

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

England & Wales · Charity number 1118290

Details

Other names DAPP UK

Status Registered

Legal form Charitable company

Company number [06038406](#)

Registered 2007-03-08

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

Contact

Address 77 a-b Abington Street
Northampton
Northamptonshire
NN12BH

Phone 01604639629

Email info@dapp-uk.org

Website www.dappuk.org

Activities

Objects: (A) TO PROVIDE OR SUPPORT PROGRAMMES OF EDUCATION, TRAINING AND DEVELOPMENT WORLDWIDE AIMED AT THE RELIEF OF POVERTY AND THE DEVELOPMENT OF THE POORER POPULATIONS;(B) TO RELIEVE POVERTY, DISTRESS AND SUFFERING IN ANY PART OF THE WORLD THROUGH EMERGENCY AND DISASTER RELIEF SERVING VICTIMS OF HUNGER, WAR, NATURAL DISASTERS AND ALL OTHER KINDS OF CATASTROPHES IN PARTICULAR BY THE PROVISION OF, OR ASSISTANCE IN THE PROVISION OF THE REHABILITATION AND RELOCATION OF PEOPLE AND REBUILDING PROGRAMMES IN RESPECT OF AFFECTED AREAS; AND(C) TO CONSERVE AND PROTECT THE NATURAL HABITAT FOR THE PUBLIC BENEFIT THROUGH, BUT NOT IN ANY WAY LIMITED TO, INITIATING PROTECTIVE ACTIONS TO PRESERVE THE RIVERS, SEAS AND FORESTS FROM MISUSE AND THE UNDERTAKING OF PROJECTS AIMED AT PROTECTING THE NATURAL HABITAT OF EARTH.

Activities: DAPP UK provide or support programmes of education, training and development worldwide aimed at the relief of poverty and the development of the poorest populations

Classification

- **How:** Makes Grants To Organisations, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, The Prevention Or Relief Of Poverty, Overseas Aid/famine Relief, Accommodation/housing, Environment/conservation/heritage
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** WORLDWIDE
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,349,006	£1,367,828	£-7,333	26
2023-12-31	£1,106,836	£1,112,133	£11,489	24
2022-12-31	£760,306	£748,646	£68,802	21
2021-12-31	£465,791	£350,921	-	-
2020-12-31	£291,592	£306,822	-	-

Trustees

Name	Role	Appointed
Kenneth Musonda		2019-09-06
Mariola Natalia Fuller		2022-09-22
Melanie Vaz Pita		2022-09-22
Noemi Karacsony		2019-09-06

Accounts

Charity registration number 1118290

Company registration number 06038406 (England and Wales)

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms N Karacsony (Chair) Mr K Musonda Mrs M Fuller Miss M Vaz Pita
Key Management Personnel	Miss D Cernusca (General Manager)
Charity number	1118290
Company number	06038406
Registered office	77B Abington Street Northampton NN1 2BH
Auditor	Azets Thorpe House 93 Headlands Kettering Northamptonshire United Kingdom NN15 6BL
Bankers	Santander Bridle Road Bootle Liverpool United Kingdom GIR 0AA
Solicitors	Russell-Cooke Solicitors 2 Putney Hill London United Kingdom SW15 6AB

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

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DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees present their annual report and financial statements for the year ended 31 December 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The charity's objectives are:

- To train teachers through innovative and modern methods empowering them to provide high quality education to primary school students in rural areas.
- To initiate and lead community development in the villages.
- To support education in the developing countries.
- To support environmental projects aimed at promoting agricultural development, renewable energy towards reducing the carbon foot print and reuse.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Grant making policy

The charity supports organisations whose objectives correspond with the charity's own guidelines. The trustees welcome applications from any charities who meet these criteria and they will be assessed on an individual basis.

In 2024 Development Aid from People to People UK has made a donation of £25,000 towards the Community Development and Environment Project run by HPP India across several Indian States.

India has made significant strides to reduce poverty in 2024, with national reports indicating that extreme poverty has fallen below 5% for the first time. However, despite such progress, India still has a long way to go- many rural and underserved communities continue to face pressing challenges- included limited access to health care, education, clean water, climate change mitigation and sustainable livelihoods. States like Haryana, Uttar Pradesh, Odisha, West Bengal, and part of Maharashtra and Karnataka remain below the national development indicators, even after numerous government and non- profit interventions.

It is within this context that DAPP UK's support of the project becomes particularly meaningful for the Charity.

The Community Development and Environment Project was carried out in both rural and peri-urban areas, using a locally anchored people-centred approach. The project targeted women, youth, children, and farmers, aiming to reduce poverty through interventions in health education, environmental sustainability and economic empowerment. The Project significantly improved community-level resilience and capacity addressing the root causes of poverty and aligning with India's progress toward achieving the UN Sustainable Development Goals particularly SDGs 1 (no poverty), 3 (good health and wellbeing), 4 (quality education), 5 (gender equality), 6 (clean water and sanitation) and 13 (climate action).

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

During 2024, the Project has generated significant results across key development areas:

- Women's Empowerment: 7,939 women were mobilised into Women's Health Clubs and Self-Help Groups, where they received training and awareness on reproductive health, gender rights, hygiene, and community leadership.
- Health and Sanitation: 18,060 individuals accessed free health services such as general check-ups, cataract surgeries, eye screenings and TB referrals. An additional 958 families gained access to clean drinking water through the installation of solar powered RO systems.
- Skills and Education: Vocational training in tailoring, computing, and beauty services reached 2,447 youth and adults, many of whom transitioned into income-generated activities. Basic literacy sessions were provided to 430 women to strengthen their household management and financial independence.
- Environmental Sustainability: The Project supported the plantation of 11,719 trees and establishment of 334 kitchen gardens, promoting local food security and climate resilience. Over 2,000 farmers were trained in sustainable agricultural practices.
- Access to Services: the project facilitates access to legal identity and social services for 3,667 individuals, enabling them to benefit from government schemes and improve their socio-economic standing.

Achievements and performance

Charitable activities

The charity has received donations totalling £125 (2023: £20,000) during the year ended 31 December 2024. This has been designated as unrestricted funds towards the Charity. The donations have been received from Uppingham School, where several pupils have held a clothing drive to raise funds for DAPP UK and from anonymous donors through Paypal Giving Fund.

Fundraising activities

The shops operated by the charity have generated an income of £1,338,072 (2023: £1,073,474) during the year. Trustees hope this income will show a further increase in the forthcoming year with the existing shops having a good yield and with the general charity and second hand market having become a more popular way of shopping. Additional plans are in place to expand with new retail shops expected to open in the second half of the year.

Financial review

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to three months expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. The charity is currently still working towards meeting this objective.

For the year ending 31 December 2024, the accounts show total incoming resources of £1,349,006 (2023: £1,106,836) of which £1,367,828 (2023: £1,112,133) has been expended, leaving a net operating result of £6,178 before donations.

The result is much lower than had been forecasted due to different reasons. In the first half of the year we have been forced to shut our Hemel store which has impacted the expected turnover and has taken a toll on the result budgeted. Our newly opened Derby store has not reached its full potential, as we have learned that it takes longer for a shop to gain its audience and become stable economically as well maintaining a stable workforce. The shop has started to show improvements with a solid customer base and increased footfall in the early 2025.

In 2024 the Charity has faced a complex financial landscape which has been marked by both progress and strain. We made continuous efforts to keep our brand and image alive and improved to appeal to broader audiences, including younger generations and customers with greater purchasing power. As the cost of living crisis has impacted many of our customers, we have made conscious efforts to keep them returning with different incentives and lower prices.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

We've worked on our visual presentation throughout the year, customer experience and store identity. We've put a great focus on the assortment and the quality of the items displayed, working carefully with the donations received to meet the customers expectations. However, like many other charities and companies working in the sector, we faced ongoing challenges from a noticeable decline in the quality of donations and the increase in ultra-fast fashion items being donated.

Rising salary costs also placed pressure on the Charity's finances. We responded by adjusting staff hours where possible while still maintaining productivity and service standards. While we continue to rely on a mix of volunteers and employed staff, the rising cost of living has led to a decline in volunteer numbers in general and their available time spent volunteering.

Store closure

The branch at Hemel Hempstead was forced to close in April 2024, due to the landlord taking possession of the property for redevelopment reasons. This event has taken a toll on the charity's forecasted turnover and general growth, as it has been a quite abrupt closure with too little or no time to relocate in the same area. However, the closure allowed us to reallocate resources efficiently in the other remaining stores and strengthen our financial position. The stock has been transferred to the remaining stores allowing for much lower costs in the coming months. Following the closure we have decided to focus on stabilising the existing shops rather than expanding, as our Derby shop is growing at a slow pace.

Lease Renewals

During the year the Charity has decided to renew the leases for the shops we hold in Northampton and Leicester. With our Northampton shop reaching its 10th anniversary, securing another lease will secure a stable income as the shop had a great financial year in 2024 and has a stable team of staff, volunteers and management. We expect that the Northampton branch will continue to be our flagship store in the next 10 years.

Strategic Focus and Positive Developments

Despite 2024 being a challenging year, we maintained steady income levels across our remaining stores, we have focused on cost-efficiency, continuous brand exposure and image improvements.

The charity and second-hand sector, in general, continues to see a substantial increase in demand and our shops have consistently demonstrated growth year on year, reflecting the effectiveness of our strategies and the dedication of our team. With the continuous decline in the quality of donations, we are focusing on different campaigns to increase the level of clothing donations.

Recognizing the success and potential for further growth, the trustees and the General Manager are planning to expand the number of our shops in the coming years. Our focus will be on establishing a stronger presence in additional towns across the Midlands. This expansion is aimed at enhancing our impact, reinforcing our presence in the region and increasing our revenue streams. At the same time, we are planning an expansion in clothing banks and donations, to ensure that our assortment in the shops meets the demand of our customers and donors.

The online shop run by the charity on eBay has shown to be stable and a good income generator. Its consistent performance has contributed meaningfully to diversification of income streams. The charity recognises the broader trend in consumer behaviour given that the online market is growing rapidly. Our online presence complements our high street operations and offers the potential to reach a broader demographic and younger generations. In 2024 the shop has had a good result, and we have focused on efficiency and more automated methods involving lower costs.

We are confident that in the coming year we will continue making a positive difference in the communities we serve. Our commitment to sustainable change through local engagement and retail innovation remains strong.

Consequently, the trustees believe that the charity remains a going concern.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Plans for future periods

Following a year of strategic realignment, the trustees enter 2025 with a focused and ambitious plan aimed at expansion, operational consolidation and increased engagement with the public and our donors.

The charity forecasts a good 2025, with much better systems in place and a better grip of the overall economy.

A major strategic milestone in 2025 is the take-over of the Sorting Centre previously operated by our partner organisation. This transition will enable DAPP to better control the end-to-end process from donation to the shop floor, improve efficiency, consistency and stock quality, explore opportunities to train and engage volunteers and staff. To support both the expansion and the operational goals, the charity will also increase the efforts to get a wider reach and increase the clothing donation from the public and supporters by expanding the clothing donation banks across the country and launching more awareness campaigns in the shops.

Alongside this, the trustees are hopeful of receiving increased levels of donations from several different sources. In the coming year,

DAPP UK aims to make donations towards the Community Development Project in India, focusing on community development and welcome other projects aimed at relief and development in developing countries.

Structure, governance and management

The charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association dated 29 December 2006. It is registered as a charity with the Charity Commission. Anyone can be a member of the company, but such applications require the approval of the directors.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Ms N Karacsony (Chair)

Mr K Musonda

Mrs M Fuller

Miss M Vaz Pita

Recruitment and appointment of new trustees

As set out in the Articles of Association, the first trustees shall be those persons notified to Companies House as the first directors of the charity. Trustees are required to retire by rotation at least every three years, and no trustee may serve for more than nine years in total. There shall be a minimum of three trustees, but never exceeding seven trustees at any time.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Organisational structure

The Charity is managed by the General Manager in conjunction with the Board of Trustees. The board of Trustees and the General Manager are responsible for meeting the aims and the objectives of the Charity. The Trustees are in regular contact and hold frequent internet-based meetings to make key decisions and decide upon the strategic direction of the charity, to review the financial progress and overall performance. The trustees are collaborating closely with the General Manager in the daily running of the Charity by establishing reporting mechanisms to ensure that the Senior Management operates within the scope of meeting the Charity's objectives. These mechanisms include annual budgets approved by the Board, annual goals and strategies, monthly accounts and reports that review the Charity's progress.

Induction and training of new trustees

New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the decision-making processes, the business plan and recent financial performances of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2024*

Auditor

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

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

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

Mrs M Fuller

Trustee

19 September 2025

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2024

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

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

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

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

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

Opinion

We have audited the financial statements of Development Aid from People to People UK (the 'charity') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates that the Charity incurred an overall deficit of £18,822 during the year ended 31 December 2024. This has resulted in the unrestricted funds of the Charity being overdrawn by £7,333. As stated in note 1.2, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

Use of our report

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

Mr Mark Jackson FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets

24 September 2025

Chartered Accountants
Statutory Auditor

Thorpe House
93 Headlands
Kettering
Northamptonshire
United Kingdom
NN15 6BL

Azets is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Notes							
<u>Income and endowments from:</u>							
Donations and legacies	3	125	-	125	-	20,000	20,000
Other trading activities	4	1,338,072	-	1,338,072	1,073,474	-	1,073,474
Investments	5	2,668	-	2,668	3,362	-	3,362
Other income	6	8,141	-	8,141	10,000	-	10,000
Total income		1,349,006	-	1,349,006	1,086,836	20,000	1,106,836
<u>Expenditure on:</u>							
Raising funds	7	1,290,552	-	1,290,552	1,065,275	-	1,065,275
Charitable activities	8	15,000	20,000	35,000	10,000	-	10,000
Other	10	42,276	-	42,276	36,858	-	36,858
Total expenditure		1,347,828	20,000	1,367,828	1,112,133	-	1,112,133
Net income/(expenditure) for the year/ Net incoming/(outgoing) resources		1,178	(20,000)	(18,822)	(25,297)	20,000	(5,297)
Other recognised gains and losses							
Other gains or losses	16	-	-	-	380	-	380
Net movement in funds		1,178	(20,000)	(18,822)	(24,917)	20,000	(4,917)
Fund balances at 1 January 2024		(8,511)	20,000	11,489	16,406	-	16,406
Fund balances at 31 December 2024		(7,333)	-	(7,333)	(8,511)	20,000	11,489

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

All income and expenditure derive from continuing activities.

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

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	17		85,543		93,494
Current assets					
Debtors	18	73,309		70,614	
Cash at bank and in hand		37,351		73,276	
		<u>110,660</u>		<u>143,890</u>	
Creditors: amounts falling due within one year	19	<u>(130,680)</u>		<u>(99,162)</u>	
Net current (liabilities)/assets			(20,020)		44,728
Total assets less current liabilities			65,523		138,222
Creditors: amounts falling due after more than one year	20		(72,856)		(126,733)
Net (liabilities)/assets			<u>(7,333)</u>		<u>11,489</u>
Income funds					
Restricted funds	23		-		20,000
Unrestricted funds			(7,333)		(8,511)
			<u>(7,333)</u>		<u>11,489</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2024, although an audit has been carried out under section 144 of the Charities Act 2011.

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

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 19 September 2025

Mrs M Fuller
Trustee

Company registration number 06038406

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash absorbed by operations	27		(3,881)		(63,228)
Investing activities					
Purchase of tangible fixed assets		(15,313)		(49,528)	
Investment income received		2,668		3,362	
Net cash used in investing activities			(12,645)		(46,166)
Financing activities					
Proceeds from borrowings		-		114,000	
Repayment of borrowings		(14,957)		-	
Payment of obligations under finance leases		(4,442)		(2,071)	
Net cash (used in)/generated from financing activities			(19,399)		111,929
Net (decrease)/increase in cash and cash equivalents			(35,925)		2,535
Cash and cash equivalents at beginning of year			73,276		70,741
Cash and cash equivalents at end of year			37,351		73,276

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

Development Aid from People to People UK is a private company limited by guarantee incorporated in England and Wales. The registered office is 77B Abington Street, Northampton, NN1 2BH.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

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

1.2 Going concern

The Charity made a deficit in the year of £18,822, resulting in an overall deficit of £7,333 in unrestricted funds and therefore acknowledge the material uncertainty related to going concern. However, the Trustees have considered cashflows and forecasts which show sufficient profits to continue trading for the period of 12 months from the date of approval of these financial statements. On this basis they have deemed it appropriate to prepare the financial statements on the going concern basis assuming the charity will continue in operational existence for a period of at least 12 months from the date of approval.

1.3 Charitable funds

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

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

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

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Gifts in kind for sale or distribution are included in 'Income from: Donations and legacies' at the estimated value the charity would have to pay in the open market for an equivalent item in the accounting period in which the gift is receivable. They are also included within 'Expenditure on: Raising funds' at the same value and time in accordance with the Charities SORP.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	20% on cost (5 year lease term)
Fixtures and fittings	25% reducing balance
Computers	25% on cost
Motor vehicles	25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

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

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.9 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.10 Taxation

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

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2023 £
Donations and gifts	125	20,000

4 Other trading activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Shop income	1,338,072	1,073,474

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

5 Investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Interest receivable	2,668	3,362

6 Other income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Royalties	8,141	10,000

7 Raising funds

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
<u>Trading costs</u>		
Operating charity shops	549,112	509,535
Staff costs	537,048	436,739
Depreciation and impairment	23,168	15,225
Support costs	181,224	103,776
Trading costs	1,290,552	1,065,275

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

8 Charitable activities

	2024 £	2023 £
Donations	25,000	-
Share of governance costs (see note 9)	10,000	10,000
	<u>35,000</u>	<u>10,000</u>
Analysis by fund		
Unrestricted funds	15,000	10,000
Restricted funds	20,000	-
	<u>35,000</u>	<u>10,000</u>

9 Support costs

	Support costs £	Governance costs £	2024 £	Support costs £	Governance costs £	2023 £
Premises costs	181,224	-	181,224	103,776	-	103,776
Accountancy	-	10,000	10,000	-	10,000	10,000
	<u>181,224</u>	<u>10,000</u>	<u>191,224</u>	<u>103,776</u>	<u>10,000</u>	<u>113,776</u>
Analysed between						
Trading	181,224	-	181,224	103,776	-	103,776
Charitable activities	-	10,000	10,000	-	10,000	10,000
	<u>181,224</u>	<u>10,000</u>	<u>191,224</u>	<u>103,776</u>	<u>10,000</u>	<u>113,776</u>

10 Other

	2024 £	2023 £
Net loss on disposal of tangible fixed assets	96	1,075
Bank charges	17,109	11,995
Telephone and internet	2,155	1,671
Travel	14,340	18,621
Financing costs	8,576	3,496
	<u>42,276</u>	<u>36,858</u>

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but 2 of them were reimbursed a total of £821 of travelling expenses (2023- 0 were reimbursed £0).

12 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
	26	24
Employment costs	2024	2023
	£	£
Wages and salaries	505,874	411,390
Social security costs	26,370	19,955
Other pension costs	4,804	5,394
	537,048	436,739

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

13 Material other expenditure

On 11 April 2022, one of the charity's landlords agreed to waive a portion of the rent arrears that was payable by the charity. The landlord waived 50% of the rent arrears as of 1 March 2022, resulting in an accounting adjustment of £61,926 credited against the rent charges in the year ended 31 December 2021. The total amount of arrears payable to the landlord at 31 December 2024 is £Nil (2023: £10,146) of which £Nil (2023: £10,146) is due within one year and £Nil (2023: £Nil) is due after one year.

14 Net movement in funds	2024 £	2023 £
Net movement in funds is stated after charging/(crediting)		
Depreciation of owned tangible fixed assets	23,168	15,225
Loss on disposal of tangible fixed assets	96	1,075
Operating lease charges	181,224	103,776

15 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

16 Other gains or losses

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Foreign exchange gains	-	(380)

17 Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 January 2024	23,394	54,863	14,331	32,244	124,832
Additions	11,777	3,117	419	-	15,313
Disposals	-	-	(192)	-	(192)
At 31 December 2024	35,171	57,980	14,558	32,244	139,953
Depreciation and impairment					
At 1 January 2024	975	16,923	9,409	4,031	31,338
Depreciation charged in the year	6,093	9,965	3,079	4,031	23,168
Eliminated in respect of disposals	-	-	(96)	-	(96)
At 31 December 2024	7,068	26,888	12,392	8,062	54,410
Carrying amount					
At 31 December 2024	28,103	31,092	2,166	24,182	85,543
At 31 December 2023	22,419	37,940	4,922	28,213	93,494

18 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	3,000	-
Other debtors	43,697	49,061
Prepayments and accrued income	26,612	21,553
	73,309	70,614

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

19 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Obligations under finance leases	22	4,343	5,575
Borrowings		47,990	12,280
Other taxation and social security		7,275	5,512
Trade creditors		30,472	42,943
Other creditors		826	908
Accruals and deferred income		39,774	31,944
		<u>130,680</u>	<u>99,162</u>

20 Creditors: amounts falling due after more than one year

	Notes	2024 £	2023 £
Obligations under finance leases	22	19,023	22,233
Borrowings		53,833	104,500
		<u>72,856</u>	<u>126,733</u>

21 Loans and overdrafts

	2024 £	2023 £
Other loans	<u>101,823</u>	<u>116,780</u>
Payable within one year	47,990	12,280
Payable after one year	<u>53,833</u>	<u>104,500</u>

During the year to 31 December 2023 the Charity received a loan of £114,000 from Planet Aid UK for the purpose of opening new stores. The loan is unsecured and bears an interest rate of Bank of England base rate plus 2% p.a. During the year to 31 December 2024 interest of £233 (2023: £nil) was paid. Further interest of £7,210 (2023: £2,755) is unpaid despite it accruing.

22 Finance lease commitments

Future minimum lease payments due under finance leases:

	2024 £	2023 £
Within one year	3,210	5,575
Within two and five years	<u>19,023</u>	<u>22,233</u>
	<u>22,233</u>	<u>27,808</u>

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

22 Finance lease commitments

(Continued)

Finance lease payments represent rentals payable for a vehicle held by the charity. The lease includes a purchase option at the end of the lease period, and no restriction is placed on the use of the asset. The lease term is 4 years on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

23 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			
	Incoming resources ¹	Balance at January 2024	Resources expended	Balance at 31 December 2024
	£	£	£	£
Donations	20,000	20,000	(20,000)	-

24 Analysis of net assets between funds

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Unrestricted Funds 2024 £	Restricted Funds 2023 £	Total 2023 £
Fund balances at 31 December 2024 are represented by:					
Tangible assets	85,543	-	85,543	93,494	93,494
Current assets/(liabilities)	(20,020)	-	(20,020)	24,728	44,728
Long term liabilities	(72,856)	-	(72,856)	-	(126,733)
	(7,333)	-	(7,333)	20,000	11,489

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

25 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the charity for certain of its properties. Leases are negotiated on terms of between one and five years with fixed rental payments.

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024 £	2023 £
Within one year	155,913	107,000
Between two and five years	454,902	281,250
In over five years	220,623	-
	<u>831,438</u>	<u>388,250</u>

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2024 £	2023 £
Aggregate compensation	<u>61,607</u>	<u>56,224</u>

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

The brother of a trustee is employed by the charity on a rolling contract as a maintenance operative. The appointment was made prior to the trustee becoming a trustee and was therefore deemed to be made in open competition. During the year this employee was paid a total £1,390 (2023: £11,282) including employers national insurance and pension.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

27	Cash generated from operations	2024 £	2023 £
	Deficit for the year	(18,822)	(5,297)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(2,668)	(3,362)
	Foreign exchange differences	-	380
	Loss on disposal of tangible fixed assets	96	1,076
	Depreciation and impairment of tangible fixed assets	23,168	15,225
	Accrued loan interest	-	2,780
	Movements in working capital:		
	(Increase) in debtors	(2,695)	(25,391)
	(Decrease) in creditors	(2,960)	(48,639)
	Cash absorbed by operations	(3,881)	(63,228)

28	Analysis of changes in net (debt)/funds	At 1 January 2024 £	Cash flows £	At 31 December 2024 £
	Cash at bank and in hand	73,276	(35,925)	37,351
	Loans falling due within one year	(12,280)	(35,710)	(47,990)
	Loans falling due after more than one year	(104,500)	50,667	(53,833)
	Obligations under finance leases	(27,808)	4,442	(23,366)
		(71,312)	(16,526)	(87,838)

Accounts

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

Charity registration number 1118290

LEGAL AND ADMINISTRATIVE INFORMATION

Company registration number 06038406 (England and Wales)

Trustees

Ms H Karasacry (Chair)

Mr K Mwonda

Mrs M Fuller

Miss M Van Pelt

Key Management

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

Charity number

ANNUAL REPORT AND FINANCIAL STATEMENTS

Company number

FOR THE YEAR ENDED 31 DECEMBER 2023

Registered office

770 Telford Street

Northampton

NN1 2BN

Auditor

Ariss

Thorp House

65 High Street

Kettering

Northamptonshire

United Kingdom

NN16 6BL

Bankers

Santander

100 St Pauls

London

EC2A 4PU

London

EC2A 4PU

Directors

Ms H Karasacry (Chair)

Mr K Mwonda

Mrs M Fuller

Miss M Van Pelt

Mr J Smith

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Ms N Karacsony (Chair)
Mr K Musonda
Mrs M Fuller
Miss M Vaz Pita

Key Management Personnel

Miss D Cernusca (General Manager)

Charity number

1118290

Company number

06038406

Registered office

77B Abington Street
Northampton
NN1 2BH

Auditor

Azets
Thorpe House
93 Headlands
Kettering
Northamptonshire
United Kingdom
NN15 6BL

Bankers

Santander
Bridle Road
Bootle
Liverpool
United Kingdom
GIR 0AA

Solicitors

Russell-Cooke Solicitors
2 Putney Hill
London
United Kingdom
SW15 6AB

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

CONTENTS REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2023

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The trustees present their annual report and financial statements for the year ended 31 December 2023.	
Trustees' report	1 - 4
The trustees' report has been prepared in accordance with the accounts set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)'. Objective The charity's objectives are: a) To train teachers through innovative and modern methods empowering them to provide high quality education to primary school students in rural areas. b) To initiate and promote community development in the villages. c) To support education in the developing countries. d) To support environmental projects aimed at promoting agricultural development, renewable energy projects reducing the carbon footprint. Independent auditor's report	5 6 - 8
Statement of financial activities	9
The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant making policy for the year.	
Balance sheet	10 - 11
The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.	
Grant making policy The charity supports organisations whose objectives correspond with the charity's own guidelines. The trustees welcome applications from organisations that meet these criteria and they will be considered on an individual basis.	
Notes to the financial statements	13 - 26
Development Aid from People to People UK did not make donations to any organisations during the year ending 31 December 2023. However, a new project has been approved at the end of the year and a donation of £25,000 has been made at the beginning of January 2024.	
Achievements and performance Charitable activities The charity has received donations totalling £20,000 (2022: £400) during the year ended 31 December 2023. This has been designated as restricted funds towards the new project supported by the Charity. Fundraising activities The shops operated by the charity have generated an income of £1,073,474 (2022: £748,077) during the year. Trustees hope this income will show a further increase in the forthcoming year with the existing shops having a good yield and with the general charity and second hand market having become a more popular way of shopping. Additional plans are in place to expand with new retail shops expected to open in the second half of the year.	

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees present their annual report and financial statements for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The charity's objectives are:

- To train teachers through innovative and modern methods empowering them to provide high quality education to primary school students in rural areas.
- To initiate and lead community development in the villages.
- To support education in the developing countries.
- To support environmental projects aimed at promoting agricultural development, renewable energy towards reducing the carbon foot print and reuse.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Grant making policy

The charity supports organisations whose objectives correspond with the charity's own guidelines. The trustees welcome applications from any charities who meet these criteria and they will be assessed on an individual basis.

Development Aid from People to People UK did not make donations to any organisations during the year ending 31 December 2023. However, a new project has been approved at the end of the year and a donation of £25,000 has been made at the beginning of January 2024.

Achievements and performance

Charitable activities

The charity has received donations totalling £20,000 (2022: £400) during the year ended 31 December 2023. This has been designated as restricted funds towards the new project supported by the Charity.

Fundraising activities

The shops operated by the charity have generated an income of £1,073,474 (2022: £749,077) during the year. Trustees hope this income will show a further increase in the forthcoming year with the existing shops having a good yield and with the general charity and second hand market having become a more popular way of shopping. Additional plans are in place to expand with new retail shops expected to open in the second half of the year.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

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

FOR THE YEAR ENDED 31 DECEMBER 2023

Financial review

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to three months expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. The charity is currently still working towards meeting this objective.

For the year ending 31 December 2023, the accounts show total incoming resources of £1,106,836 (2022: £760,306) of which £1,112,133 (2022: £775,823) have been expended, leaving a net operating deficit of £5,297 (2022: £15,517) before donations of £Nil (2022: £Nil) and a net deficit of £4,917 for the year.

The deficit incurred primarily due to increased operational costs and investment in expansion.

In 2023 we have expanded with a new branch in Derby which has had a positive impact on our turnover, but at the same time has taken a toll on our results. Investing in growth is what the charity is moving towards and planning for in the future, with considerations for the costs that will follow. This branch has been one of a kind, its size requiring a much higher investment than a regular shop that we normally go for, but we are positive that this particular shop will have a great income in the future years as it is a staple in the local Derby community due to its size and design and will contribute greatly to the increase in the charity's results.

Another reason for the year showing a less favourable result is the prior year adjustment in respect of the stock. The stock represented donated goods which under the charities SORP should be valued at fair value unless impractical to do so. It was determined that the fair value was impractical to calculate and hence the balance has been removed in full.

Alongside this, the charity operates with volunteers, however the majority of staff are employed. This has had a great impact on the communities surrounding our branches by offering job stability and skills building, but with the increase in the living wage, the charity has incurred quite a substantial cost as well in salaries that has added to the result of the year being much less than expected.

To address this, the trustees have implemented a comprehensive plan to eliminate the deficit, including cost-reduction strategies, enhanced turnover and optimised store operations.

Store closure

Following the year-end, the branch at Hemel Hempstead has been forced to shut down, due to the landlord taking possession of the property for redevelopment reasons. This event has taken a toll on the charity's forecasted turnover, and general growth as it has been a quite abrupt closure with too little or no time to relocate in the same area. However, the closure allowed us to reallocate resources efficiently in the other remaining shops and strengthen our financial position. The stock has been transferred to the remaining shops allowing for much lower costs in the coming months.

Strategic Focus and Positive Developments

Despite these challenges, the charity has made significant strides in improving economic stability and increasing our income. A major turning point has been the transformation towards a more modern and appealing image, with a focused effort on engaging our audience and increasing our attractiveness to the younger demographic.

The charity and secondhand sector, in general, has experienced a substantial increase in demand recently. Our shops have consistently demonstrated growth year on year, reflecting the effectiveness of our strategies and the dedication of our team.

Recognizing the success and potential for further growth, the trustees and the General Manager are planning to expand the number of our shops in the coming years. Our focus will be on establishing a stronger presence in additional towns across the Midlands. This expansion is aimed at enhancing our impact, reinforcing our presence in the region, and increasing our revenue streams.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

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

FOR THE YEAR ENDED 31 DECEMBER 2023

The online shop run by the charity on eBay has shown to be stable and a good income generator and will continue to operate in the coming years with a stable positive result.

In 2024 the charity has implemented different plans to recover from the year end deficit by continuously working towards increasing the turnover in the shops. This has been the result of stable work with the assortment of clothes and the selections displayed in the shops; constantly working on the image of the Charity in the stores and creating an attractive and one of a kind shopping experience; have worked much more on the socials which are attracting a much wider audience and a higher foot fall.

Another step the charity has taken towards regaining the positive grounds, has been to reduce costs. One of the costs being wages. Most of the teams in stores have become quite stable, this has resulted in less resources spent on finding new staff, onboarding and training. As well as contributing to a more positive reach to customers and more efficiency, but less costs, many more volunteers have started to work in the branch in Derby. As the charity becomes more well known, the working conditions and the attractiveness of the shop seems attractive for more volunteers willing to help out.

The year to December 2023 has also been focused on settling debts and creating a solid foundation for a more stable future, opening doors for growth and expansion within the charity retail sector. The charity had the continued support from the previous clothes service provider and settled the debt towards the middle of the year. Throughout the year the landlord has supported the Northampton branch with a monthly agreement which has now been fully settled in April 2024.

We are confident that these strategic efforts will further solidify our financial foundation and enable us to continue making a positive difference in the communities we serve.

Consequently, the trustees believe that the charity remains a going concern.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for future periods

The charity forecasts a good 2024, with much better systems in place and a better grip of the overall economy. The trustees are working towards growing the charity and the charity's shops and foresee an increased turnover in the coming years. The audit works have set a good foundation for better control procedures and the changes that we have gone through are setting the charity up for good results in the future.

Alongside this, the trustees are hopeful of receiving increased levels of donations from several different sources. In the coming year, DAPP UK aims to make donations towards the new project in India, focusing on community development and welcome other projects aimed at relief and development in developing countries with a budget of £50,000 set for donations.

Structure, governance and management

The charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association dated 29 December 2006. It is registered as a charity with the Charity Commission. Anyone can be a member of the company, but such applications require the approval of the directors.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Ms N Karacsony (Chair)

Mr K Musonda

Mrs M Fuller

Miss M Vaz Pita

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Recruitment and appointment of new trustees

As set out in the Articles of Association, the first trustees shall be those persons notified to Companies House as the first directors of the charity. Trustees are required to retire by rotation at least every three years, and no trustee may serve for more than nine years in total. There shall be a minimum of three trustees, but never exceeding seven trustees at any time.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Organisational structure

The Charity is managed by the General Manager in conjunction with the Board of Trustees.

The board of trustees and the General Manager are responsible for meeting the aims and the objectives of the Charity. The Trustees are in regular contact and hold frequent internet-based meetings to make key decisions and decide upon the strategic direction of the charity, to review the financial progress and overall performance. The trustees are collaborating closely with the General Manager in the daily running of the Charity by establishing reporting mechanisms to ensure that the Senior Management operates within the scope of meeting the Charity's objectives. These mechanisms include annual budgets approved by the Board, annual goals and strategies, monthly accounts and reports that review the Charity's progress.

Induction and training of new trustees

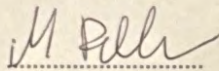
New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the decision-making processes, the business plan and recent financial performances of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Auditor

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

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

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



Mrs M Fuller
Trustee

Date: 18/08/24

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

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

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

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

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

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

Opinion

We have audited the financial statements of Development Aid from People to People UK (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates that the Charity incurred an overall deficit of £4,917 during the year ended 31 December 2023. This has resulted in the unrestricted funds of the Charity being overdrawn by £8,511. As stated in note 1.2, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

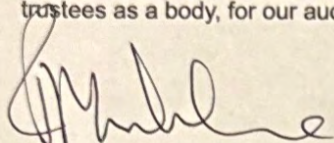
TO THE TRUSTEES OF DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

Other matters which we are required to address

In the previous accounting period the Charity was not subject to audit under the Charities Act 2011, as its total gross income was below the threshold of £1m. Therefore the prior period financial statements were unaudited.

Use of our report

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



Richard Monkhouse (Senior Statutory Auditor)
for and on behalf of Azets

29/08/24.

Chartered Accountants
Statutory Auditor

Thorpe House
93 Headlands
Kettering
Northamptonshire
United Kingdom
NN15 6BL

Azets is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2023

		Unrestricted funds	Restricted funds	Total 2023	Total 2022 as restated
	Notes	£	£	£	£
<u>Income and endowments from:</u>					
Donations and legacies	3	-	20,000	20,000	400
Other trading activities	4	1,073,474	-	1,073,474	749,077
Investments	5	3,362	-	3,362	682
Other income	6	10,000	-	10,000	10,147
Total income		1,086,836	20,000	1,106,836	760,306
<u>Expenditure on:</u>					
Raising funds	7	1,065,275	-	1,065,275	747,429
Charitable activities	8	10,000	-	10,000	3,250
Other	10	36,858	-	36,858	25,144
Total resources expended		1,112,133	-	1,112,133	775,823
Net (expenditure)/income for the year/ Net (outgoing)/incoming resources		(25,297)	20,000	(5,297)	(15,517)
<u>Other recognised gains and losses</u>					
Other gains or losses	16	380	-	380	-
Net movement in funds		(24,917)	20,000	(4,917)	(15,517)
Fund balances at 1 January 2023		16,406	-	16,406	31,923
Fund balances at 31 December 2023		(8,511)	20,000	11,489	16,406

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

All income and expenditure derive from continuing activities.

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

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

BALANCE SHEET

AS AT 31 DECEMBER 2023

		2023		2022 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	17		93,494		30,388
Current assets					
Debtors	18	70,614		45,223	
Cash at bank and in hand		73,276		70,741	
		<u>143,890</u>		<u>115,964</u>	
Creditors: amounts falling due within one year	19	<u>(99,162)</u>		<u>(119,800)</u>	
Net current assets/(liabilities)			44,728		(3,836)
Total assets less current liabilities			<u>138,222</u>		<u>26,552</u>
Creditors: amounts falling due after more than one year	20		(126,733)		(10,146)
Net assets			<u>11,489</u>		<u>16,406</u>
Income funds					
Restricted funds	23	20,000		-	
Unrestricted funds		(8,511)		16,406	
		<u>11,489</u>		<u>16,406</u>	

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2023

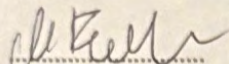
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

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

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 19/08/24



Mrs M Fuller
Trustee

Company registration number 06038406

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	28		(63,228)		(33,440)
Investing activities					
Purchase of tangible fixed assets		(49,528)		(23,194)	
Proceeds from disposal of tangible fixed assets		-		587	
Investment income received		3,362		682	
Net cash used in investing activities			(46,166)		(21,925)
Financing activities					
Proceeds from borrowings		114,000		-	
Payment of obligations under finance leases		(2,071)		-	
Net cash generated from/(used in) financing activities			111,929		-
Net increase/(decrease) in cash and cash equivalents			2,535		(55,365)
Cash and cash equivalents at beginning of year			70,741		126,106
Cash and cash equivalents at end of year			<u>73,276</u>		<u>70,741</u>

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

Development Aid from People to People UK is a private company limited by guarantee incorporated in England and Wales. The registered office is 77B Abington Street, Northampton, NN1 2BH.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

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

1.2 Going concern

The Charity made a deficit in the year of £4,917, resulting in an overall deficit of £8,511 in unrestricted funds and therefore acknowledge the material uncertainty related to going concern. However, the Trustees have considered cashflows and forecasts which show sufficient profits to continue trading for the period of 12 months from the date of approval of these financial statements. On this basis they have deemed it appropriate to prepare the financial statements on the going concern basis assuming the charity will continue in operational existence for a period of at least 12 months from the date of approval.

1.3 Charitable funds

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

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

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

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Gifts in kind for sale or distribution are included in 'Income from: Donations and legacies' at the estimated value the charity would have to pay in the open market for an equivalent item in the accounting period in which the gift is receivable. They are also included within 'Expenditure on: Raising funds' at the same value and time in accordance with the Charities SORP.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	20% on cost (5 year lease term)
Fixtures and fittings	25% reducing balance
Computers	25% on cost
Motor vehicles	25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

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

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.9 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.10 Taxation

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

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Restricted funds	Unrestricted funds
	2023	2022
	£	£
Donations and gifts	20,000	400

Grants received during the previous year were mainly related to Government support as a result of the Covid-19 pandemic including Job Retention Scheme Grants and business rates relief from the Local Councils. The charity has not received any grants during the year ended 31 December 2023.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

4 Other trading activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Shop income	1,073,474	749,077

5 Investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	3,362	682

6 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Net gain on disposal of tangible fixed assets	-	147
Royalties	10,000	10,000
	10,000	10,147

7 Raising funds

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<u>Trading costs</u>		
Operating charity shops	509,535	335,819
Staff costs	436,739	319,731
Depreciation and impairment	15,225	11,512
Support costs	103,776	80,367
Trading costs	1,065,275	747,429

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

8 Charitable activities

	2023 £	2022 £
Share of governance costs (see note 9)	10,000	3,250

9 Support costs

	Support costs £	Governance costs £	2023 £	Support costs £	Governance costs £	2022 £
Premises costs	103,776	-	103,776	80,367	-	80,367
Accountancy	-	10,000	10,000	-	3,250	3,250
	<u>103,776</u>	<u>10,000</u>	<u>113,776</u>	<u>80,367</u>	<u>3,250</u>	<u>83,617</u>
Analysed between						
Trading	103,776	-	103,776	80,367	-	80,367
Charitable activities	-	10,000	10,000	-	3,250	3,250
	<u>103,776</u>	<u>10,000</u>	<u>113,776</u>	<u>80,367</u>	<u>3,250</u>	<u>83,617</u>

10 Other

	2023 £	2022 £
Net loss on disposal of tangible fixed assets	1,075	-
Bank charges	11,995	8,092
Telephone and internet	1,671	806
Travel	18,621	16,246
Financing costs	3,496	-
	<u>36,858</u>	<u>25,144</u>

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year (2022: none).

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

12 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
	24	21
Employment costs	2023 £	2022 £
Wages and salaries	411,390	300,007
Social security costs	19,955	15,729
Other pension costs	5,394	3,995
	436,739	319,731

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

13 Material other expenditure

On 11 April 2022, one of the charity's landlords agreed to waive a portion of the rent arrears that was payable by the charity. The landlord waived 50% of the rent arrears as of 1 March 2022, resulting in an accounting adjustment of £61,926 credited against the rent charges in the year ended 31 December 2021. The total amount of arrears payable to the landlord at 31 December 2023 is £10,146 (2022: £40,583) of which £10,146 (2022: £30,437) is due within one year and £Nil (2022: £10,146) is due after one year.

14 Net movement in funds	2023 £	2022 £
Net movement in funds is stated after charging/(crediting)		
Depreciation of owned tangible fixed assets	15,225	11,512
Loss/(profit) on disposal of tangible fixed assets	1,075	(147)
Premises costs (including operating lease charges)	103,776	80,367

15 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

16 Other gains or losses

	Unrestricted funds	Total
	2023 £	2022 £
Foreign exchange gains	(380)	-

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

17 Tangible fixed assets

	Leasehold improvements	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2023	-	78,826	13,385	1,000	93,211
Additions	23,394	22,823	946	32,244	79,407
Disposals	-	(46,786)	-	(1,000)	(47,786)
At 31 December 2023	23,394	54,863	14,331	32,244	124,832
Depreciation and impairment					
At 1 January 2023	-	55,423	6,401	1,000	62,824
Depreciation charged in the year	975	7,211	3,008	4,031	15,225
Eliminated in respect of disposals	-	(45,711)	-	(1,000)	(46,711)
At 31 December 2023	975	16,923	9,409	4,031	31,338
Carrying amount					
At 31 December 2023	22,419	37,940	4,922	28,213	93,494
At 31 December 2022	-	23,403	6,985	-	30,388

18 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	-	10,497
Other debtors	49,061	16,437
Prepayments and accrued income	21,553	18,289
	70,614	45,223

19 Creditors: amounts falling due within one year

	Notes	2023	2022
		£	£
Obligations under finance leases	22	5,575	-
Borrowings		12,280	-
Other taxation and social security		5,512	8,521
Trade creditors		42,943	104,096
Other creditors		908	1,086
Accruals and deferred income		31,944	6,097
		99,162	119,800

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

20 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Obligations under finance leases	22	22,233	-
Borrowings		104,500	-
Trade creditors		-	10,146
		<u>126,733</u>	<u>10,146</u>

Trade creditors due after one year in 2022 included £10,146 of rent arrears due to the charity's landlord. As part of the agreement with the landlord to reduce the total rent arrears, the charity agreed to repay the remaining arrears over a period of 26 months in equal monthly instalments, with the last payment due on 1 April 2024.

21 Loans and overdrafts

	2023 £	2022 £
Other loans	116,780	-
Payable within one year	12,280	-
Payable after one year	104,500	-

During the year the Charity received a loan of £114,000 from Planet Aid UK for the purpose of opening new stores. The loan is unsecured and bears an interest rate of Bank of England base rate plus 2% p.a. During the year to 31 December 2023 no interest was paid despite it accruing.

22 Finance lease commitments

Future minimum lease payments due under finance leases:

	2023 £	2022 £
Within one year	5,575	-
Within two and five years	22,233	-
	<u>27,808</u>	<u>-</u>

Finance lease payments represent rentals payable for a vehicle held by the charity. The lease includes a purchase option at the end of the lease period, and no restriction is placed on the use of the asset. The lease term is 4 years on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

23 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2023	Incoming resources	Movement in funds			Balance at 31 December 2023
	£	£	Resources expended	Transfers	Revaluations, gains and losses	£
Donations	-	20,000	-	-	-	20,000

24 Analysis of net assets between funds

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Unrestricted Funds 2023 £	Total Unrestricted Funds 2022 £
Fund balances at 31 December 2023 are represented by:				
Tangible assets	93,494	-	93,494	30,388
Current assets/(liabilities)	24,728	20,000	44,728	(3,836)
Long term liabilities	(126,733)	-	(126,733)	(10,146)
	(8,511)	20,000	11,489	16,406

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

25 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the charity for certain of its properties. Leases are negotiated on terms of between one and five years with fixed rental payments.

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	107,000	67,250
Between two and five years	281,250	23,000
	<u>388,250</u>	<u>90,250</u>

26 Events after the reporting date

In April 2024 the Hemel Hempstead store was closed. During the year ended 31 December 2023 the store generated £187,000 in total revenue. There have been no additional costs associated with the closure of the store since the year end.

27 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	<u>56,224</u>	<u>48,428</u>

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

The brother of a trustee is employed by the charity on a rolling contract as a maintenance operative. The appointment was made prior to the trustee becoming a trustee and was therefore deemed to be made in open competition. During the year this employee was paid a total £11,282 including employers national insurance and pension.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

28	Cash generated from operations	2023 £	2022 £
	Deficit for the year	(5,297)	(15,517)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(3,362)	(682)
	Foreign exchange differences	380	-
	Loss/(gain) on disposal of tangible fixed assets	1,076	(147)
	Depreciation and impairment of tangible fixed assets	15,225	11,512
	Accrued loan interest	2,780	-
	Movements in working capital:		
	(Increase) in debtors	(25,391)	(19,257)
	(Decrease) in creditors	(48,639)	(9,349)
	Cash absorbed by operations	(63,228)	(33,440)

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

29 Analysis of changes in net debt

	At 1 January 2023 £	Cash flows £	Acquisitions and disposals £	New finance leases £	At 31 December 2023 £
Cash at bank and in hand	70,741	2,535	-	-	73,276
Loans falling due within one year	-	101,720	(114,000)	-	(12,280)
Loans falling due after more than one year	-	(104,500)	-	-	(104,500)
Obligations under finance leases	-	2,071	-	(29,879)	(27,808)
	<u>70,741</u>	<u>1,826</u>	<u>(114,000)</u>	<u>(29,879)</u>	<u>(71,312)</u>

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

30 Prior period adjustment

Changes to the balance sheet

	At 31 December 2022		
	As previously reported	Adjustment	As restated
	£	£	£
Current assets			
Stocks	52,396	(52,396)	-
	<u>52,396</u>	<u>(52,396)</u>	<u>-</u>
Income funds			
Unrestricted funds	68,802	(52,396)	16,406
	<u>68,802</u>	<u>(52,396)</u>	<u>16,406</u>
Total equity	<u>68,802</u>	<u>(52,396)</u>	<u>16,406</u>

Changes to the profit and loss account

	Period ended 31 December 2022		
	As previously reported	Adjustment	As restated
	£	£	£
Raising funds	720,252	27,177	747,429
	<u>720,252</u>	<u>27,177</u>	<u>747,429</u>
Net movement in funds	11,660	(27,177)	(15,517)
	<u>11,660</u>	<u>(27,177)</u>	<u>(15,517)</u>

Notes to restatement:

The prior year financial statements included a valuation in respect of stocks held. However under the charities SORP donated goods should be valued at fair value unless deemed impracticable to do so. Given the nature of donated goods it has been deemed impractical to place an accurate fair value on these items and therefore no value should be included.

Accounts

Charity registration number 1118290

Company registration number 06038406 (England and Wales)

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms N Karacsony (Chair)	
	Mr K Musonda	
	Mrs M Fuller	(Appointed 22 September 2022)
	Miss M Vaz Pita	(Appointed 22 September 2022)
Charity number	1118290	
Company number	06038406	
Registered office	77B Abington Street Northampton NN1 2BH	
Independent examiner	Azets Thorpe House 93 Headlands Kettering Northamptonshire United Kingdom NN15 6BL	
Bankers	Santander Bridle Road Bootle Liverpool United Kingdom GIR 0AA	
Solicitors	Russell-Cooke Solicitors 2 Putney Hill London United Kingdom SW15 6AB	

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

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DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The charity's objectives are:

- a) To train teachers through innovative and modern methods empowering them to provide high quality education to primary school students in rural areas.
- b) To initiate and lead community development in the villages.
- c) To support education in the developing countries.
- d) To support environmental projects aimed at promoting agricultural development, renewable energy towards reducing the carbon foot print and reuse.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Grant making policy

The charity supports organisations whose objectives correspond with the charity's own guidelines. The trustees welcome applications from any charities who meet these criteria and they will be assessed on an individual basis.

DAPP UK did not make donations to any organisations during the year to 31 December 2022.

Achievements and performance

Charitable activities

The charity has received donations totalling £400 (2021: £30,579) during the year ended 31 December 2022.

Fundraising activities

The shops operated by the charity have generated an income of £749,077 (2021: £354,309) during the year. Trustees hope this income will show a further increase in the forthcoming year as 2022 has been used to strengthen and expand, and at the same time modernise the charity. With the new face lift and improvements made in the existing shops and new shop throughout 2022, 2023 is forecasted to nearly double in turnover and triple in results.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Financial review

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to three months expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. The charity is currently still working towards meeting this objective.

The accounts show total incoming resources of £760,306 (2021: £465,791) of which £748,646 (2021: £320,921) have been expended, leaving a net operating surplus of £11,660 (2021: £83,225) before donations of £Nil (2021: £30,000) and a net surplus of £11,660 (2021: £114,870) for the year.

The charity has made significant steps towards improving their economy this year and stabilising the cash flow. After the covid pandemic ended, the charity and second hand retail sector has seen an increase in demand. This has led to a higher turnover in all shops operated by the charity, and to the opening of a new shop in Hemel Hempstead. The charity has also gone through a major revamp and facelift during the year. The revamp and the new shop expenses have made it slightly difficult for the charity to donate towards the projects this year; however with a stabilised income and an improved cashflow, the charity plans to donate over £50,000 in 2023 towards development projects.

The online shop has been operating during the year with a stable turnover and an increased grip on quality and demand, the shop has expanded in 2022 to a much higher stock and consequently increased turnover.

The trustees are satisfied with the result taking into consideration the expenses were used towards expanding and creating a better, more modern look for the charity, move which has proved efficient in bringing in more customers and doubling the turnover over the year. The trustees look forward to growing and expanding in 2023 with further donations and new projects to donate towards, with a much higher income and with prospects on expanding to more shops in Midlands and London.

The year has been a truly eye opening year for the charity, as it underwent a transformation into a modern looking and more attractive charity, appealing to younger generations.

The charity has the continued support of the previous clothing service provider who have agreed to extend the credit amounting to £43,829 at the beginning of 2022, with a verbal agreement in place that the charity would pay £500 per month over the coming years until the amount is completely paid; however, the entire remaining amount has been paid in July 2023. The landlord has also accepted a 50% write off of the rent arrears and an agreement of monthly repayments has been set, with small arrears remaining to be paid off until the end of the term.

The net operating deficits incurred over the four years to December 2020 resulted in a deficit on the unrestricted fund of £57,728 as at 31 December 2020. As a result of the improved financial performance during this and the previous year and an agreement with the landlord to write-off half of the rent arrears as at 31 March 2022, there is now a surplus on unrestricted funds of £68,802 at 31 December 2022. As a result, the trustees are of the view that the charity is a going concern.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for future periods

The charity forecasts a great 2023 with three profitable shops and an online/ecommerce shop, looking into expanding with more shops in the second half of the end of the year and strengthen the current ones. DAPP UK management plans to adopt diverse commercial strategies to increase the sales and develop further the ecommerce shop and plans to double the number of high-street shops. For 2023, the charity shops are budgeted to reach an increased result of slightly over £100,000.

Alongside this, the trustees are hopeful of receiving increased levels of donations from several different sources. In the next year DAPP UK will strive to make donations towards different environmental, educational and development programs aimed at relief and development in the developing countries with a budget of over 50,000 set for donations.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Structure, governance and management

The charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association dated 29 December 2006. It is registered as a charity with the Charity Commission. Anyone can be a member of the company, but such applications require the approval of the directors.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Ms R Nyatsine	(Resigned 22 September 2022)
Ms N Karacsony (Chair)	
Mr K Musonda	
Mr M Bor	(Resigned 30 April 2022)
Mrs M Fuller	(Appointed 22 September 2022)
Miss M Vaz Pita	(Appointed 22 September 2022)

Recruitment and appointment of new trustees

As set out in the Articles of Association, the first trustees shall be those persons notified to Companies House as the first directors of the charity. Trustees are required to retire by rotation at least every three years, and no trustee may serve for more than nine years in total. There shall be a minimum of three trustees, but never exceeding seven trustees at any time.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Organisational structure

The board of trustees are in regular contact via e-mail and hold frequent internet-based meetings to make key decisions and decide upon the strategic direction of the charity. The trustees are collaborating closely with the General Manager in the daily running of the Charity.

Induction and training of new trustees

New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the decision-making processes, the business plan and recent financial performances of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

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

Mrs M Fuller
Trustee

16 September 2023

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

I report to the trustees on my examination of the financial statements of Development Aid from People to People UK (the charity) for the year ended 31 December 2022.

Responsibilities and basis of report

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

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

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

Richard Monkhouse FCCA
Association of Chartered Certified Accountants
Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL
United Kingdom

Dated: 20 September 2023

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
<u>Income and endowments from:</u>			
Donations and legacies	2	400	101,425
Other trading activities	3	749,077	354,309
Investments	4	682	57
Other income	5	10,147	10,000
Total income		760,306	465,791
<u>Expenditure on:</u>			
Raising funds	6	720,252	370,388
Charitable activities	7	3,250	32,550
Material other expenditure	12	-	(61,926)
Other	9	25,144	9,909
Total resources expended		748,646	350,921
Net income for the year/ Net movement in funds		11,660	114,870
Fund balances at 1 January 2022		57,142	(57,728)
Fund balances at 31 December 2022		68,802	57,142

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

All income and expenditure derive from continuing activities.

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

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	15		30,388		19,146
Current assets					
Stocks	16	52,396		25,219	
Debtors	17	45,223		25,966	
Cash at bank and in hand		70,741		126,106	
		<u>168,360</u>		<u>177,291</u>	
Creditors: amounts falling due within one year	18	<u>(119,800)</u>		<u>(98,712)</u>	
Net current assets			48,560		78,579
Total assets less current liabilities			78,948		97,725
Creditors: amounts falling due after more than one year	19		(10,146)		(40,583)
Net assets			<u>68,802</u>		<u>57,142</u>
Income funds					
Unrestricted funds			68,802		57,142
			<u>68,802</u>		<u>57,142</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022.

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

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 16 September 2023

Mrs M Fuller
Trustee

Company registration number 06038406

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

Development Aid from People to People UK is a private company limited by guarantee incorporated in England and Wales. The registered office is 77B Abington Street, Northampton, NN1 2BH.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

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

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

1.2 Going concern

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

1.3 Charitable funds

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

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

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

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Gifts in kind for sale or distribution are included in 'Income from: Donations and legacies' at the estimated value the charity would have to pay in the open market for an equivalent item in the accounting period in which the gift is receivable. They are also included within 'Expenditure on: Raising funds' at the same value and time in accordance with the Charities SORP.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% reducing balance
Computers	25% on cost
Motor vehicles	25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.9 Cash and cash equivalents

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

1.10 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.11 Taxation

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

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Donations and gifts	400	-	400	30,579
Grants receivable for core activities	-	-	-	70,846
	<u>400</u>	<u>-</u>	<u>400</u>	<u>101,425</u>
For the year ended 31 December 2021	<u>71,425</u>	<u>30,000</u>		<u>101,425</u>

Grants received during the previous year were mainly related to Government support as a result of the Covid-19 pandemic including Job Retention Scheme Grants and business rates relief from the Local Councils. The charity has not received any grants during the year ended 31 December 2022.

3 Other trading activities

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Shop income	<u>749,077</u>	<u>354,309</u>

4 Investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Interest receivable	<u>682</u>	<u>57</u>

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

5 Other income

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Net gain on disposal of tangible fixed assets	147	-
Royalties	10,000	10,000
	<u>10,147</u>	<u>10,000</u>

6 Raising funds

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
<u>Trading costs</u>		
Operating charity shops	308,642	138,599
Staff costs	319,731	139,338
Depreciation and impairment	11,512	6,688
Support costs	80,367	85,763
	<u>720,252</u>	<u>370,388</u>
Trading costs		

7 Charitable activities

	2022 £	2021 £
Donations	-	30,000
Share of governance costs (see note 8)	3,250	2,550
	<u>3,250</u>	<u>32,550</u>
Analysis by fund		
Unrestricted funds	3,250	2,550
Restricted funds	-	30,000
	<u></u>	<u></u>
For the year ended 31 December 2021		
Unrestricted funds	2,550	
Restricted funds	30,000	
	<u>32,550</u>	

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

8 Support costs

	Support costs £	Governance costs £	2022 £	2021 £	Basis of allocation
Premises costs	80,367	-	80,367	85,763	
Accountancy	-	3,250	3,250	2,550	Governance
	<u>80,367</u>	<u>3,250</u>	<u>83,617</u>	<u>88,313</u>	
Analysed between					
Trading	80,367	-	80,367	85,763	
Charitable activities	-	3,250	3,250	2,550	
	<u>80,367</u>	<u>3,250</u>	<u>83,617</u>	<u>88,313</u>	

9 Other

	2022 £	2021 £
Bank charges	8,092	4,284
Telephone and internet	806	644
Travel	16,246	4,981
	<u>25,144</u>	<u>9,909</u>

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year (2021: none).

11 Net movement in funds

	2022 £	2021 £
Net movement in funds is stated after charging/(crediting)		
Depreciation of owned tangible fixed assets	11,512	6,688
Profit on disposal of tangible fixed assets	(147)	-
Premises costs (including operating lease charges)	<u>80,367</u>	<u>85,763</u>

12 Material other expenditure

On 11 April 2022, one of the charity's landlords agreed to waive a portion of the rent arrears that was payable by the charity. The landlord waived 50% of the rent arrears as of 1 March 2022, resulting in an accounting adjustment of £61,926 credited against the rent charges in the year ended 31 December 2021. The total amount of arrears payable to the landlord at 31 December 2022 is £40,583 (2021: £69,948) of which £30,437 (2021: £29,365) is due within one year and £10,146 (2021: £40,583) is due after one year.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

13 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	21	9
Employment costs	2022 £	2021 £
Wages and salaries	300,007	132,960
Social security costs	15,729	4,581
Other pension costs	3,995	1,797
	319,731	139,338

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

14 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

15 Tangible fixed assets

	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost				
At 1 January 2022	60,484	9,120	1,000	70,604
Additions	18,342	4,852	-	23,194
Disposals	-	(587)	-	(587)
At 31 December 2022	78,826	13,385	1,000	93,211
Depreciation and impairment				
At 1 January 2022	47,258	3,200	1,000	51,458
Depreciation charged in the year	8,165	3,347	-	11,512
Eliminated in respect of disposals	-	(147)	-	(147)
At 31 December 2022	55,423	6,400	1,000	62,823
Carrying amount				
At 31 December 2022	23,403	6,985	-	30,388
At 31 December 2021	13,226	5,920	-	19,146

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

16 Stocks

	2022 £	2021 £
Finished goods and goods for resale	52,396	25,219

17 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	10,497	1,671
Other debtors	16,437	3,538
Prepayments and accrued income	18,289	20,757
	45,223	25,966

18 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	8,521	3,626
Trade creditors	104,096	90,895
Other creditors	1,086	686
Accruals and deferred income	6,097	3,505
	119,800	98,712

19 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Trade creditors	10,146	40,583

Trade creditors due after one year includes £10,146 of rent arrears which are due to the charity's landlord. As part of the agreement with the landlord to reduce the total rent arrears, the charity agreed to repay the remaining arrears over a period of 26 months in equal monthly instalments, with the last payment due on 1 April 2024.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

20 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the charity for certain of its properties. Leases are negotiated on terms of between one and five years with fixed rental payments.

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	67,250	59,957
Between two and five years	23,000	76,500
	<u>90,250</u>	<u>136,457</u>

21 Related party transactions

There were no disclosable related party transactions during the year (2021: none).

Accounts

Charity registration number 1118290

Company registration number 06038406 (England and Wales)

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms R Nyatsine Ms N Karacsony Mr K Musonda
Charity number	1118290
Company number	06038406
Registered office	77 Abington Street Northampton United Kingdom NN1 2BH
Independent examiner	Azets Thorpe House 93 Headlands Kettering Northamptonshire United Kingdom NN15 6BL
Bankers	Santander Bridle Road Bootle Liverpool United Kingdom GIR 0AA
Solicitors	Russell-Cooke Solicitors 2 Putney Hill London United Kingdom SW15 6AB

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

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DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their annual report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The charity's objectives are:

- a) To train teachers through innovative and modern methods empowering them to provide high quality education to primary school students in rural areas.
- b) To initiate and lead community development in the villages.
- c) To support education in the developing countries.
- d) To support environmental projects aimed at promoting agricultural development, renewable energy towards reducing the carbon foot print and reuse.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Grant making policy

The charity supports organisations whose objectives correspond with the charity's own guidelines. The trustees welcome applications from any charities who meet these criteria and they will be assessed on an individual basis.

In 2021 DAPP UK has made donations of £30,000 (2020: £11,200) to Farmers Club GUTU Project, Zimbabwe.

This is a project run by DAPP Zimbabwe and it focuses on supporting and educating farmers to adopt climate smart farming and lifestyles focusing on smart energy and low-cost water management. The purpose of the project is to create sustainable livelihoods among smallholder farmers. A special attention is being paid to creating clean and low-cost renewable energy solutions and better water management systems for smallholder farmer families and create work opportunities for youth.

Gutu district, the target project area, is located in a drier agro-ecological natural region V and IV, with spatial pockets of natural region III. The district experiences increased frequency of droughts and below-normal rains as a result of climate change.

There was a need for improved water management among farmers to improve underground water storage and reduce soil erosion. Most farmers' fields and gardens are currently not protected against soil erosion. Soil cover is very important to reduce runoff and thereby increase water infiltration required for increased underground water.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Smallholder farmers were using paraffin lamps, candles and firewood for lighting and cooking which emits carbon gases into the atmosphere and are not reliable. The uses of such lighting and cooking systems are also a threat to the personal health of the family members. The target area is abundant with sunlight. This challenge presents an opportunity for unemployed youths to be trained in production of solar products which can be used in the community and thus provide a livelihood for them. The students will learn the benefits of using clean energy to the environment and their health. In addition, some enterprising youths will end up starting their own business selling solar products in the community.

The project works with 1,000 registered farmers. The farmers are organised into 20 clubs of 50 farmers each who are in core groups of 10 with a Step-Up farmer to facilitate training and production. The project seeks to further consolidate the gains from previous Farmers' Club actions. The project works to combat the effects of global warming and climate change induced drought and crop failure. Farmers' Clubs Gutu project will empower the farmers by offering an organised club life which includes elements on training, demonstration model farming, field visits, low-cost agriculture technical solutions, participatory technical assistance and exchange of collectively gained farmer experiences towards ensuring self-reliance and sustainability. Respect will be given to gender representation in all leadership posts so that women are not marginalized.

This initiative is expected to make farmers more resilient to environmental and climate change effects, shocks and stresses through enhanced adaptive capacity which result in improved agricultural production, productivity and marketing that increase household's income, food and nutrition security. Farmers are also expected to have increased awareness on the use of clean energy at household level to reduce carbon emissions into the atmosphere. The project is also expected to increase green employment opportunities for youths in solar products and agro-processing.

The outcomes of the project in 2020/21 are underlined as follows:

- the farmers have improved their production skills as part of adapting to the effects of climate change.
- farmers improved their farming skills through applying what they learnt in training sessions, demonstrations, field days and garden days.
- farmers have improved their appreciation of conservation farming techniques based on experiences gained in the 2020/21 farming season.
- farmers have improved their household economy through improved production techniques and adoption of high value crops.
- farmers increased the number of crop varieties which they produced.
- farmers have enhanced animal husbandry practices through improved livestock husbandry breeding and management.
- farmers reduced post-harvest losses as farmers as they have adopted value addition, agro-processing and preservation of their produce.

This project has been selected in accordance with DAPP UK's objectives.

Achievements and performance

Charitable activities

Total donations of £30,579 have been received during the year, from which a total of £30,000 was received from Green World Recycling as restricted funds and has been donated towards the Farmers Club Gutu Project, Zimbabwe. Unrestricted funds of £217 were received via the PayPal Giving Fund and £362 was received from Ebay donations.

Fundraising activities

The shops operated by the charity have generated an income of £354,309 (2020: £212,713) during the year. Trustees hope this income will increase in the forthcoming year as 2021 has been a year with many months' closures under the Government restrictions due to COVID-19 that has continued over from 2020, therefore the turnover has remained low even if at a higher level than in 2020 as the shops could not reach their full potential.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

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

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial review

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to three months expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. The charity is currently still working towards meeting this objective.

The accounts show total incoming resources of £465,791 (2020: £302,792) of which £320,921 (2020: £306,822) have been expended, leaving a net operating surplus of £83,225 (2020: deficit of £4,030) before donations of £30,000 (2020: £11,200) and a resultant net surplus of £114,870 (2020: deficit of £15,230) for the year.

The charity has made significant steps towards improving their economy this year despite months of closures and no direct sales income. With the Pandemic restrictions and months of closures in place for a second year during national and local lockdowns, DAPP UK has not been able to reach its targeted income. The shops have been closed from January to 12th April. However, with the Government and local authorities support, DAPP UK economy has been stabilised and flourished after the restrictions were lifted.

COVID-19 has impacted the Charity for a second year, with the shops having to close for over 3 months. During these months, the charity has not been able to keep its steady revenue, however DAPP UK has kept its expenses to a low level and has strengthened the vision for the future, and with the Grant support received from the local authorities and the support from the Job Retention Scheme, DAPP has managed to overcome this difficult period. DAPP UK staff have been retained and returned to work as soon as it became possible. The periods following the end of restrictions have seen increased demand in second hand goods and the Charity has been able to grow its work force and income, and stabilise the cash flow. The efforts from the management and key staff have been fruitful and have shown successful for the year.

The online shop has been operating during the year with a major boom from the middle of the year, which has helped the charity take a step forward in expanding it further.

The trustees are satisfied with the result taking into consideration another difficult year and look forward to growing and expanding in 2022 with further donations and new projects to donate towards, with a much higher income and with prospects on expanding to more shops.

The year has been a pivotal year for DAPP with many changes in place with the Pandemic still impacting parts of the year, but the Charity has managed to step forward and move closer towards a positive operating result.

The charity has the continued support of the previous clothing service provider who have agreed to extend the credit amounting to £43,829 - with a verbal agreement in place that the charity will pay £500/month over the coming years until the amount is completely covered. The other creditor has accepted a 50% write off and an agreement of monthly repayments has been set.

The net operating deficits incurred over the previous four years to December 2020 have resulted in a deficit on the unrestricted fund of £57,728 as at 31 December 2020. As a result of the improved financial performance during the year and an agreement with the landlord to write-off half of the rent arrears as at 31 March 2022, there is now a surplus on unrestricted funds of £57,142 at 31 December 2021.

In addition the charity has received the support of one of its key clothing suppliers who have extended credit amounting to £43,829 at the year end. The trustees expect that payment will not be demanded until the charity is in a position to fund the payment of the balance outstanding. As a result, the trustees are of the view that the charity is a going concern.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Covid-19 pandemic

During the year ended 31 December 2021, our shops were temporarily closed for 3 months due to national and local restrictions imposed by the Government in line with the Covid-19 outbreak.

During these months, the charity has not been able to maintain its steady revenue, and therefore couldn't reach its targeted income for the year. Since the last lockdown ended, shop sales have recovered and have continued to increase in 2022, building on the improved outcome for 2021.

The trustees remain confident that the charity will continue as a going concern as a result of grants received from the UK government and the efforts from the staff and the management to recover.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for future periods

The charity hopes for a great 2022 with two profitable shops and an online/ecommerce shop, looking into expanding with more shops in the second half of the end of the year and strengthen the current ones. DAPP UK management plans to adopt diverse commercial strategies to increase the sales and develop further the ecommerce shop and plans to double the amount of high-street shops.

Alongside this, the trustees are hopeful of receiving increased levels of donations from several different sources. In the next year DAPP UK will strive to make donations towards different environmental, educational and development programs aimed at relief and development in the developing countries.

Structure, governance and management

The charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association dated 29 December 2006. It is registered as a charity with the Charity Commission. Anyone can be a member of the company, but such applications require the approval of the directors.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Ms R Nyatsine
Ms N Karacsony
Mr K Musonda
Mr M Bor

(Resigned 30 April 2022)

Recruitment and appointment of new trustees

As set out in the Articles of Association, the first trustees shall be those persons notified to Companies House as the first directors of the charity. Trustees are required to retire by rotation at least every three years, and no trustee may serve for more than nine years in total. There shall be a minimum of three trustees, but never exceeding seven trustees at any time.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Organisational structure

The board of trustees are in regular contact via e-mail and hold frequent internet-based meetings to make key decisions and decide upon the strategic direction of the charity. The trustees are collaborating closely with the General Manager in the daily running of the Charity.

Induction and training of new trustees

New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the decision-making processes, the business plan and recent financial performances of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2021*

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

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

Ms N Karacsony
Trustee

22 September 2022

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

I report to the trustees on my examination of the financial statements of Development Aid from People to People UK (the charity) for the year ended 31 December 2021.

Responsibilities and basis of report

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

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

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

Richard Monkhouse FCCA
Association of Chartered Certified Accountants
Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL
United Kingdom

Dated: 29 September 2022

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<u>Income and endowments from:</u>					
Donations and legacies	2	71,425	30,000	101,425	90,030
Other trading activities	3	354,309	-	354,309	212,713
Investments	4	57	-	57	49
Other income	5	10,000	-	10,000	-
Total income		435,791	30,000	465,791	302,792
<u>Expenditure on:</u>					
Raising funds	6	370,388	-	370,388	295,051
Charitable activities	7	2,550	30,000	32,550	14,100
Material other expenditure	9	(61,926)	-	(61,926)	-
Other	10	9,909	-	9,909	8,871
Total resources expended		320,921	30,000	350,921	318,022
Net income/(expenditure) for the year/ Net movement in funds		114,870	-	114,870	(15,230)
Fund balances at 1 January 2021		(57,728)	-	(57,728)	(42,498)
Fund balances at 31 December 2021		57,142	-	57,142	(57,728)

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

All income and expenditure derive from continuing activities.

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

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	14		19,146		5,931
Current assets					
Stocks	15	25,219		20,150	
Debtors	16	25,966		26,080	
Cash at bank and in hand		126,106		49,650	
		<u>177,291</u>		<u>95,880</u>	
Creditors: amounts falling due within one year	17	<u>(98,712)</u>		<u>(159,539)</u>	
Net current assets/(liabilities)			78,579		(63,659)
Total assets less current liabilities			<u>97,725</u>		<u>(57,728)</u>
Creditors: amounts falling due after more than one year	18		(40,583)		-
Net assets/(liabilities)			<u>57,142</u>		<u>(57,728)</u>
Income funds					
Unrestricted funds			57,142		(57,728)
			<u>57,142</u>		<u>(57,728)</u>

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2021.

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

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 22 September 2022

Ms N Karacsony
Trustee

Company registration number 06038406

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

Development Aid from People to People UK is a private company limited by guarantee incorporated in England and Wales. The registered office is 77 Abington Street, Northampton, NN1 2BH, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

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

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

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements. The outbreak of the COVID-19 pandemic has impacted the shop trading income significantly during the year. The trustees remain confident that the charity will continue as a going concern as a result of grants received from the UK government.

1.3 Charitable funds

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

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

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

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Gifts in kind for sale or distribution are included in 'Income from: Donations and legacies' at the estimated value the charity would have to pay in the open market for an equivalent item in the accounting period in which the gift is receivable. They are also included within 'Expenditure on: Raising funds' at the same value and time in accordance with the Charities SORP.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% reducing balance
Computers	25% on cost
Motor vehicles	25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

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

1.10 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.11 Taxation

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

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Donations and gifts	579	30,000	30,579	21,711
Grants receivable for core activities	70,846	-	70,846	68,319
	<u>71,425</u>	<u>30,000</u>	<u>101,425</u>	<u>90,030</u>
For the year ended 31 December 2020	<u>78,830</u>	<u>11,200</u>		<u>90,030</u>

Grants received during the year were mainly related to Government support as a result of the Covid-19 pandemic including Job Retention Scheme Grants and business rates relief from the Local Councils.

3 Other trading activities

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Shop income	<u>354,309</u>	<u>212,713</u>

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

4 Investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Interest receivable	57	49

5 Other income

	Unrestricted funds 2021 £	Total 2020 £
Royalties	10,000	-

6 Raising funds

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<u>Trading costs</u>		
Operating charity shops	138,599	83,439
Staff costs	139,338	109,217
Depreciation and impairment	6,688	2,074
Support costs	85,763	100,321
Trading costs	370,388	295,051

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

7 Charitable activities

	2021 £	2020 £
Donations	30,000	11,200
Share of governance costs (see note 8)	2,550	2,900
	<u>32,550</u>	<u>14,100</u>
Analysis by fund		
Unrestricted funds	2,550	2,900
Restricted funds	30,000	11,200
	<u>32,550</u>	<u>14,100</u>
For the year ended 31 December 2020		
Unrestricted funds	2,900	
Restricted funds	11,200	
	<u>14,100</u>	

8 Support costs

	Support costs £	Governance costs £	2021 £	2020 £	Basis of allocation
Premises costs	85,763	-	85,763	110,558	
Accountancy	-	2,550	2,550	2,900	Governance
	<u>85,763</u>	<u>2,550</u>	<u>88,313</u>	<u>112,861</u>	
Analysed between					
Trading	85,763	-	85,763	100,321	
Charitable activities	-	2,550	2,550	2,900	
	<u>85,763</u>	<u>2,550</u>	<u>88,313</u>	<u>103,221</u>	

9 Material other expenditure

On 11 April 2022, one of the charity's landlords agreed to waive a portion of the rent arrears that was payable by the charity. The landlord waived 50% of the rent arrears as of 1 March 2022, resulting in an accounting adjustment of £61,926 credited against the rent charges. The total amount payable to the landlord at 31 December 2021 is £69,948 of which £29,365 is due within one year and £40,583 is due after one year.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

10 Other

	2021 £	2020 £
Bank charges	4,284	3,599
Telephone and internet	644	935
Travel	4,981	4,337
	<u>9,909</u>	<u>8,871</u>

11 Net movement in funds

	2021 £	2020 £
Net movement in funds is stated after charging/(crediting)		
Depreciation of owned tangible fixed assets	6,688	2,074
Premises costs (including operating lease charges)	<u>85,763</u>	<u>100,321</u>

12 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year (2020: none).

13 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	<u>9</u>	<u>9</u>

Employment costs

	2021 £	2020 £
Wages and salaries	132,960	106,514
Social security costs	4,581	1,628
Other pension costs	1,797	1,075
	<u>139,338</u>	<u>109,217</u>

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

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

14 Tangible fixed assets

	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost				
At 1 January 2021	47,622	2,078	1,000	50,700
Additions	12,862	7,042	-	19,904
At 31 December 2021	60,484	9,120	1,000	70,604
Depreciation and impairment				
At 1 January 2021	42,851	919	1,000	44,770
Depreciation charged in the year	4,407	2,281	-	6,688
At 31 December 2021	47,258	3,200	1,000	51,458
Carrying amount				
At 31 December 2021	13,226	5,920	-	19,146
At 31 December 2020	4,772	1,159	-	5,931

15 Stocks

	2021 £	2020 £
Finished goods and goods for resale	25,219	20,150

16 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	1,671	317
Other debtors	3,538	1,299
Prepayments and accrued income	20,757	24,464
	25,966	26,080

17 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	3,626	1,129
Trade creditors	90,895	155,370
Other creditors	686	414
Accruals and deferred income	3,505	2,626
	98,712	159,539

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

18 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Trade creditors	40,583	-

Trade creditors due after one year includes £40,583 of rent arrears which are due to the charity's landlord. As part of the agreement with the landlord to reduce the total rent arrears, the charity agreed to repay the remaining arrears over a period of 26 months in equal monthly instalments, with the last payment due on 1 April 2024.

19 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	59,957	78,413
Between two and five years	76,500	188,040
	<u>136,457</u>	<u>266,453</u>

20 Related party transactions

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

Accounts

Charity Registration No. 1118290

Company Registration No. 06038406 (England and Wales)

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms R Nyatsine Ms N Karacsony Mr K Musonda Mr M Bor	(Appointed 17 January 2020)
Charity number	1118290	
Company number	06038406	
Registered office	77 Abington Street Northampton United Kingdom NN1 2BH	
Independent examiner	Azets Thorpe House 93 Headlands Kettering Northamptonshire United Kingdom NN15 6BL	
Bankers	Santander Bridle Road Bootle Liverpool United Kingdom GIR 0AA	
Solicitors	Russell-Cooke Solicitors 2 Putney Hill London United Kingdom SW15 6AB	

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

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DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The charity's objectives are:

- a) To train teachers through innovative and modern methods empowering them to provide high quality education to primary school students in rural areas.
- b) To initiate and lead community development in the villages.
- c) To support education in the developing countries.
- d) To support environmental projects aimed at promoting agricultural development, renewable energy towards reducing the carbon foot print and reuse.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

Grant making policy

The charity supports organisations whose objectives correspond with the charity's own guidelines. The trustees welcome applications from any charities who meet these criteria and they will be assessed on an individual basis.

In 2020 DAPP UK had made donations of £11,200 to Farmers Club GUTU Project, Zimbabwe.

This is a project run by DAPP Zimbabwe and it focuses on supporting and educating farmers to adopt climate smart farming and lifestyles focusing on smart energy and low-cost water management. The purpose of the project is to create sustainable livelihoods among smallholder farmers. A special attention is being paid to creating clean and low-cost renewable energy solutions and better water management systems for smallholder farmer families and create work opportunities for youth.

Gutu district, the target project area, is located in a drier agro-ecological natural region V and IV, with spatial pockets of natural region III. The district experiences increased frequency of droughts and below-normal rains as a result of climate change.

There was a need for improved water management among farmers to improve underground water storage and reduce soil erosion. Most farmers' fields and gardens are currently not protected against soil erosion. Soil cover is very important to reduce runoff and thereby increase water infiltration required for increased underground water.

Smallholder farmers were using paraffin lamps, candles and firewood for lighting and cooking which emits carbon gases into the atmosphere and are not reliable. The uses of such lighting and cooking systems are also a threat to the personal health of the family members. The target area is abundant with sunlight. This challenge presents an opportunity for unemployed youths to be trained in production of solar products which can be used in the community and thus provide a livelihood for them. The students will learn the benefits of using clean energy to the environment and their health. In addition, some enterprising youths will end up starting their own business selling solar products in the community.

The project works with 1,000 registered farmers. The farmers are organised into 20 clubs of 50 farmers each who are in core groups of 10 with a Step-Up farmer to facilitate training and production. The project seeks to further consolidate the gains from previous Farmers' Club actions. The project works to combat the effects of global warming and climate change induced drought and crop failure. It will enhance farmers' resilience to current and future climate change related shocks and protect the environment in Gutu. The project will improve farmer's livelihoods after the effects of Cyclone Idai and the COVID-19 pandemic. Farmers' Clubs Gutu project will empower the farmers by offering an organised club life which includes elements on training, demonstration model farming, field visits, low-cost agriculture technical solutions, participatory technical assistance and exchange of collectively gained farmer experiences towards ensuring self-reliance and sustainability. Respect will be given to gender representation in all leadership posts so that women are not marginalized.

This initiative is expected to make farmers more resilient to environmental and climate change effects, shocks and stresses through enhanced adaptive capacity which result in improved agricultural production, productivity and marketing that increase household's income, food and nutrition security. Farmers are also expected to have increased awareness on the use of clean energy at household level to reduce carbon emissions into the atmosphere. The project is also expected to increase green employment opportunities for youths in solar products and agro-processing.

The outcomes of the project are underlined as follows:

- Outcome 1: Improved agricultural and climate smart production/consumption systems and water management systems are applied.
- Outcome 2: Improved irrigation and water management systems among farmers.
- Outcome 3: Family income and livelihood options improved for 1,000 families through crop production, agro-processing and market.
- Outcome 4: Dietary diversity and general health improved by the targeted 1,000 farmers.

This project has been selected in accordance with DAPP UK's objectives.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance

Charitable activities

Total donations of £21,711 have been received during the year. A total of £10,511 was received with no specific restrictions attached including £10,000 from Green World Recycling, £343 received from Paypal Giving funds, £115 from Charities Trust Funds and £53 have been donated in our charity boxes in our stores. These donations have been used in improving the cash flow and the economy during an uncertain period of store closures during the lockdowns.

A total of £11,200 have been received from GWR as restricted funds and have been donated towards the Farmers Club Gutu Project, Zimbabwe.

Fundraising activities

The shops operated by the charity have generated an income of £212,713 (2019: £291,509) during the year. Trustees hope this income will increase in the forthcoming year as 2020 has been a year with many months' closures under the Government restrictions, therefore the turnover could not be at the same level with the previous year.

Financial review

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to three months expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. The charity is currently still working towards meeting this objective.

The accounts show total incoming resources of £302,792 (2019: £327,773) of which £306,822 (2019: £327,119) have been expended, leaving a net operating deficit of £4,030 (2019: surplus of £654) before donations of £11,200 (2019: £25,000) and a resultant net deficit of £15,230 (2019: deficit of £24,346) for the year.

The charity has made significant steps towards improving their economy. With the Pandemic restrictions and months of closures during national and local lockdowns, DAPP UK has not been able to reach its targeted income. The shops have been closed due to national and local restrictions for 4-5 months with our Leicester shop being on a Tier 4 restriction for the second half of the year. However, with the Government and local authorities support, DAPP UK economy has very good chances of recovery.

The online shop has been operating during the year with little to no input during the lockdown period, but with a small steady turnover during the rest of the year- its income has helped the cash flow.

The trustees are satisfied with the result taking into consideration such a difficult year and look forward for a better 2021 with further donations and new projects to donate towards, with a much higher income and with prospects on expanding to more shops. The beginning of 2021 has been as well impacted by the pandemic, but we are hopeful for great turnout in the months when the restrictions will be lifted.

The net operating deficits incurred over the past four years have resulted in a deficit on the unrestricted fund of £57,728 as at 31 December 2020.

The deficit on unrestricted funds and the net current liabilities of £63,659 at 31 December 2020 indicate that the charity may not be able to continue to operate as a going concern. Additional sources of funding are being pursued and the trustees are hopeful of generating surpluses in future years as the second hand clothes shops become more established.

In addition the charity has received the support of one of its key clothing suppliers who have extended credit amounting to £47,000 at the year end. The trustees expect that payment will not be demanded until the charity is in a position to fund the payment of the balance outstanding. As a result, the trustees are of the view that the charity is a going concern.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

Covid-19 pandemic

During the year ended 31 December 2020, our shops were temporarily closed for 4 to 5 months due to national and local restrictions imposed by the Government in line with the Covid-19 outbreak.

During these months, the charity has not been able to maintain its steady revenue, and therefore couldn't reach its targeted income for the year. Periods leading to the lockdowns and after lockdowns have seen a lower income level compared to previous years. However, DAPP UK has kept its expenses at a lower level and, with the Grant support received from the local authorities and the support from the Job Retention Scheme, DAPP UK has managed to overcome this difficult period with a relatively lesser deficit than it would have otherwise. DAPP UK employed staff have been retained and returned to work as soon as it became possible.

The trustees remain confident that the charity will continue as a going concern as a result of grants received from the UK government and the efforts from the staff and the management to recover. Post 2020, the Charity has been impacted by further lockdowns, however the reopening in the second quarter of this year has seen an increased level of demand in our trading activity and the charity is expected to recover and move forward with increased income and better results.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Future plans

The charity hopes for a better year 2021 with only two profitable shops, as the small shop that was giving deficit (Rugby) has ended its lease in December 2020. We are looking into expanding with more shops in the second half of the year and strengthen the two current shops. DAPP UK management plans to develop further the online/eBay sales as the current trend points to an increase in online sales and this is a trend we want to follow.

Alongside this, the trustees are hopeful of receiving increased levels of donations from several different sources. In the next year DAPP UK will strive to make donations towards different environmental, educational and development programs aimed at relief and development in the developing countries.

Structure, governance and management

The charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association dated 29 December 2006. It is registered as a charity with the Charity Commission. Anyone can be a member of the company, but such applications require the approval of the directors.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Ms R Nyatsine

Mr T Soe

(Resigned 3 December 2020)

Ms N Karacsony

Mr K Musonda

Mr M Bor

(Appointed 17 January 2020)

Recruitment and appointment of new trustees

As set out in the Articles of Association, the first trustees shall be those persons notified to Companies House as the first directors of the charity. Trustees are required to retire by rotation at least every three years, and no trustee may serve for more than nine years in total. There shall be a minimum of three trustees, but never exceeding seven trustees at any time.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) *FOR THE YEAR ENDED 31 DECEMBER 2020*

Organisational structure

The board of trustees are in regular contact via e-mail and hold frequent internet-based meetings to make key decisions and decide upon the strategic direction of the charity. The trustees are collaborating closely with the General Manager in the daily running of the Charity.

Induction and training of new trustees

New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the decision-making processes, the business plan and recent financial performances of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

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

Mr M Bor

Trustee

Dated: 11 September 2021

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

I report to the trustees on my examination of the financial statements of Development Aid from People to People UK (the charity) for the year ended 31 December 2020.

Responsibilities and basis of report

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

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

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

Ian Chown FCA
Institute of Chartered Accountants in England and Wales
Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL
United Kingdom

Dated: 21 September 2021

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<u>Income from:</u>					
Donations and legacies	2	78,830	11,200	90,030	36,202
Other trading activities	3	212,713	-	212,713	291,509
Investments	4	49	-	49	62
Total income		291,592	11,200	302,792	327,773
<u>Expenditure on:</u>					
Raising funds	5	295,051	-	295,051	320,075
Charitable activities	6	2,900	11,200	14,100	27,303
Other	11	8,871	-	8,871	4,741
Total resources expended		306,822	11,200	318,022	352,119
Net expenditure for the year/ Net movement in funds		(15,230)	-	(15,230)	(24,346)
Fund balances at 1 January 2020		(42,498)	-	(42,498)	(18,152)
Fund balances at 31 December 2020		(57,728)	-	(57,728)	(42,498)

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

All income and expenditure derive from continuing activities.

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

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	12		5,931		7,666
Current assets					
Stocks	13	20,150		32,380	
Debtors	14	26,080		30,981	
Cash at bank and in hand		49,650		17,552	
		<u>95,880</u>		<u>80,913</u>	
Creditors: amounts falling due within one year	16	<u>(159,539)</u>		<u>(131,077)</u>	
Net current liabilities			(63,659)		(50,164)
Total assets less current liabilities			<u>(57,728)</u>		<u>(42,498)</u>
Income funds					
Unrestricted funds			(57,728)		(42,498)
			<u>(57,728)</u>		<u>(42,498)</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2020.

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

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 11 September 2021

Mr M Bor
Trustee

Company Registration No. 06038406

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Development Aid from People to People UK is a private company limited by guarantee incorporated in England and Wales. The registered office is 77 Abington Street, Northampton, NN1 2BH, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

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

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements. The outbreak of the COVID-19 pandemic has impacted the shop trading income significantly during the year. The trustees remain confident that the charity will continue as a going concern as a result of grants received from the UK government.

1.3 Charitable funds

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

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

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

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Gifts in kind for sale or distribution are included in 'Income from: Donations and legacies' at the estimated value the charity would have to pay in the open market for an equivalent item in the accounting period in which the gift is receivable. They are also included within 'Expenditure on: Raising funds' at the same value and time in accordance with the Charities SORP.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% reducing balance
Computers	25% on cost
Motor vehicles	25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

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

1.10 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.11 Taxation

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

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in net income/(expenditure for the period).

2 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Donations and gifts	10,511	11,200	21,711	36,202
Grants receivable for core activities	68,319	-	68,319	-
	<u>78,830</u>	<u>11,200</u>	<u>90,030</u>	<u>36,202</u>
For the year ended 31 December 2019	<u>36,202</u>	<u>-</u>		<u>36,202</u>

Unrestricted donations include clothes donated to the charity with a value of £Nil (2019: £7,150).

Grants received during the year were mainly related to Government support as a result of the Covid-19 pandemic including the Retail, Hospitality and Leisure Grants Fund, Small Business Grants Fund, Job Retention Scheme Grants, etc. The charity also received a grant from Ebay to assist with bridging the decline in online sales as a result of the pandemic.

3 Other trading activities

	Unrestricted funds 2020 £	Unrestricted funds 2019
Shop income	<u>212,713</u>	<u>291,509</u>

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

4 Investments

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Interest receivable	49	62

5 Raising funds

	2020 £	2019 £
<u>Trading costs</u>		
Operating charity shops	83,439	98,730
Staff costs	109,217	108,231
Depreciation and impairment	2,074	2,556
Support costs	100,321	110,558
	<u>295,051</u>	<u>320,075</u>
Trading costs	295,051	320,075
	<u>295,051</u>	<u>320,075</u>
For the year ended 31 December 2019		
Trading costs		320,075

6 Charitable activities

	2020 £	2019 £
Donations	11,200	25,000
Share of governance costs (see note 7)	2,900	2,303
	<u>14,100</u>	<u>27,303</u>
Analysis by fund		
Unrestricted funds	2,900	27,303
Restricted funds	11,200	-
	<u>14,100</u>	<u>27,303</u>
For the year ended 31 December 2019		
Unrestricted funds	<u>27,303</u>	

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

7 Support costs

	Support costs £	Governance costs £	2020 £	2019 £	Basis of allocation
Premises costs	100,321	-	100,321	110,558	
Accountancy	-	2,900	2,900	2,303	Governance
	<u>100,321</u>	<u>2,900</u>	<u>103,221</u>	<u>112,861</u>	
Analysed between					
Trading	100,321	-	100,321	110,558	
Charitable activities	-	2,900	2,900	2,303	
	<u>100,321</u>	<u>2,900</u>	<u>103,221</u>	<u>112,861</u>	

8 Net movement in funds

	2020 £	2019 £
Net movement in funds is stated after charging/(crediting)		
Depreciation of owned tangible fixed assets	2,074	2,556
Premises costs (including operating lease charges)	<u>100,321</u>	<u>110,558</u>

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year (2019: none).

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
	<u>9</u>	<u>9</u>
Employment costs	2020 £	2019 £
Wages and salaries	106,514	104,771
Social security costs	1,628	2,490
Other pension costs	1,075	970
	<u>109,217</u>	<u>108,231</u>

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

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

11 Other

	2020 £	2019 £
Bank charges	3,599	3,382
Telephone and internet	935	508
Travel	4,337	851
	<u>8,871</u>	<u>4,741</u>

12 Tangible fixed assets

	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost				
At 1 January 2020	47,622	1,740	1,000	50,362
Additions	-	338	-	338
	<u>47,622</u>	<u>2,078</u>	<u>1,000</u>	<u>50,700</u>
At 31 December 2020	47,622	2,078	1,000	50,700
Depreciation and impairment				
At 1 January 2020	41,260	435	1,000	42,695
Depreciation charged in the year	1,590	484	-	2,074
	<u>42,850</u>	<u>919</u>	<u>1,000</u>	<u>44,769</u>
At 31 December 2020	42,850	919	1,000	44,769
Carrying amount				
At 31 December 2020	4,772	1,159	-	5,931
	<u>4,772</u>	<u>1,159</u>	<u>-</u>	<u>5,931</u>
At 31 December 2019	6,361	1,305	-	7,666
	<u>6,361</u>	<u>1,305</u>	<u>-</u>	<u>7,666</u>

13 Stocks

	2020 £	2019 £
Finished goods and goods for resale	20,150	32,380
	<u>20,150</u>	<u>32,380</u>

14 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	317	460
Other debtors	1,299	957
Prepayments and accrued income	24,464	29,564
	<u>26,080</u>	<u>30,981</u>

DEVELOPMENT AID FROM PEOPLE TO PEOPLE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

15 Loans and overdrafts

	2020 £	2019 £
Bank overdrafts	-	1,378
Payable within one year	-	1,378

16 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank overdrafts	15	-	1,378
Other taxation and social security		1,129	1,170
Trade creditors		155,370	126,053
Other creditors		414	221
Accruals and deferred income		2,626	2,255
		159,539	131,077

17 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	78,413	90,913
Between two and five years	188,040	186,453
	266,453	277,366

18 Related party transactions

There were no disclosable related party transactions during the year (2019: none).