

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

CONTENTS

	Page
Trustees' report	1 - 5
Independent examiner's report	6
Statement of financial activities	7
Balance sheet	8
Notes to the financial statements	9 - 16

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>

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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).