

DAVID RATTRAY FOUNDATION (KNOWN AS KHULA EDUCATION)
TRUSTEES' REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021

DAVID RATTRAY FOUNDATION (KNOWN AS KHULA EDUCATION)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

B Carroll	
G Klintworth	
H Loyd	
H Lloyd	
T O'Malley	
R Woodhead	
R Kugler	(Resigned on 08.04.2020)
L Bridges	(Appointed on 26.02.21)
M Kentridge	(Appointed on 26.02.21)
T Makgatho	(Appointed on 26.02.21)
M O'Byrne	(Appointed on 26.02.21)
N Virr	(Appointed on 26.02.21)

Charity number

1119353

Principal address

26 Gosfield Street
London
W1W 6HH

Auditor

Cansdales Audit LLP
Bourbon Court
Nightingales Corner
Little Chalfont
Bucks
HP7 9QS

Bankers

HSBC Bank plc
The Peak
333 Vauxhall Bridge Road
London
SW1V 1EJ

DAVID RATTRAY FOUNDATION (KNOWN AS KHULA EDUCATION)

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DAVID RATTRAY FOUNDATION (KNOWN AS KHULA EDUCATION)

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2021

The Trustees present their report and financial statements for the year ended 5 April 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 Charities Act 2011 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)".

DAVID RATTRAY FOUNDATION (KNOWN AS KHULA EDUCATION)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

Objectives and activities

The David Rattray Foundation, locally operating as KHULA Education, was established in 2007. Honouring David Rattray's legacy, KHULA is deeply committed to improving the quality of education in the KwaZulu-Natal region of South Africa and mobilising education as a pathway to community empowerment and alleviating poverty in one of the most marginalised areas of South Africa.

Our Vision

That all children, regardless of their socio-economic, cultural background or location are able to reach their potential and make a difference to their families and communities.

Our Mission

Our mission is to enable children from under-served (rural) communities in South Africa to obtain a high-quality education.

Our Goals

As KHULA has expanded both its footprint and work, we have aligned our agenda to Sustainable Development Goal (SDG) 4: *to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all*. Our primary goals are:

1. Give children the chance to lift themselves out of their extremely disadvantaged background by working to improve educational facilities, standards and care for children.
2. Support the development of children by ensuring that they are not just educated sufficiently to pass a set of exams, but also effectively prepared for their adult lives. We believe that through improving their educational attainment, each child will be in a better position to improve their own life, achieve better standards of health, secure more satisfactory employment, and contribute more meaningfully to the life of their family, village, society and country.

Our Scope

Our current area of support is in the remote uMzinyathi district in South Africa. Our work in this area is a collaboration with our sister organisation, the David Rattray Foundation (the Foundation in South Africa), under the shared identity of KHULA Education. Our activities span the historic battlefields of rural KwaZulu-Natal from Elandskraal, through Rorke's Drift to Nquthu and Isandlwana, some of the most isolated and marginalised areas in South Africa. This is a region of outstanding beauty and dramatic history, but those elements alone are no substitute for education.

In total we are involved with 21 under-resourced, local schools to address key educational needs, both infrastructural and academic, to ensure a measurable uplift in education levels and post-school employment. Through these schools our work impacts 6,000 students and 200 educators.

Safeguarding

The Trust (and the Foundation in South Africa) have made safeguarding of children in the supported schools their highest priority. A Child Protection Policy has been implemented in all schools, and all staff have been accordingly trained. There have been no reportable incidents. We have added an educational psychologist to our staff to ensure we continue to update and prioritise safeguarding.

All staff are required to obtain a Sexual Offenders Register Clearance Certificate. Further, all staff, volunteers and partners are required to sign a "Personal Commitment to Child Protection" Form.

DAVID RATTRAY FOUNDATION (KNOWN AS KHULA EDUCATION)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

Our Strategy and Programmes

KHULA is driven by the mission to reduce poverty in the local community by providing a quality education for all, focusing on the most under-served children. We contribute to this mission through four key programmes which, while modular, interact and bolster each other to produce a holistic package of support to the community. These four programmes are:

1. Early Childhood Development

We established 3 pre-schools in Rorke's Drift, Isandlwana, and Amoibe, covering 180 children. We aim to nurture our young learners and prepare them for later formal education, thus contributing to SDG 4.2: *quality early childhood development and pre-primary education for all*. The programme includes teaching English to provide the children with the opportunity for exposure to English before joining Primary School and learning in English from Grade 4 onwards. 80% are fluent in English at the end of the two-year programme, and consistently rank in the highest 20% of learners graduating Primary School.

2. Top-Up Teaching

Our Top-Up teaching targets English and Maths in six local schools at Foundation, Intermediate, Senior and FET Phases. We offer extra classes, lesson support for teachers, after-school teaching and help through learning tools. We aim to reduce the impact that large class sizes, limited teacher training and teacher absenteeism have on both teachers and students. Additionally, we offer targeted support, such as WiFi and learning tools, to a further 12 schools. At all stages, our learners show an increase in Maths and English scores, at senior level our interventions have been shown to increase English and Maths marks by 20+%.

3. Job Skills and Life Readiness

KHULA supports high schoolers and graduates to improve their life skills and to find Further Education and employment opportunities, smoothing the transition beyond the school system. Support offered includes life skills workshops and camps, access to resources, guidance in finding and applying to scholarships (including NSFAS bursaries and the Madrinha scholarship), and guidance in finding and applying to learnerships and employment. Through this, we have helped 200 out of school youths seek internship opportunities and have successfully supported 15 Grade 12s to reach Madrinha scholarships. This programme of activities also aims to support progress towards SDGs 4.3 and 4.4: *access to and the skills for tertiary education, vocational studies, employment and entrepreneurship*.

4. Educator Development.

As well as supporting local students, KHULA's approach includes an Educator Development Programme, designed to support local teachers within the Linked Schools system to upskill, strengthen their capacity, and form support networks. This includes mentorship, sponsoring networks, workshops, and technology solutions, all of which contribute towards SDG 4.c, *increasing the supply of qualified teachers*. The programme has reached 200 educators, is connected into the local Department of Basic Education, and offers a network encompassing all 21 schools.

Our guiding principles

Across all of our areas of work, we put into practice the unique success factors that form our model of impact. These are:

1. Invest in the whole educational journey

Education is not a phase, but a lifelong pursuit. We don't narrow our focus to one stage of formal education, but support students from pre-school to matriculation, and beyond.

2. Be sustainable

We strive to be sustainable in where and how we work. The programmes we run are not short-term interventions but are designed to be sustained over time.

DAVID RATTRAY FOUNDATION (KNOWN AS KHULA EDUCATION)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

3. Be additive, not competitive

We work with the state school system to supplement the education it provides, working together for greater impact.

4. Drive towards outcomes

In everything we do, we are oriented by the outcomes we seek and are guided by finding the best path to impact.

5. Working with and for the community

We are deeply established in, and motivated by, the local community. This is essential to our success and impact.

6. Working through partnerships.

By working with others, we can maximise the impact of our resources and provide pathways for others to have a positive role in our community.

Each of our six principles is woven into our key programmes and into the KHULA mindset, and together they form the foundation of our successful, impactful, and sustainable model. Not only do we see impact on the ground stemming from our model of action, but we also are reassured by global studies that verify the importance of each of our principles.

During 2020-1, the Trust (and the Foundation in South Africa) formed a strategy sub-committee to ensure our strategic plans were updated in the wake of the global pandemic and new funding streams. It has worked to define a short, medium and long-term strategy for the charity. We were fortunate that our main programmes already had funding for more than one year. With physical fund-raising events not possible, we worked with past donors and drew upon reserves to ensure that we could maintain our work at the same level, as well as developing relationships with potential new donors. We also had a successful appeal to fund 200 tablet computers for students facing matriculation exams having to work remotely. These efforts have borne fruit since the year-end with significant new donations to ensure that our work can continue to grow.

Alongside our current activities, we have new developments in 2022 and ambitions for the future that will strengthen our model and help us to have greater impact in our local community. We look forward to expanding our reach to more and more students, teachers, and families and to continuing to reduce poverty through quality education for all.

Short term strategy:

- We were joined in January 2022 by an intake of Teaching Assistants (TAs), as part of the Madrinha scholarship. They assist in Top-Up teaching of English and Maths, and bring their unique skills to offer Top-Ups in other subjects, including Physics and IT. This helps us increase our impact by reaching more students in more ways.
- From January 2022 we round out our top-up teaching programme with the addition of an intermediate phase, which fills in the current gaps in our top-up teaching program in grades 7-9, to further reach our goal of a consistent and sustainable offer from pre-school to further study or work.
- During the course of 2022, we are growing our ambitions for the Life Skills and Job Readiness programme. This could include:
 - A storytelling programme;
 - Kids MBA for Grade 8s;
 - Learnerships, job opportunities, and bursaries.

These innovations will be supported by dedicated staff and the addition of a central life skills resource centre in our next stage of development.

Medium- and Long-Term Strategy Ambitions:

- In the medium term, we plan to expand the number of schools covered by our existing clusters in the Linked Schools model. This is driven by our commitment to invest in the whole educational journey of our learners. By pulling more schools into the supported clusters, we are able to reach more students with our core programmes.

DAVID RATTRAY FOUNDATION (KNOWN AS KHULA EDUCATION)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

- We aim to add a third cluster to the Linked Schools Model. This will involve establishing another pre-school, and connecting this with local Primary and Secondary Schools, so that we may expand our core support to a wider community and deepen our mission to provide quality education for all.
- Within this third cluster expansion we aim to build a multi-purpose entrepreneurship and vocational skills centre. If enacted, this would promote SDG 8.3, by championing *entrepreneurship* and supporting *micro- and small-enterprises*, as well as SDG 8.5, through aiming for *full and productive employment for all*.
- In the long term, KHULA hopes to identify a partner NGO in another region who is interested in replicating the KHULA model. We would help onboard and set up their operations and then act as a consultant/support system as they begin day to day operations.

For further information, please visit www.khula-education.org

Fundraising

In 2021 the charity decided to revise the role of Head of Philanthropy from a part time role to a full time one, in reaction to the additional challenges posed by the global pandemic, and to expand our funding sources to match our strategic ambitions for the future.

Over the year a number of new relationships have been developed with both individuals, Trusts and Foundations and with partner institutions. The charities fundraising sub-committee made up of Trustees from both the UK and South African charitable entities has helped to drive forward our fundraising strategy through identifying institutional giving organisations, organising events and approaching individuals interested in investing in rural education.

The charity has continued to diversify its fundraising approaches with online and offline events, digital campaigns and with new fundraising channels – including a commercial philanthropy initiative.

Increased resourcing and a more focused strategy have enabled us to reach a level of funding well above that seen in the last two years. This increase of funding is allowing us to expand our programming going into 2022 – offering an intermediate phase top-up teaching programme, and adding six graduate teaching fellows in partnership with The Madrinha Trust and Teach The Nation.

We are particularly grateful for the support provided by the Yad Mordechai Charitable Trust, Kirsh Foundation, Fondation Lily Safra and Andy Pegg who support our core programming and management.

Financial review

Overall expenditure was used to further the Trust's mission as outlined above, as well as fundraising activity aimed at securing income for future programmes.

Income:

The income can be broken down as follows

- Income from trusts and foundations continued to provide the base of our programmes with income reaching £217,723 (2020: £185,790). Restricted funding made up £113,370 (2020: £127,420) of this total.
- Unrestricted donations from supporters totalled £104,353 (2020: £58,370).

Expenditure:

Expenditure continued to be focused on our core programme work in South Africa and fundraising in the UK. Expenditure totalled £265,074 (2020: £209,470) which included £207,914 (2020: £165,873) in South African Rand.

DAVID RATTRAY FOUNDATION (KNOWN AS KHULA EDUCATION)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

- Restricted expenditure stood at £223,565 (2020: £167,873).
- At the end of the year, the total funds balance stood at £110,347 (2020: £171,517) made up unrestricted funds of £110,347 (2020: £171,517). We believe that these allow the Trust to continue to maintain its current approach to meet our goals and provide the basis for funding future plans.

Reserve Policy

The Trustees have decided to adopt a low risk approach and hold surplus funds in short term UK deposit accounts and in order to minimise currency risk also have a South African Rand deposit bank account, to hold a proportion of assets in South African Rand. It is the policy of the trust that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three to six month's 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 trust's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

At 5 April 2021, the total reserves of the Trust stood at £110,347 (2020: £171,517) . Total unrestricted funds of £110,347 are therefore above the Trustees' requirement. However, as future donations cannot be predicted, the Trustees do not consider it necessary to amend the total reserves or revise the policy at this stage.

Risk Policy

The Trustees have given consideration to the main risks to which the Trust is exposed and have satisfied themselves that systems, actions and procedures are in place to manage and mitigate those risks.

Governance - The Trustees meet formally, between two to three times a year, to review financial and operational performance. Detailed progress on projects that have received grants are reviewed at each Trustee meeting. UK trustee visits to the supported schools and on-site visits to projects funded by the UK have resumed. Significant efforts have been made to ensure GDPR compliance, and to mitigate any associated risks.

Currency Risk - The trustees have decided to adopt a low risk approach and hold surplus funds in short term UK deposit accounts and in order to minimise currency risk also have a South African Rand deposit bank account, to hold a proportion of assets in local currency.

Financial Risk - We operate a dual signature regime on all bank accounts. Expenditure, future commitments and bank balances are reviewed at trustee meetings. Private donations are made either via an approved internet intermediary (Just Giving or Virgin Giving) or directly to the Trust's bank account. Despite being a small charity, our accounts are audited annually.

Future Sustainability - The Trustees have continued to invest in fundraising support to secure the long-term nature of the organisation. Support is primarily used to approach major foundations for grants for specific projects and to ensure all grants and investments are against defined projects which have discrete and measurable outcomes. There are very good relations with known donors. Records of donors have been formalised, and there is regular contact with past and current donors/funders to support continuing and regular flow of funds.

Grants not applied to a specific project - We work in a specific area and grants are made only to support the work and running of the Foundation in South Africa. The Chairman of the Trustees is also a trustee of this Foundation and hopes to resume regular visits to South Africa after a gap during the pandemic. He has onsite inspections of all projects and meets with the other trustees and officers of the Foundation in South Africa.

DAVID RATTRAY FOUNDATION (KNOWN AS KHULA EDUCATION)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

The Trusts' Objectives

To advance education and raise awareness about different racial groups in order to promote good relations between persons of different racial groups by promoting knowledge and mutual understanding with particular reference to South Africa and its historical context;

To advance the education of young people in the United Kingdom in the subject of racial reconciliation with particular reference to South Africa and its historical context;

To promote sustainable development for the benefit of the public by

(a) the preservation, conservation and protection of the environment and the prudent use of resources in southern Africa and

(b) the relief of poverty and the improvement of the conditions of life of socially disadvantaged communities in southern Africa particularly in the areas of education and health.

Trustee Selection & Training

The trustees are appointed by resolution of the remaining trustees for a term of three years. Trustees can serve for additional periods, each period being for three years. New trustees are nominated by members of the board of trustees who appoint the new trustee if they have the necessary skills to contribute to the Trust's management and development. Where new trustees are appointed, they are given a formal induction to the work of the Trust and provided with the information they need to fulfil their roles, which includes information about the role of trustees and charity law.

Public Benefit

The objects and purpose of the Trust are set out above. The trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting grant making policy for the year.

Management

During the year ended 5th April 2021, the trustees met on three occasions. The Trust employs one staff member; other activities are carried out either by the trustees who receive no salary or expenses or by engaging on a consultancy basis suitable and experienced support.

B Carroll

G Klintworth

R Kugler

(Resigned 8 April 2020)

H Loyd

H Lloyd

T O'Malley

R Woodhead

L Bridges

(appointed on 26.02.21)

M Kentridge

(appointed on 26.02.21)

T Makgatho

(appointed on 26.02.21)

M O'Byrne

(appointed on 26.02.21)

N Virr

(appointed on 26.02.21)

DAVID RATTRAY FOUNDATION (KNOWN AS KHULA EDUCATION)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

Statement of Trustees' responsibilities

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

The law applicable to charities in England & Wales 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 of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

In so far as the trustees are aware:

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

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board of Trustees

TK O'Malley

Trustee

Dated: 31 January 2022

DAVID RATTRAY FOUNDATION (KNOWN AS KHULA EDUCATION)

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF DAVID RATTRAY FOUNDATION (KNOWN AS KHULA EDUCATION)

Opinion

We have audited the financial statements of David Rattray Foundation (known as Khula Education) (the 'trust') for the year ended 5 April 2021 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charity's affairs as at 5 April 2021 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 Charities Act 2011.

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 trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

DAVID RATTRAY FOUNDATION (KNOWN AS KHULA EDUCATION)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF DAVID RATTRAY FOUNDATION (KNOWN AS KHULA EDUCATION)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters 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.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees 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 trust'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 cease operations, or have no realistic alternative but to do so.

DAVID RATTRAY FOUNDATION (KNOWN AS KHULA EDUCATION)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF DAVID RATTRAY FOUNDATION (KNOWN AS KHULA EDUCATION)

Auditor's responsibilities for the audit of the financial statements

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Use of Report

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Cansdales Audit LLP

03 February 2022

Chartered Accountants

Statutory Auditor

Bourbon Court
Nightingales Corner
Little Chalfont
Bucks
HP7 9QS

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

DAVID RATTRAY FOUNDATION (KNOWN AS KHULA EDUCATION)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 5 APRIL 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Income from:					
Donations and legacies	2	103,976	113,370	217,346	185,186
Charitable activities	3	355	-	355	500
Investments	4	22	-	22	104
Total income		104,353	113,370	217,723	185,790
Expenditure on:					
Raising funds	5	11,267	-	11,267	21,375
Charitable activities	6	48,952	223,565	272,517	209,471
Total expenditure		60,219	223,565	283,784	230,846
Net incoming/(outgoing) resources before transfers		44,134	(110,195)	(66,061)	(45,056)
Gross transfers between funds		(110,195)	110,195	-	-
Net expenditure for the year/ Net outgoing resources		(66,061)	-	(66,061)	(45,056)
Other recognised gains and losses					
Profit/(loss) on foreign exchange		4,891	-	4,891	(32,809)
Net movement in funds		(61,170)	-	(61,170)	(77,865)
Fund balances at 6 April 2020		171,517	-	171,517	249,382
Fund balances at 5 April 2021		110,347	-	110,347	171,517

DAVID RATTRAY FOUNDATION (KNOWN AS KHULA EDUCATION)

BALANCE SHEET

AS AT 5 APRIL 2021

	Notes	2021 £	£	2020 £	£
Current assets					
Cash at bank and in hand			113,829		174,916
Creditors: amounts falling due within one year	10		(3,482)		3,399
Net current assets			110,347		171,517
Total assets less current liabilities			110,347		171,517
Income funds					
Unrestricted funds			110,347		171,517
			110,347		171,517

The financial statements were approved by the Trustees on 31 January 2022

TK O'Malley
Trustee

DAVID RATTRAY FOUNDATION (KNOWN AS KHULA EDUCATION)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies

Company information

David Rattray Foundation is a Trust registered in England and Wales. The principal address of the Trust is given on the charity information page. The nature of the charity's operations and principal activities are set out in the Trustees' Report.

1.1 Accounting convention

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

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

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. 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 trust 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 trust.

1.4 Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Cash donations are recognised on receipt. Other donations are recognised once the trust 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 trust has been notified of an impending distribution, the amount is known, and receipt is more likely than not. If the amount is not known, the legacy is treated as a contingent asset.

DAVID RATTRAY FOUNDATION (KNOWN AS KHULA EDUCATION)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies

(Continued)

1.5 Expenditure

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.

Expenditure is accounted for on an accruals basis, inclusive of VAT which cannot be recovered. Costs of Charitable Activities include those costs which meet the objectives of the Trust. Governance costs are those incurred in meeting the statutory requirements of running the Trust and are included in costs of charitable activities.

1.6 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.

1.7 Foreign exchange

Assets and liabilities in foreign currencies are translated into sterling at the rate of exchange at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange of the most recent transfer from the sterling bank accounts. Exchange differences are taken into account in arriving at the surplus or deficit.

1.8 Grants

Grants are treated as expenditure when authorised by the Trustees and communicated to beneficiaries, not when the grants are paid.

1.9 Tax status

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

1.10 Funds accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

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 trust.

DAVID RATTRAY FOUNDATION (KNOWN AS KHULA EDUCATION)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations and gifts	103,976	113,370	217,346	57,766	127,420	185,186

3 Charitable activities

	Charitable Income 2021 £	Charitable Income 2020 £
Other income	355	500

4 Investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Interest receivable	22	104

5 Raising funds

	Total 2021 £	Total 2020 £
<u>Fundraising and publicity</u>		
Charity development	2,152	4,220
Consultancy fees	9,115	17,155
	11,267	21,375

DAVID RATTRAY FOUNDATION (KNOWN AS KHULA EDUCATION)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

6 Charitable activities

	2021 £	2020 £
Staff costs	7,444	-
Charity expenditure	223,565	167,873
Just giving fees	538	248
David Rattray Foundation donations	33,117	34,313
Website costs	3,371	3,335
Audit fees	2,681	2,190
Accountancy fees	1,490	1,231
Bank charges	311	281
	<u>272,517</u>	<u>209,471</u>
Analysis by fund		
Unrestricted funds	48,952	41,598
Restricted funds	223,565	167,873
	<u>272,517</u>	<u>209,471</u>

7 Trustees

The Trustees are considered key management of the charity. None of the Trustees (or any persons connected with them) received any remuneration or benefits from the trust during the year (2020: None).

DAVID RATTRAY FOUNDATION (KNOWN AS KHULA EDUCATION)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

8 Employees

Number of employees

2021 Number	2020 Number
1	-
<u>1</u>	<u>-</u>
<u>1</u>	<u>-</u>

Employment costs

	2021 £	2020 £
Wages and salaries	7,444	-
	<u>7,444</u>	<u>-</u>
	<u>7,444</u>	<u>-</u>

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

9 Other gains or losses

	Total 2021 £	Total 2020 £
Foreign exchange gains/(losses)	4,891	(32,809)
	<u>4,891</u>	<u>(32,809)</u>

10 Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	3,482	3,399
	<u>3,482</u>	<u>3,399</u>

DAVID RATTRAY FOUNDATION (KNOWN AS KHULA EDUCATION)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

11 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				
	Balance at 6 April 2020	Income for the year	Expenditure for the year	Transfers	Balance at 5 April 2021
	£	£	£	£	£
Pre-school running costs	-	113,370	(223,564)	110,194	-
	<u>-</u>	<u>113,370</u>	<u>(223,564)</u>	<u>110,194</u>	<u>-</u>
	-	113,370	(223,564)	110,194	-
	<u>-</u>	<u>113,370</u>	<u>(223,564)</u>	<u>110,194</u>	<u>-</u>

The charity has the following restricted funds:

Pre-schools running costs: For the purpose of the general running costs of the pre-schools.

12 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Fund balances at 5 April 2021 are represented by:						
Current assets/(liabilities)	110,347	-	110,347	171,517	-	171,517
	<u>110,347</u>	<u>-</u>	<u>110,347</u>	<u>171,517</u>	<u>-</u>	<u>171,517</u>

DAVID RATTRAY FOUNDATION (KNOWN AS KHULA EDUCATION)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

Movement in Funds

	At 06.04.20 £	Net Movement in Funds £	Transfer Between Funds £	At 05.04.21 £
Unrestricted Funds				
General Funds	171,517	49,025	(110,195)	110,347
Restricted Funds				
IT Education	-	-	-	-
Pre-school running costs	-	(110,195)	110,195	-
Pre-school capital costs	-	-	-	-
	-	(110,195)	110,195	-
Total Funds	171,517	(61,170)	-	110,347

Movement in Funds - Prior Year

	At 06.04.19 £	Net Movement in Funds £	Transfer Between Funds £	At 05.04.20 £
Unrestricted Funds				
General Funds	224,459	(37,412)	(15,530)	171,517
Restricted Funds				
IT Education	22,874	865	(23,739)	-
Pre-school running costs	905	(41,318)	40,413	-
Pre-school capital costs	1,144	-	(1,144)	-
	24,923	(40,453)	15,530	-
Total Funds	249,382	(77,865)	-	171,517

14 Related party transactions

There were no disclosable related party transactions during the year (2020 : Donation of £2,750).

There was no expenditure paid to related parties for the year ended 5 April 2021 for charitable activities (2020: £970 paid to Paul Hollingum).

15 Analysis of changes in net funds

The trust had no debt during the year.