

THE SANATA CHARITABLE TRUST

Charity Registration No. 1132766

Company Registration No. 06999163 (England and Wales)

**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

THE SANATA CHARITABLE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	C Conway G Davies G Bell J S Plastow M W Sowerby T J Maunder A R Peak Dr J Head P R J Smith
Charity number	1132766
Company number	06999163
Registered office	58 Trinity Street Belle Vue Shrewsbury Shropshire SY3 7PQ
Independent examiner	Dyke Yaxley Limited 1 Brassey Road Old Potts Way Shrewsbury Shropshire SY3 7FA

THE SANATA CHARITABLE TRUST

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THE SANATA CHARITABLE TRUST

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)" (as amended for accounting periods commencing from 1 January 2019)

Objectives and activities

The objective of the charity is to provide financial and other support to the young and vulnerable people who benefit from the services that Restart Africa provides in Gilgil, Kenya. The operations of Restart are overseen by the Kenyan Board of Trustees, which liaises with the Santa Charitable Trust UK, and both adhere to a common agreed strategy document, which is reviewed annually.

In planning the charity's activities, the trustees have had regard to the guidance issued by the Charity commission on Public Benefit.

The main activities in relation to these objects are the raising of funds to support the health, education and general wellbeing of young and vulnerable people in Kenya, overseeing the operation of the Sanata Children's Home, and ensuring proper and accountable use of the funds raised.

Charity Policies

During the year the trustees have once again reviewed all the main policies of the charity which included well-being and safeguarding of the Restart children, and current employment policies in line with Kenyan law and practice.

THE SANATA CHARITABLE TRUST

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

FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance

The new Restart building has now been occupied for over 5 years. The building is structurally sound, and additional buildings which were planned for 2019 and beyond have been postponed until the promised funding - which has been delayed due to the effects of COVID-19 - is donated. Work has been done to develop and improve the site, and so, a sports field, children's play area and a large vegetable garden including greenhouses are now thriving.

The website (www.restartafrica.org) is well-established, properly monitored, and particularly in these COVID-19 hit times, has played an increasingly important part in raising awareness and through that, funds.

The UK Charity's main concern has always been the Restart but its original Memorandum and Articles also emphasised a commitment to self-sufficiency and general uplift in the deprived community of Gilgil. Small business enterprises such as craft and design, and the manufacture of briquettes (from waste) have been in existence for some time but have required financial support. It is pleasing that the improved accounting, financial practice and management structure has seen them all operating on a much sounder business footing. Their ability to make profits have been hit by the effect of COVID-19, but in the long term it remains the aim that these community enterprises will contribute to the financing of the Restart.

The charity also now has a football team, which is not intended to make money, but plays an important part in raising the profile of the charity in Gilgil and contributes to the uplift of the community.

In terms of income, in the unusual pandemic circumstances, the Charity has had a satisfactory year but remains very conscious of the perennial challenge of the level of core funding required as education costs increase with the children's transition from primary to secondary school, and then on to university or college. This has been highlighted in the past year as COVID-19 has affected our usual methods of fundraising. However, the response with new activities – including an on-line "Sundowner" event have been both innovative and encouraging.

Achievements and ambitions are considerable – although we only have 2 students now at the tertiary level of education, because 8 from a year ago have graduated successfully. Also, given the closure of schools in Kenya due to COVID-19 restrictions which has meant extra demand on the charity, simply being able to cope successfully with looking after the children throughout the pandemic and also maintaining a reasonable level of education, has been a success story.

The Trust continues to commit to raise half the annual cost of running the charity, with the remainder coming from support in Kenya and other countries, notably Australia and the USA. The grants paid by the charity to the Kenyan charity are transferred via Barclays Bank to a dedicated sterling account in Barclays Bank, Kenya.

Financial review

The financial accounts for the twelve months ended 31 December 2020 have been prepared and approved by the Trustees.

Sources of funds include fundraising events, standing orders, single donations, either on-line or by post, and donations from family charities.

The financial position at the year end remained very stable with an increase in reserves to £463,248 from £199,357. The charity is able to cover all its liabilities as they fall due. The financial position for the year ending 31 December 2021 to date is showing a further increase in the charity's reserves.

The balance on the Deposit Account was £233 at 31/12/2020, following the Sowerby Foundation donation of £250,000 which has been invested with Tilney.

Reserves Policy

The charity continues to apply its net income for the benefit of the Restart in Kenya, in accordance with its objectives. The reserves policy is to continue to build funds for this purpose, and it aims to hold funds amounting to at least six months operating costs of Restart, which was calculated to be £240,000 in total for the year ended 31 December 2020 and are expected to be a similar amount in the year to 31 December 2021.

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

Covid-19

Like many developing countries, Kenya has suffered disproportionately because of the effects of COVID-19. However, the economic effects of trying to deal with the virus through lockdown procedures rather than the medical issues, have hit Gilgil and thus impacted upon Restart. Casual work has virtually ceased, many people have no income and little or no resources to fall back on, and Kenya has closed all schools and universities, so all the children are at Restart all the time.

As far as Restart is concerned, there are four issues affecting the charity:

- local prices of food and other goods have risen;
- all the children are at the charity all the time;
- our Chief Executive and main fundraiser has been unable to make her usual money raising trip to the UK, and USA or Australia;
- our usual fundraising events in the UK cannot take place at the moment.

As a result, much work has been done to find other innovative ways of raising the necessary funds.

Structure, governance and management

The charity is constituted as a company limited by guarantee and is governed by its Memorandum and articles of Association.

Reference and administrative details

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

C Conway

G Davies

S Dowdall

(Resigned 19 February 2020)

G Bell

J S Plastow

M W Sowerby

T J Maunder

A R Peak

Dr J Head

P R J Smith

New Trustees may be nominated by any trustee but must be elected by all trustees.

The focus of attention continued to be the strengthening of the controls over the charity's work and finances in Kenya, which is overseen by the UK Trustees.

The Board held its February meeting at Shrewsbury School, but due to COVID-19 restrictions, the AGM (June) and its October meeting were carried out online through Zoom. Whilst this was not ideal (notably the Executive Director and the Operations Manager were not able to visit from Kenya for the AGM), the use of Zoom has meant that live input from Kenya at all trustee meetings is now the norm.

During the year the usual visits to Restart by the Chairman and some trustees has not happened due to COVID-19 restrictions. The intention is to return to such visits as soon as is practically possible.

The Trustees' report has been approved by the Board of Trustees and is signed on their behalf by:

G Davies

Trustee

Dated: 30 September 2021

THE SANATA CHARITABLE TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE SANATA CHARITABLE TRUST

I report to the trustees on my examination of the financial statements of The Sanata Charitable Trust (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

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.

Mr I Walsh FCA
Chartered Accountant
Dyke Yaxley Limited
1 Brassey Road
Old Potts Way
Shrewsbury
Shropshire
SY3 7FA

Dated: 30 September 2021

THE SANATA CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds 2020 £	Endowment funds 2020 £	Total 2020 £	Total 2019 £
<u>Income and endowments from:</u>					
Donations	2	87,538	250,000	337,538	66,424
Investments	3	234	-	234	-
Gift Aid	4	3,047	-	3,047	5,275
Total income and endowments		90,819	250,000	340,819	71,699
<u>Expenditure on:</u>					
Fundraising costs	5	9,723	-	9,723	6,060
Charitable activities	6	68,760	-	68,760	76,316
Total resources expended		78,483	-	78,483	82,376
Net gains/(losses) on investments	11	-	1,555	1,555	-
Net movement in funds		12,336	251,555	263,891	(10,677)
Fund balances at 1 January 2020		199,357	-	199,357	210,034
Fund balances at 31 December 2020		211,693	251,555	463,248	199,357

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

All income and expenditure derive from continuing activities.

THE SANATA CHARITABLE TRUST

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Unrestricted funds	
	2020	2019
	£	£
Gross income	90,819	71,699
Total expenditure from income funds	78,483	82,376
Net income/(expenditure) for the year	<u>12,336</u>	<u>(10,677)</u>

THE SANATA CHARITABLE TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Investments	12		251,555		-
Current assets					
Debtors	13	3,045		5,263	
Cash at bank and in hand		210,928		196,494	
		<u>213,973</u>		<u>201,757</u>	
Creditors: amounts falling due within one year	14	<u>(2,280)</u>		<u>(2,400)</u>	
Net current assets			211,693		199,357
Total assets less current liabilities			<u>463,248</u>		<u>199,357</u>
Capital funds					
Endowment funds - general	15		251,555		-
Income funds					
Unrestricted funds			211,693		199,357
			<u>463,248</u>		<u>199,357</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 30 September 2021

G Davies
Trustee

Company Registration No. 06999163

THE SANATA CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

The Sanata Charitable Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is 58 Trinity Street, Belle Vue, Shrewsbury, Shropshire, SY3 7PQ. The charity is a registered charity with Charity Commission for England and Wales, number 1132766.

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)" (as amended for accounting periods commencing from 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, 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 charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

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

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

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

1.4 Incoming resources

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

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

1.5 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Transaction costs are expensed as incurred. Changes in fair value are recognised in other recognised gains and losses except to the extent that a gain reverses a loss previously recognised in net income expenditure, or a loss exceeds the accumulated gains recognised in equity; such gains and loss are recognised in net income/(expenditure) for the year.

THE SANATA CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

1.6 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.

1.7 Taxation

As a charity, The Sanata Charitable Trust is exempt from tax on income and gains falling within section 505 of the Taxes Act 1998 or s256 of the Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

1.8 Provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reasonably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2 Donations

	Unrestricted funds	Endowment funds general	Total	Unrestricted funds
	2020	2020	2020	2019
	£	£	£	£
Donations and gifts	87,538	-	87,538	66,424
Grants	-	250,000	250,000	-
	<u>87,538</u>	<u>250,000</u>	<u>337,538</u>	<u>66,424</u>

3 Investments

	Unrestricted funds	Total
	2020	2019
	£	£
Interest receivable	<u>234</u>	<u>-</u>

THE SANATA CHARITABLE TRUST

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

4 Gift Aid

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Other income	3,047	5,275

5 Fundraising costs

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
<u>Fundraising and publicity</u>		
Fundraising costs	6,523	6,060
Other fundraising costs	3,200	-
	<u>9,723</u>	<u>6,060</u>
Fundraising and publicity	9,723	6,060
	<u>9,723</u>	<u>6,060</u>

6 Charitable activities

	2020	2019
	£	£
Grant funding of activities (see note 7)	65,404	72,729
Share of support costs (see note 8)	956	1,247
Share of governance costs (see note 8)	2,400	2,340
	<u>68,760</u>	<u>76,316</u>

THE SANATA CHARITABLE TRUST

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

7 Grants payable

	2020 £	2019 £
Grants to institutions:		
Direct Costs of Kenyan Restart Centre	65,404	72,729

8 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Administration costs	956	-	956	1,247	-	1,247
Accountancy	-	2,400	2,400	-	2,340	2,340
	<u>956</u>	<u>2,400</u>	<u>3,356</u>	<u>1,247</u>	<u>2,340</u>	<u>3,587</u>
Analysed between Charitable activities	<u>956</u>	<u>2,400</u>	<u>3,356</u>	<u>1,247</u>	<u>2,340</u>	<u>3,587</u>

Governance costs includes payments to the auditors of £2,400 (2019- £2,400) for independent examination fees.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

10 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Directors/Trustees	9	10

The directors/trustees were unpaid for the year (2019: £Nil).

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

THE SANATA CHARITABLE TRUST

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

11 Net gains/(losses) on investments

	Endowment funds general 2020 £	Total 2019 £
Revaluation of investments	1,555	-

12 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 January 2020	-	-	-
Valuation changes	148,555	103,000	251,555
At 31 December 2020	148,555	103,000	251,555
Carrying amount			
At 31 December 2020	148,555	103,000	251,555
At 31 December 2019	-	-	-

13 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Other debtors	3,045	5,263

14 Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals and deferred income	2,280	2,400

THE SANATA CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	Movement in funds						Movement in funds					
	Balance at 1 January 2019	Incoming resources	Resources expended	Transfers	Revaluations gains and losses	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Revaluations gains and losses	Balance at 31 December 2020	
	£	£	£	£	£	£	£	£	£	£	£	£
Permanent endowments												
Sowerby Fund	-	-	-	-	-	-	250,000	-	-	1,555	251,555	
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>1,555</u>	<u>251,555</u>	
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>1,555</u>	<u>251,555</u>	

During the year the Trust received a grant of £250,000 on condition that the grant received is invested as an endowment in order to maintain the capital value of the principal sum whilst producing annually an amount that may be spent to support the objects of the Trust.

Income arising on the endowment funds, used to support the objects of the Trust, is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

Whilst corporate charities do not normally hold investments as a permanent endowment. The Trustees have sought clarification from the donor who has consulted their lawyers and has agreed that the endowed funds should remain in the Trust's balance sheet.

THE SANATA CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

16 Analysis of net assets between funds

	Unrestricted funds 2020 £	Endowment funds 2020 £	Total 2020 £	Unrestricted funds 2019 £
Fund balances at 31 December 2020 are represented by:				
Investments	-	251,555	251,555	-
Current assets/(liabilities)	211,693	-	211,693	199,357
	<u>211,693</u>	<u>251,555</u>	<u>463,248</u>	<u>199,357</u>

17 Currency Exchange

The funds are sent in Sterling to Kenya which are then converted at the prevailing rate into Kenyan shillings.

18 Related party transactions

The Charity received donations of £1,500 (2019: £1,500) from The Plastow Family Charitable Trust, of which James Plastow is a trustee and £30 (2019: £Nil) from The Miles Clark Travel Scholarship Trust, of which Chris Conway is a trustee.

19 Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 or for the year 31 December 2019.

20 Donations from Trustees'

During the year the charity received donations from the Trustees without conditions totalling £2,700 (2019 : £3,370).