

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

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

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# 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

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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

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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

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#### 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

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### **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*

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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

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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 £
<b><u>Income and endowments from:</u></b>					
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	-
<b>Total income</b>		<b>435,791</b>	<b>30,000</b>	<b>465,791</b>	<b>302,792</b>
<b><u>Expenditure on:</u></b>					
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
<b>Total resources expended</b>		<b>320,921</b>	<b>30,000</b>	<b>350,921</b>	<b>318,022</b>
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<b>114,870</b>	<b>-</b>	<b>114,870</b>	<b>(15,230)</b>
Fund balances at 1 January 2021		(57,728)	-	(57,728)	(42,498)
<b>Fund balances at 31 December 2021</b>		<b>57,142</b>	<b>-</b>	<b>57,142</b>	<b>(57,728)</b>

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 £	£
<b>Fixed assets</b>					
Tangible assets	14		19,146		5,931
<b>Current assets</b>					
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>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(98,712)</u>		<u>(159,539)</u>	
Net current assets/(liabilities)			78,579		(63,659)
<b>Total assets less current liabilities</b>			<u>97,725</u>		<u>(57,728)</u>
<b>Creditors: amounts falling due after more than one year</b>	18		(40,583)		-
<b>Net assets/(liabilities)</b>			<u>57,142</u>		<u>(57,728)</u>
<b>Income funds</b>					
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***

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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**

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### **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**

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### **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>
<b>For the year ended 31 December 2020</b>	<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>
<b>Analysis by fund</b>		
Unrestricted funds	2,550	2,900
Restricted funds	30,000	11,200
	<u>32,550</u>	<u>14,100</u>
<b>For the year ended 31 December 2020</b>		
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 £
<b>Cost</b>				
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
<b>Depreciation and impairment</b>				
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
<b>Carrying amount</b>				
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 £
<b>Amounts falling due within one year:</b>		
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).