

Charity Registration Number: 1135569

**HAKUNA MATATA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

CONTENTS

	Page
Trust Information	3
Trustees' Report	4
Independent Auditors' Report	9
Statement of Financial Activities	12
Balance Sheet	13
Statement of Cash Flows	14
Notes to the Financial Statements	15

Hakuna Matata (No. 1135589)
Year Ended 31 March 2024

TRUST INFORMATION

CONSTITUTION	A registered charity governed by its Trust Deed
REGISTERED CHARITY NUMBER	1135589
TRUSTEES	Mr Davide Serra Ms Anna Barassi Mr Richard Kelly Mr Matthew King Ms Lucy Challis Ms Silvia Merler (Resigned 4th October 2023)

REGISTERED OFFICE	First Floor 11 Waterloo Place London SW1Y 4AU
--------------------------	--

BANKERS AND CUSTODIANS	HSBC Bank Plc HSBC Securities Services 8 Canada Square London E14 5HQ
-------------------------------	---

CUSTODIANS	UBS Switzerland AG Baerengasse 16 8001 Zurich
-------------------	---

INDEPENDENT AUDITORS	Bright Grahame Murray Emperor's Gate 114A Cromwell Rd London SW7 4AG
-----------------------------	--

TRUSTEES' REPORT

The Trustees present their report and audited financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out on pages 15 and 16 and comply with the current statutory requirements, the Charities Act 2011, the Trust Deed (as defined below), 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).

STATUS

Hakuna Matata (the "Trust") was established on 15 March 2010 and registered as a charity on 19 April 2010, for exclusively charitable purposes pursuant to its Trust Deed dated 15 March 2010. The Trust Deed defines the objects and powers of the Trust.

TRUST OBJECTIVES AND MISSION

The Trust's objectives, as stated in the Trust Deed, are the holding of capital and income upon trust and to apply the income for the public benefit for exclusively charitable objects and purposes in any part of the world.

In setting the Trust's objectives and planning its activities, the Trustees have considered Section 17 of the Charities Act 2011. In doing so they are satisfied that they have complied with their duty to have regard to the Public Benefit guidance published by the Charity Commission. The Trust's activities and achievements are outlined throughout this Trustees' Report and the Trustees believe they fully demonstrate that the Trust is providing public benefit.

The primary mission of the Trust, as agreed by the Trustees, is to:

...develop continuous financial support for the activities of the project "Help a Village" which demonstrably improves the lives of children living in poverty in developing countries by achieving a significant and sustainable impact.

ORGANISATION

The Board of Trustees meets regularly to review and update the Trust's strategy and areas of activity, including consideration of grant-making, investment decisions, a review of the reserves policy as well as the overall risk profile of the Trust.

APPOINTMENT OF TRUSTEES

The Trustees who held office during the year were:

Mr Davide Serra
Ms Anna Barassi
Mr Richard Kelly
Mr Matthew King
Ms Lucy Challis
Ms Silvia Merler

(Resigned 4th October 2023)

The Trustees are selected on the basis of their skills and expertise and the contribution, in particular in the areas of business management and development, which they can make to determine the strategy and policies of the Trust and to monitor implementation.

The Trustees, who meet regularly, are responsible for finance, development and planning. There is no formal process for training Trustees, but training is provided to individual Trustees and to the Trustees as a whole as needs arise.

All Trustees give their time freely and no Trustee remuneration was paid in the period.

TRUSTEES' REPORT *(continued)*

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).

Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources, including the income and expenditure, of the Trust 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;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the relevant law. They are also responsible for safeguarding the assets of the Trust 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 information of which the Trust'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 corporate and financial information included on the Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statement may differ from legislation in other jurisdictions.

TRUST ACTIVITIES

The founding Trustees were inspired by two extraordinary people, Fausta Pina and Father Tarcisio Moreschi, who started the "Help a Village" project in central Tanzania.

This project provides a wide range of essential services to more than 65 villages with a combined population of 110,000. As well as the endemic poverty in the region, the early mortality rates, caused primarily by HIV/AIDS, has led to a high population of orphaned children.

Sadly many are infected with the disease from birth. Until now financial support to the project has been reliant on ad-hoc donations.

The primary mission of Hakuna Matata is to develop long term financial support for their project.

To aid this, the Trust entered in to a 15-year grant agreement in October 2010 where it has committed to provide €10,000 per month. The grant agreement is expected to extend beyond 2025 for at least another 5 years. The Trust will endeavour to donate at least a third of all monies collected through donations. The remaining funds are invested to ensure ongoing finances for the work of the "Help a Village" project and other charitable causes.

RESERVES POLICY

The Trustees are committed to applying the Trust's resources in a responsible manner for the purposes of yielding maximum benefit.

To achieve this, the Trustees implemented a simple strategy of investing monies into a highly liquid portfolio, with generated income used to meet grant expenditure whilst preserving the capital base.

TRUSTEES' REPORT *(continued)*

RESERVES POLICY *(continued)*

Restricted Fund

Restricted funds are generated when the donor stipulates how their donation may be spent. In most cases, there will be a time lag between when such funds are received and when they are expensed. The Trustees ensure that these funds are expensed in accordance with the terms under which they have been donated to the Trust.

During the period no monies were donated which had restrictions on how the donations could be spent.

Expendable Endowment

Based on the Trustees' assessment of the Trust's aims, the Trustees will cultivate the endowment fund to a level that provides a mature asset base capable of producing a level of income that can sustain the Trust's annual grant-making programmes on an indefinite basis and at a consistent, sustainable level regardless of any significant drop in income. The Trustees have the powers to convert any required amount of this endowment from time to time into an income which can then be utilised by the Trust to further its charitable objects in the future.

Operational Reserves

Cash flow projections for income and expenditure are regularly reviewed by the Trustees to ensure that the level of disposable net assets is adequate and that the Trust is in a position to meet all its grant-making and working capital commitments for the foreseeable future. In the event that the Trustees find themselves unable to meet the Trust's commitments from reserves of Unrestricted Funds at their disposal, they will draw on the Expendable Endowment to meet those commitments as necessary.

The reserves policy is reviewed annually to reassess the risks and reflect any changes to the Trust's income, capital, financial obligations and long term plans for charitable expenditure.

RISK STATEMENT

The Trustees are responsible for the management of the risks faced by the Trust and have examined the major strategic, business and operational risks to which the Trust is and may be exposed. They are satisfied that the systems and controls are in place to mitigate and manage exposure to such major risks identified by the Trustees. They continue to review current processes recognising that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

GRANTING POLICY

The Trust primarily invests in and engages with partners who support the "Help a Village" project. The "Help a Village" primarily concentrates its efforts in the Iringa area of central Tanzania, which meets the Trust's objectives. In addition, the Trust may consider other ad-hoc grants.

INVESTMENT POLICY

The investment policy of the Trust is to maintain an approach that recognises the requirement for income to meet the commitment provided by the Trust to financially support the "Help a Village" project for at least the next 2 years with the desire for capital growth and the creation of an Expendable Endowment while safeguarding funds for future grant-making capacity. Therefore the Trust's investments are managed to ensure that both long term commitments and short term cash requirements can be met.

The Trustees remain mindful of their duty to review and monitor regularly the management of the Trust's investments. The Trustees are satisfied with the current investments and their allocation.

FINANCIAL REVIEW

During the year to 31 March 2024, the Trust made excellent progress on its primary objective of financially supporting the "Help a Village" project (the "Project").

The Trust's monthly €10,000 and additional ad-hoc contributions to local self-sustainable projects are directed at creating a long term positive legacy on the region's economy and improving children's future prosperity, whilst providing continuous support to the healthcare and education needs of Tanzania's youngest and poorest.

Below is a brief description of the ongoing efforts and latest achievements.

TRUSTEES' REPORT (continued)

FINANCIAL REVIEW (continued)

Education

The Trust continues to assist in the provision of nursery care, primary and secondary education to children in the Njombe area of central Tanzania (the 'Area'). Through the partnership with the Ilmbula Parish, we have ensured the right for education to children. Donations from Hakuna Matata have supported poorer children to attend education by funding school fees and providing school uniforms, shoes and textbooks to approximately 130 students from primary, secondary schools and universities. Additionally, the funds supported 71 nursery schools by paying salaries to 125 teachers.

Sustainability Initiative

The Trust supports the Pamoja project, which is a community initiative aimed at involving local people in sustainable farming.

The climate in Central Tanzania is very well suited to vanilla production and working with local and European experts, our goal with this exciting project is to create a traceable and high-quality vanilla product for the buyer and yield higher profits for the farmers. We currently have 2 net houses at Inuka, 1 at Mamre College, 1 in Ilmbula Village, housing a total of 300 young vanilla plants, as well as an open-air site at Matema village with over 700 plants. In addition, this year we conducted a training on pollination techniques, led by agronomists, involving project staff, representatives from partner organizations and local vanilla farmers linked to the project. We hope this project will bring sustainable and reliable income to the region as well as diversifying the crops and growing the knowledge of the local community.

Hakuna Matata operates with the mission of bringing social and environmental benefits through the promotion of agroforestry projects. In cooperation with Algebris Investments, Hakuna Matata started implementing climate change mitigation projects in Tanzania in 2019, mostly through reforestation and afforestation activities encompassing distribution of trees and capacity building to beneficiaries on good practices for trees' planting, care, and management. Since 2019, a total of over 355,000 trees of mixed species have been distributed, respectively 52,200 trees in 2019 and 31,000 trees in 2020, 16,642 in 2021, 101,418 in 2022, 155,000 in 2023 and 140,000 projected for 2024.

The project not only aids in reforesting the over farmed region, but also tutors the young children in our care about the importance of the natural world and climate change. Many of the trees, when they reach maturity, will provide crops for the community such as Mango and Avocado.

Orphanages

The Trust continued to provide financial support to the Ilmbula Parish to run activities supporting orphans and vulnerable children. The funds were used to provide financial support to pay salaries and train the staff of Ilunda Orphanage. The Orphanage is hosting 70 children and 15 members of staff. The funds were also used to purchase clothes, medical assistance and school uniforms for vulnerable children living in the orphanage and in the nearby communities. In addition, the Trust continues to fund the provision of medical assistance for the children at the orphanage, including transport to and from the nearest hospitals whenever necessary, for routine as well as emergency assistance, and paying for doctors' fees and medicines.

Health and assistance to the Disabled

Our goal with this initiative is to provide support and resources to people with disabilities, who are amongst the most vulnerable members of the community. Our aim is to reduce barriers in the access to health care, rehabilitation, schooling and employment by offering both funds and expertise. We partner with local organization such as the Inuka Rehabilitation Hospital and SHADO with the aim of improving provision of rehabilitation services to the community, facilitate access to education to children with disabilities; support access to work and capacity building to PWDs and their families. During this year the project has been funded by Hakuna Matata with € 42,600 supporting capacity building activities, providing equipment and material to rehabilitation service providers and maintenance of the Inuka Rehabilitation Hospital.

TRUSTEES' REPORT *(continued)*

FINANCIAL REVIEW *(continued)*

In addition to the donations of £103,512 made to 'Help a Village', donations of £211,979 were made to other charities during the year.

Total incoming resources amounted to £401,050 (2023: £444,285), made up of voluntary donations of £279,821 (2023: £311,207) and £121,229 (2023: £133,078) of investment income.

The asset base of the Trust stands at £3,425,454 (2023: £2,883,522) and is predominately made up of investments which generate sufficient income to enable the Trust to meet its ongoing financial commitments.

FUTURE PLANS

The future plans of the Trust are to continue to meet the main objectives of the Trust and to ensure that the application of any income for the public benefit is exclusively for charitable objects and purposes. To aid this the Trust will actively seek voluntary donations.



On behalf of the Board
Matthew King
Trustee

Date: 14 JANUARY 2025

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HAKUNA MATATA

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF HAKUNA MATATA

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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which our procedures are capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following

- We obtained an understanding of laws and regulations that affect the Charity, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the tax legislation, Charities Act.
- We enquired of the trustees and reviewed trustees' meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the trustees have in place to ensure compliance.
- We gained an understanding of and evaluated the controls that the trustees have in place to prevent and detect fraud. We enquired of the members about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: income recognition, management override, misappropriation of assets.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the trustees about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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

Hakuna Matata (No. 1135589)

Year Ended 31 March 2024

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF HAKUNA MATATA

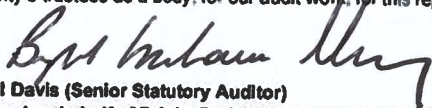
Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

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



Paul Davis (Senior Statutory Auditor)
for and on behalf of Bright Grahame Murray Chartered Accountants
Statutory Auditor
Emperor's Gate
114a Cromwell Road
Kensington
London SW7 4AG

17 APRIL 2025

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 March 2024

	Notes	Unrestricted Funds £	Expendable Endowment Fund £	Year ended 31 March 2024 £	Year ended 31 March 2023 £
Income					
Donations and legacies		279,821	-	279,821	311,207
Investment income	2	121,229	-	121,229	133,078
Total Income		401,050	-	401,050	444,285
Expenditure					
Costs of raising funds					
Investment management costs	3	(75)	-	(75)	(12)
		(75)		(75)	(12)
Expenditure on charitable activities					
UK based charities	4	(30,222)	-	(30,222)	(27,418)
Overseas charities	4	(367,066)	-	(367,066)	(721,098)
Cost of grant making		(397,288)	-	(397,288)	(748,516)
Total expenditure		(397,363)	-	(397,363)	(748,528)
(Losses)/Gains on investments	6	512,768	-	512,768	(35,987)
(Losses)/Gains on foreign exchange		25,476		25,476	
Net incoming resources before transfers		541,932	-	541,932	(340,230)
Transfers between funds	10	(541,932)	541,932	-	-
Net movements in funds		-	541,932	541,932	(340,230)
Total funds brought forward		-	2,883,522	2,883,522	3,223,752
Total funds carried forward	10	-	3,425,454	3,425,454	2,883,522

The statement of financial activities has been prepared on the basis that all activities are continuing.

There are no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

The accounting policies and the notes on pages 15 to 20 form part of the Financial Statements.

BALANCE SHEET AS AT 31 March 2024

	Notes	2024 £	2023 £
FIXED ASSETS			
Investments	6	3,310,993	2,807,069
CURRENT ASSETS			
Debtors	8	57,789	8,346
Bank and cash		71,481	85,582
		<u>129,270</u>	<u>93,928</u>
CREDITORS: amounts falling due within one year	9	(14,809)	(17,475)
NET CURRENT ASSETS		<u>114,461</u>	<u>76,453</u>
NET ASSETS	10	<u>3,425,454</u>	<u>2,883,522</u>
FUNDS			
Unrestricted Funds	10	-	-
Expendable Endowment Fund	10	3,425,454	2,883,522
TOTAL FUNDS	10	<u>3,425,454</u>	<u>2,883,522</u>

Approved by the Trustees and authorised for issue on 14 JANUARY 2025 and signed on their behalf by:



Matthew King
Trustee

The accounting policies and the notes on pages 15 to 20 form part of the Financial Statements.

STATEMENT OF CASH FLOWS AS AT 31 March 2024

	2024 £	2023 £
Cash flows from operating activities:		
Net cash provided by operating activities	(22,945)	(67,021)
Cash flows from investing activities:		
Proceeds from sale of investments	15,493	81,182
Purchase of investments	(6,849)	(392,181)
Net cash used in investing activities	8,644	(310,999)
Change in cash and cash equivalents in the reporting period	(14,101)	(378,020)
Cash and cash equivalents at the beginning of the reporting period	85,582	463,602
Cash and cash equivalents at the end of the reporting period	71,481	85,582

The accounting policies and the notes on pages 15 to 20 form part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024

1. ACCOUNTING POLICIES

a) Statement of Compliance

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Trust meets the definition of a public benefit entity under FRS 102. The assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Accounting policies

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 principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

c) Critical accounting estimates and judgements in applying accounting policies

The Trust makes estimates and assumptions that affect the reported amounts of assets and liabilities within the financial period. Actual results may differ from those estimates. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key assumptions are explained in the respective accounting policy notes below.

d) Incoming resources

All incoming resources are included in the respective line items of the Statement of Financial Activities when the Trust is legally entitled to the income and the amount can be quantified with reasonable certainty.

Interest income and expense is recognised in the Statement of Financial Activities on an effective interest rate basis. Dividend income and expenses, when the underlying security is held directly by the Trust, is recognised in the Statement of Financial Activities on an ex-dividend basis, gross of foreign withholding taxes when receivable. Withholding tax is recorded on an accruals basis.

e) Resources expended

Resources expended are accounted for on an accruals basis. Constructive obligations (including grants payable) are accounted for as liabilities where it is probable that there will be a transfer of economic benefits and the amount of the obligation can be reliably estimated and communicated to the recipient.

Grants which the charity has committed to paying but have the right to cancel are not recognised as liabilities.

f) Governance Costs

Governance costs are those costs incurred in the compliance with constitutional and statutory requirements including related professional fees, and are accounted for on an accruals basis. These costs are included under the heading charitable activities, and are allocated based on the costs of granting.

g) Financial assets and liabilities held for trading

Classification

The Trust classifies its investments in debt securities (other than those classified as loans and receivables), and equity securities as financial assets at fair value through the Statement of Financial Activities. These financial assets are classified as held for trading. Financial assets held for trading are acquired principally for the purpose of selling in the short term.

Recognition/de-recognition

Purchases and sales of investments are recognised on their trade date, which is the date on which the Trust commits to purchase or sell the asset. Investments are initially recognised at fair value and transaction costs for such investments are expensed as incurred. Investments are de-recognised when the rights to receive cash flows from the investments have expired or the Trust has transferred substantially all risks and rewards of ownership.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

g) Financial assets and liabilities held for trading (continued)

Measurement

Subsequent to initial recognition, these financial assets are measured at fair value. Any gains and losses arising from changes in the fair value of the financial assets are included in the Statement of Financial Activities in the period in which they arise and are based on the First In First Out ("FIFO") method. Interest income from financial assets is recognised in the Statement of Financial Activities. Dividend income from financial assets is recognised in the Statement of Financial Activities when the Trust's right to receive payment is established.

h) Investments

Listed and unlisted securities

Investments that are listed on or quoted on any securities exchange or similar and are regularly traded are valued at their market value with any unrealised gains and losses being taken to the Statement of Financial Activities.

Unlisted securities or listed securities not regularly traded, or in respect of which no prices as described above are available, are valued at their fair value by utilising prices obtained from the administrator based on net asset values.

At 31 March 2024, unlisted traded securities were held with a value of £2,157,993 (2023: £1,869,481)

i) Foreign Currency Translations

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

j) Funds

Unrestricted Funds comprise those funds which the Trustees are free to use in accordance with the charitable objectives of the Trust.

Restricted Funds comprise those funds that can only be used for particular restricted purposes within the objectives of the Trust. Restricted Funds arise when the funds are specified as such by the donor(s) or when funds are raised for particular restricted purposes.

The Expendable Endowment Fund represents those assets held by the Trustees principally in investments. Income arising on the Expendable Endowment Fund can be transferred to the unrestricted fund and can then be expended in accordance with the objectives of the Trust. If the Trust is unable to meet its commitments from reserves of Unrestricted Funds, there would be a release of the Expendable Endowment to Unrestricted Funds to meet those commitments.

2. INVESTMENT INCOME

The investment income arises from interest received on cash deposits and fixed income securities within the investment portfolio held by the Trust. Dividend income is from equity securities within the portfolio held by the Trust.

	2024	2023
	£	£
Distributions from investments held	121,229	133,078
	<u>121,229</u>	<u>133,078</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. COSTS OF RAISING FUNDS

The costs of raising funds relate to the costs associated with the purchase of the Trusts portfolio of investments.

4. CHARITABLE ACTIVITIES

	Grant funded activity	Support and governance costs	2024	Grant funded activity	Support and governance costs	2023
	£	£	£	£	£	£
UK based grants	24,000	6,222	30,222	24,000	3,418	27,418
Overseas based grants	291,491	75,575	367,066	631,193	89,905	721,098
	<u>315,491</u>	<u>81,797</u>	<u>397,288</u>	<u>655,193</u>	<u>93,323</u>	<u>748,516</u>

Of the overseas based grant payments, £103,512 (2023: £103,552) was used to assist in the "Help a Village" project which demonstrably improves the lives of children living in poverty in developing countries by achieving a significant and sustainable impact. Other charitable activities included a £211,979 donation towards housing (2023: £348,708).

Analysis of support and governance costs

Year ended 31 March 2024	General support	Governance function	Basis of 2024 apportionment
	£	£	£
Auditors Fees		6,849	6,849 Grants made
Travel - Flights	9,577		9,577 Grants made
Other income & expenditure	(2,036)		(2,036) Grants made
Consultancy fees	-	63,309	63,309 Time spent
Bank and custody charges	4,098	-	4,098 Grants made
	<u>11,639</u>	<u>70,158</u>	<u>81,797</u>

Year ended 31 March 2023	General support	Governance function	Basis of 2023 apportionment
	£	£	£
Auditors Fees		2,100	2,100 Grants made
Travel - Flights	10,673		10,673 Grants made
Other income & expenditure	(33)		(33) Grants made
Consultancy fees	-	76,056	76,056 Time spent
IT expenses	849	-	849 Grants made
Bank and custody charges	3,678	-	3,678 Grants made
	<u>15,167</u>	<u>78,156</u>	<u>93,323</u>

5. TAXATION

As a registered charity, the Trust is exempt from taxation on income and gains to the extent that these are applied in furtherance of its charitable objectives. No tax charge has arisen in the year for the Trust.

6. INVESTMENTS

	Fair Value at 1 April 2023	Additions	Disposals	Total Gain*	Fair value at 31 March 2024	Cost at 31 March 2024
	£	£	£	£	£	£
UK	521,140	-	-	60,656	581,796	638,402
Overseas	2,285,929	6,649	(15,493)	452,112	2,729,197	2,176,297
Total quoted	<u>2,807,069</u>	<u>6,649</u>	<u>(15,493)</u>	<u>512,768</u>	<u>3,310,993</u>	<u>2,814,699</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. INVESTMENTS (continued)

Financial Assets	2024 £	2023 £
<i>Held for trading</i>		
Bonds - UK	522,713	467,428
Funds - UK	59,083	53,712
Funds - overseas	2,729,197	2,285,929
Total Financial Assets	3,310,993	2,807,069

Gains / (losses) recognised in relation to financial assets and liabilities measured at fair value

	2024 £	2023 £
Unrealised gain on financial assets and liabilities	512,768	34,644
Total realised and unrealised gain	512,768	34,644

7. FINANCIAL RISK MANAGEMENT

Principles of Risk Management

The Trust's financial activities may expose it to a variety of financial risks: market risk (including other price risk and interest rate risk), credit risk and liquidity risk.

The Trust is also exposed to operational risks such as settlement and custody risk. Custody risk is the risk of loss of financial assets and liabilities held in custody occasioned by the insolvency or negligence of the custodian. Although an appropriate legal framework is in place that eliminates the risk of loss of value of the financial assets and liabilities held by the custodian, in the event of its failure, the ability of the Trust to transfer the financial assets and liabilities might be temporarily impaired.

The Trust's overall risk management programme seeks to maximise the returns derived for the level of risk to which the Trust is exposed and seeks to minimise potential adverse effects on the Trust's financial performance.

All investments present a risk of loss of capital. The maximum loss of capital on equity and debt securities is limited to the fair value of those positions.

The Trust uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

Market risk

(a) Other price risk

The Trust is exposed to equity and debt securities price risk. This arises from investments held by the Trust for which prices in the future are uncertain. Where non-monetary financial instruments, for example, equity securities, are denominated in currencies other than GBP, the price initially expressed in foreign currency and then converted into GBP will also fluctuate because of changes in foreign exchange rates.

(b) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows. The Trust has exposure to credit positions that expose the Trust to fair value interest rate risk. The Trust also holds cash and cash equivalents that expose the Trust to cash flow interest rate risk.

Credit risk

The Trust is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The main concentration to which the Trust is exposed arises from the Trust's investments in managed funds. The Trust is also exposed to counterparty credit risk, cash and cash equivalents, amounts due from brokers and other receivable balances.

The Trust's policy to manage this risk is to invest in reputable fund managers, in addition all transactions are settled / paid for upon delivery using approved counterparties. The risk of default is considered minimal, as delivery of securities sold is only made once the administrator has received payment.

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that the Trust may be unable to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Trust has the ability to borrow in the short term to ensure settlement of its obligations and for short term financing. The Trust is also able to release the Expendable Endowment to Unrestricted Funds to meet any such commitments.

8. DEBTORS

	2024	2023
	£	£
Distributions receivable	2,086	3,252
Gift Aid receivable	9,478	5,094
Other Debtors - Matching donation due from Algebris Investments	46,225	-
	<u>57,789</u>	<u>8,346</u>

9. CREDITORS: amounts falling due within one year

	2024	2023
	£	£
Accruals	14,809	17,475
	<u>14,809</u>	<u>17,475</u>

10. MOVEMENT IN FUNDS

	2023	Incoming Resources	Resources Expended	Gain on Investments	Transfers	2024
	£	£	£	£	£	£
Unrestricted	-	401,050	(397,363)	538,244	(541,932)	-
Restricted	-	-	-	-	-	-
Expendable Endowment	2,883,522	-	-	-	541,932	3,425,454
Total funds	<u>2,883,522</u>	<u>401,050</u>	<u>(397,363)</u>	<u>538,244</u>	<u>-</u>	<u>3,425,454</u>

11. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024	2023
	£	£
Net income for the reporting period (as per the statement of financial activities)	541,932	(340,230)
Adjustments for:		
Gains on investments	(512,768)	34,643
Dividends, interest and rents from investments	-	-
(Decrease)/increase in debtors	(49,443)	234,959
(Decrease)/increase in creditors	(2,667)	3,607
Net cash provided by operating activities	<u>(22,945)</u>	<u>(67,021)</u>

12. CAPITAL COMMITMENTS

At 31 March 2024, the Trust remained committed to providing €10,000 per month to the 'Help a Village' charity per the 15-year grant agreement originally signed in October 2010. The Trust has the option of cancelling this without notice, therefore no long term liability has been recognised in these accounts.

13. RELATED PARTY TRANSACTIONS

Algebris (UK) Limited ("Algebris Investments") is a related party of the Charity because one of the company's directors also acts as trustee for the Charity.

During the year £187,372 was received as a donation from Algebris Investments. There are no conditions attached to the donation. At the year end, the Charity held investments valued at £2,275,220 (2023: £2,023,365) in funds managed by Algebris Investments.

Algebris Investments commits to matching donations received during the year. At the year end, there is a balance of £46,225 (2023: £nil) included in debtors from Algebris Investments in relation to the donation matching.

During the year, the charity paid £5,250 directly to third parties in respect of travel expenses for 2 Trustees.

14. Employee benefits

During the year there were no employees employed by the charity (2023: nil) and none who received employee benefits (excluding employer pension costs) of more than £60,000.