Soil Laboratory continued to provide quality soil, water and plant tissue analytical services to clients within and beyond the coffee sub-sector.
 - xi. During the period the laboratory participated two times in the Wageningen Evaluation Programme for Analytical Laboratories (WEPAL) sample exchange program organized by Wageningen University, the Netherlands. The reports on the analysis indicate there is room for improvement and steps have been taken to address this accordingly.
 - xii. During the period further support was provided to address coffee growers' production and quality constraints. Conducting backstopping trips in coffee fields and providing recommendations on Good Agricultural Practices (GAPs) packages in terms of plant management practices, coffee nutrition for new coffee varieties and IPM practices helped informed coffee growers' strategies in order to increase production and quality.
 - xiii. The preliminary results of the two trials established at Lyamungo - Moshi and Burka- Arusha to determine the role of type of seedling and fertilizer management practices in adapting Arabica coffee to climate change in Tanzania have shown that cuttings propagated plants under the age of four years perform better in the field than clonal and seeds propagated plant. The results of these trials will equip growers with the knowledge to produce coffee more efficiently.
 - xiv. Coffee training modules continued to be useful as reference materials for training of trainers, farmers and farmer promoters across the coffee growing zones.
 - xv. Continued to support 167 nurseries that contributed to the multiplication and distribution of 2,125,361 hybrid seedlings to 4,022 smallholder coffee growers across six coffee growing zones during the year.
 - xvi. Trained 63 extension officers, 50 farmer promoters/lead farmers and 1,602 coffee growers in coffee agronomy and primary processing, seedlings multiplication, coffee economics, group formation and coffee x banana intercropping patterns as part of income diversification options.
 - xvii. Distributed 2,196 extension materials on GAPs, hybrid seedlings multiplication, group formation, coffee economics and income diversification option.
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The Endowment Fund for TaCRI

Report of the Trustees

For the year ended 30 June 2022

Financial review

The Fund Manager has continued to keep the Trustees up to date with quarterly investment reports on the performance of the Fund's portfolio and associated management costs. The Trustees noted lower than anticipated results in the performance of the portfolio during the last quarter of the financial year due to a significant decrease in stock market valuations, in which the Fund Manager advised that equity markets were beginning to offer good value and should improve in value during the succeeding quarter. The Trustees are optimistic that the portfolio will continue to outperform its benchmark and feel that the effective percentage rate charged by the fund managers will continue to be competitive given the scale, buying power and market access their service offers to the Fund.

The Fund was set up with the intention of ensuring the long-term financial sustainability of the Fund and the projects it supports for the public benefit. The Fund would normally draw funds to promote its Objects. During the financial year, we continued to utilize funds withdrawn from the Fund to support promotion of charitable Objects of the Fund. As at 30 June 2022 the endowment funds totalled \$3,458,685 (2021: \$4,240,169) and the unrestricted funds totalled \$985,606 (2021: 709,252).

Future plans

Future plans are to draw the income as well as the capital of the Fund where necessary, as the performance of the Fund improves during the next few years to achieve the Objects of the Fund. The major priorities will be to finance research activities in all aspects of coffee production and to disseminate the appropriate results of such research to the public for the purpose of achieving benefits like reduced costs of coffee production and processing, improved coffee quality and therefore increased incomes of coffee growers for the sustainable reduction of poverty in coffee growing areas and improve income security and livelihoods.

Reserves policy

The Fund has retained the original policy of building up the fund, but continued withdrawing from accrued income and capital to meet the charitable Objects of the Fund. During the financial year to 30 June 2022, \$374,179 was withdrawn and utilized to support activities to meet the charitable Objects of the Fund (2021: \$329,096).

The Endowment Fund for TaCRI

Report of the Trustees

For the year ended 30 June 2022

Auditors

Saffery Champness LLP have expressed their willingness to remain in office as auditors.

This report has been prepared in accordance with current statutory requirements, the memorandum of association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Approved by the Trustees on 21/03/2023 and signed on their behalf by:



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Professor Melchior Mlambiti

Chair

Board of Trustees

The Endowment Fund for TaCRI

Independent auditors' report to the members For the year ended 30 June 2022

Opinion

We have audited the financial statements of The Endowment Fund for TaCRI for the year ended 30 June 2022 which comprise the Statement of Financial Activities, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 30 June 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

The Endowment Fund for TaCRI

Independent auditors' report to the members For the year ended 30 June 2022

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 2, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Endowment Fund for TaCRI

Independent auditors' report to the members For the year ended 30 June 2022

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave

The Endowment Fund for TaCRI

Independent auditors' report to the members For the year ended 30 June 2022

rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Sf

29.03.2023

.....
Michael Strong (Senior Statutory Auditor)
For and on behalf of

Saffery Champness LLP
Chartered Accountants
Statutory Auditors

St Catherine's Court
Berkeley Place
Clifton
Bristol
BS8 1BQ

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

The Endowment Fund for TaCRI

Statement of financial activities (including income and expenditure account)
For the year ended 30 June 2022

	Notes	Unrestricted funds	Endowment funds	2022 Total funds	2021 Total funds As restated
		\$	\$	\$	\$
Income from:					
Investments		-	76,429	76,429	70,416
Interest		317	23	340	625
Total		<u>317</u>	<u>76,452</u>	<u>76,769</u>	<u>71,041</u>
Expenditure on:					
Charitable activities	2	98,142	-	98,142	123,329
Investment management		-	19,499	19,499	17,199
Total		<u>98,142</u>	<u>19,499</u>	<u>117,641</u>	<u>140,528</u>
Net gains/(losses) on investments		-	(464,258)	(464,258)	1,013,182
Net income/(expenditure)		<u>(97,825)</u>	<u>(407,305)</u>	<u>(505,130)</u>	<u>943,695</u>
Transfers between funds		374,179	(374,179)	-	-
Net movement in funds		<u>276,354</u>	<u>(781,484)</u>	<u>(505,130)</u>	<u>943,695</u>
Total funds brought forward		<u>709,252</u>	<u>4,240,169</u>	<u>4,949,421</u>	<u>4,005,726</u>
Total funds carried forward		<u>985,606</u>	<u>3,458,685</u>	<u>4,444,291</u>	<u>4,949,421</u>

All of the above results derive from continuing activities of the Charity.

The Statement of Financial Activities includes all gains and losses recognised in the period.

The Endowment Fund for TaCRI

Balance sheet As at 30 June 2022

	Notes	2022	2021 As restated
Fixed assets:		\$	\$
Investments	6	3,481,716	4,259,281
Tangible assets	7	10,344	11,139
		<u>3,492,060</u>	<u>4,270,420</u>
Current assets:			
Debtors	8	1,011,867	718,933
Cash at bank and in hand		29,929	40,342
		<u>1,041,796</u>	<u>759,275</u>
Liabilities:			
Creditors: amounts falling due within one year	9	(89,565)	(80,274)
Net current assets		<u>952,231</u>	<u>679,001</u>
Total net assets		<u>4,444,291</u>	<u>4,949,421</u>
The funds of the charity:			
Endowment funds		3,458,685	4,240,169
Unrestricted funds		985,606	709,252
Total charity funds	10, 11	<u>4,444,291</u>	<u>4,949,421</u>

Approved by the Trustees for issue on 21/03/2023 and signed on their behalf by:



.....
Professor Melchior Mlambiti
Chair
Board of Trustees

Company registration no. 05785598

The Endowment Fund for TaCRI

Notes to the financial statements For the year ended 30 June 2022

1 Accounting policies

1.1 Company information

The Endowment Fund for TaCRI is a private charitable company limited by guarantee incorporated in England and Wales, company number 05785598. The registered office is The Spark Drayman's Way, Newcastle Helix Newcastle upon Tyne NE4 5DE. The charity receives investment income and makes grants for research into coffee production in Tanzania.

1.2 Basis of preparation

The financial statements have been prepared in accordance with *the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)* effective 1 January 2019 and *the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)* and *the Charities Act 2011, the Companies Act 2006* and UK Generally Accepted Accounting Practice as it applies from 1 January 2019.

The charity constitutes a public benefit entity as defined under FRS 102.

The financial statements are prepared in US dollars. The functional currency of the charity is Tanzanian dollars. Monetary amounts in these financial statements are rounded to the nearest \$1.

These financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

There are no material uncertainties about the charity's ability to continue as a going concern.

1.3 Incoming resources

Donations are credited on a receivable basis unless related to a specific period, in which case they are deferred until that period.

Investment income is credited on a receivable basis.

All other income is recognised once the charity has entitlement to the resources, it is probable the resources will be received and the monetary value of the incoming resources can be measured with sufficient reliability.

1.4 Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis, including irrecoverable VAT and has been classified under headings that aggregate all costs related to the category.

Governance costs include those incurred with constitutional and statutory requirements.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, bank overdrafts or other short-term liquid investments with original maturities of three months or less.

The Endowment Fund for TaCRI

Notes to the financial statements For the year ended 30 June 2022

1.6 Financial instruments

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

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which includes other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Basic financial liabilities

Basic financial liabilities, including trade creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as 'creditors: amounts falling due within one year' if payment is due within one year or less. If not, they are presented as 'creditors: amounts falling due after more than one year'. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.7 Investments

Investments held are re-valued at the mid-market value at the balance sheet date and any gain or loss arising is taken to the Statement of Financial Activities.

1.8 Funds structure

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects.

The endowment fund represents an expendable endowment received from the European Commission which may be applied at the discretion of the Trustees towards the charity's objects.

The Endowment Fund for TaCRI

Notes to the financial statements For the year ended 30 June 2022

1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into US Dollars at the rates of exchange ruling at the balance sheet date. Where exchange rates have not fluctuated materially, transactions in foreign currencies are recorded at an average rate of exchange for the accounting period. Other transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

1.10 Reporting currency

The charity's reporting currency is the US Dollar since this is the main currency in which the charity's assets are held.

1.11 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided on these assets at annual rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Farm equipment	20% straight line per annum
Office equipment	20% straight line per annum
Laboratory equipment	20% straight line per annum

The Endowment Fund for TaCRI

Notes to the financial statements For the year ended 30 June 2022

2 Charitable activities

	2022	2021 As restated
	\$	\$
Wages and salaries	48,597	67,486
Bank charges	1,798	1,914
Office costs	7,249	-
Depreciation	771	1,430
Loss on foreign currency fluctuations	(2,870)	(6,713)
Governance costs (note 3)	42,597	59,212
	<u>98,142</u>	<u>123,329</u>

During the year, the Endowment Fund for TaCRI funded salary costs for TaCRI. These costs totalled \$48,597 (2021: \$67,486). This cost has been included within wages and salaries.

There were no employees with emoluments above \$80,000 in either of the 2022 and 2021-year ends.

The Endowment Fund for TaCRI

Notes to the financial statements For the year ended 30 June 2022

3 Governance costs

	2022	2021 As restated
	\$	\$
AGM and progress review meetings	6,882	14,712
Audit fees	30,183	35,686
Company secretarial	5,532	8,814
	<u>42,597</u>	<u>59,212</u>

The prior year audit fees expense has been restated to reflect invoices received for audit services in 2021 totalling \$11,158 that had not been posted to the ledger in the prior year.

4 Taxation

None of the income received by the charity is subject to UK Corporation Tax. As such, there is no tax arising on the movement in funds during the year.

5 Transactions with Trustees

Three Trustees had their expenses met by the charity for their attendance at Trustee board meetings. The costs incurred covered reasonable travel, accommodation and subsistence only and totalled \$6,882 (2021: \$6,564). No Trustee received remuneration during the year.

The Endowment Fund for TaCRI

**Notes to the financial statements
For the year ended 30 June 2022**

6 Investments

	Total endowment funds 2022 \$	Total endowment funds 2021 \$
As at 1 July 2021	4,259,282	3,521,760
Additions	497,817	747,364
Disposals	(688,278)	(1,065,541)
(Loss)/gain on currency fluctuations	37,217	(153,553)
(Loss)/gain on investments	(477,410)	1,144,946
Movement on cash accounts	(146,912)	64,306
Balance at 30 June 2022	3,481,716	4,259,282

Investments at market value comprised:

	Total endowment funds 2022 \$	Total endowment funds 2021 \$
Fixed interest securities	532,241	495,269
Equities	2,259,119	3,064,191
Alternative investments	599,508	462,059
Cash and cash products	90,848	237,763
	3,481,716	4,259,282

The Endowment Fund for TaCRI

Notes to the financial statements
For the year ended 30 June 2022

7 Tangible fixed assets

	Laboratory equipment \$	Farm equipment \$	Office equipment \$	Total \$
Cost				
At 1 July 2021	6,990	3,552	7,563	18,105
Additions	-	-	-	-
At 30 June 2022	<u>6,990</u>	<u>3,552</u>	<u>7,563</u>	<u>18,105</u>
Depreciation				
At 1 July 2021	685	1,473	4,808	6,966
Charge for the year	517	112	142	771
Other adjustments in the year	16	4	4	24
At 30 June 2022	<u>1,218</u>	<u>1,589</u>	<u>4,954</u>	<u>7,761</u>
Net book value				
As at 30 June 2022	<u>5,772</u>	<u>1,963</u>	<u>2,609</u>	<u>10,344</u>
As at 30 June 2021	<u>6,305</u>	<u>2,079</u>	<u>2,755</u>	<u>11,139</u>

8 Debtors

	2022 \$	2021 \$
Other debtors	<u>1,011,867</u>	<u>718,933</u>

Included within other debtors is a bridging loan to TaCRI of \$1,005,473 (2021: \$702,706), \$754,105 (2021: \$702,706) of which is due after more than one year.

9 Creditors: amounts falling due within one year

	2022 \$	2021 As restated \$
Trade creditors	1,832	-
Other creditors	47,674	31,582
Accruals	<u>40,059</u>	<u>48,692</u>
	<u>89,565</u>	<u>80,274</u>

The Endowment Fund for TaCRI

Notes to the financial statements For the year ended 30 June 2022

10 Analysis of charitable funds

	Balance 1 July 2021 As restated \$	Incoming resources \$	Resources expended \$	Transfers between funds \$	Gain/(Loss) on investments \$	Balance 30 June 2022 \$
Unrestricted funds	709,252	317	(98,142)	374,179	-	985,606
Endowment funds	4,240,169	76,452	(19,499)	(374,179)	(464,258)	3,458,685
	<u>4,949,421</u>	<u>76,769</u>	<u>(117,641)</u>	<u>-</u>	<u>(464,258)</u>	<u>4,444,291</u>

The endowment fund represents an amount received from the European Commission which may be applied at the discretion of the Trustees towards the charity's objects.

During the year, \$374,179 (2021: \$329,096) was withdrawn from the fund for use towards the charitable objects. The balance remaining unspent at the year-end is included within unrestricted funds as the fund is expendable at the discretion of the Trustees.

11 Analysis of net assets between funds

	Unrestricted funds \$	Endowment funds \$	Total \$
Investments and fixed assets	10,344	3,481,716	3,492,060
Debtors	1,008,225	3,642	1,011,867
Cash at bank and in hand	29,929	-	29,929
Creditors	(62,892)	(26,673)	(89,565)
	<u>985,606</u>	<u>3,458,685</u>	<u>4,444,291</u>

The Endowment Fund for TaCRI

Notes to the financial statements For the year ended 30 June 2022

12 Related party transactions

Included in other debtors is \$1,005,473 (2021: \$702,706) of amounts advanced to TaCRI under a bridging loan finance agreement. No interest has been charged on this loan.

During the year, the charity funded expenses of TaCRI totalling \$305,081 (2021: \$347,893).

Included in other creditors is \$45,862 (2021: \$29,685) owed to TaCRI in relation to expenses funded by TaCRI on behalf of the charity.

During the year, TaCRI funded expenses of the charity totalling \$16,791 (2021: \$29,685)

TaCRI is related to the charity by a common director.

The Endowment Fund for TaCRI

Notes to the financial statements
For the year ended 30 June 2022

13 Comparative statement of financial activities

	Unrestricted funds	Endowment funds	2021 Total funds As restated
	\$	\$	\$
Income from:			
Investments	-	70,416	70,416
Interest	611	14	625
Total	<u>611</u>	<u>70,430</u>	<u>71,041</u>
Expenditure on:			
Charitable activities	123,329	-	123,329
Investment management	-	17,119	17,199
Total	<u>123,329</u>	<u>17,119</u>	<u>140,528</u>
Net gains/(losses) on investments	-	1,013,182	1,013,182
Net income/(expenditure)	<u>(122,718)</u>	<u>1,066,413</u>	<u>943,695</u>
Transfers between funds	329,096	(329,096)	-
Net movement in funds	<u>206,378</u>	<u>737,317</u>	<u>943,695</u>
Total funds brought forward	<u>502,874</u>	<u>3,502,852</u>	<u>4,005,726</u>
Total funds carried forward	<u>709,252</u>	<u>4,240,169</u>	<u>4,949,421</u>