



Report and Financial Statements
For the period ended 28 February 2022

Charity number: 1136347

ROOTS CHARITY



Reference and Administrative Information

Trustees	Mr Winston Sanjeev Kumar Soosaipillai Mrs Arani Soosaipillai Mr Don Camillo Emilio Borneo (resigned 29 May 2022)
Charity number	1136347
Principal office	Harvest House Horizon Business Village 1 Brooklands Road Weybridge Surrey KT13 0TJ
Independent auditor	KPMG LLP 1 Forest Gate Brighton Road Crawley RH11 9PT
Banker	HSBC Plc 8 Canada Square Canary Warf London E14 5HQ
Solicitor	Linklaters LLP One Silk Street London EC2Y 8HQ

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Trustees report

For the 14 months period ended 28 February 2022

Report of the trustees for the period ended 28 February 2022

The trustees present their annual report and financial statements of the charity for the 14 month period ended 28 February 2022. The accounting period was extended from 31 December 2021 to 28 February 2022. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and the Charities: Statement of Recommended Practice (second edition) and Financial Reporting Standard FRS 102.

Objectives and activities for the public benefit

The purposes of the Trust are to further such charitable purposes for the public benefit as are exclusively charitable according to the laws of England and Wales as the trustees may from time to time determine in particular but not exclusively by:

- a) The relief of poverty, sickness and the preservation and protection of health of orphans, in particular but not limited to orphans in Sri Lanka.
- b) The advancement of education of orphans, in particular but not limited to orphans in Sri Lanka.

Grant making policy

The Trust has established its grant making policy to achieve its objects for the public benefit. The Trust's aim is to improve the lives of orphans.

We review the grant making policy annually to ensure that it reflects the charity's objects and thereby advances public benefit.

The beneficiaries of our grant making programme are ultimately Orphans.

The estimated number of orphans globally currently reported by UNICEF include:

- 15.1 million children worldwide have lost both parents ("double orphan").
- 140 million children worldwide have lost either one parent ("single orphan") or both parents.

In Sri Lanka, today institutional care is the fate of many children who have been abandoned by their parents. According to UNICEF, out of over 21,000 children in orphanages in Sri Lanka, one or both parents of over 19,000 of them are still alive.

UNICEF says in most cases it is a family member who leaves the child at an orphanage.

"In Sri Lanka, institutional care has become the sole option for many children because their family unit is destroyed, by such things as parental loss, separation or parental conflict" UNICEF said in a report entitled, "Out of Sight — Out of Mind." Poverty is also a root cause with the family feeling they cannot afford to adequately provide for the child, according to the UN agency.

Trustees report

For the 14 months period ended 28 February 2022

A review of our achievements and performance:

How our grant programmes delivered public benefit

The benefits of the Trust's work are the education and care of orphans. The trustees are pleased that the achievements and performance of the Trust, as set out below, demonstrate concrete progress.

- The Carmel Girls Orphanage in Adampan, Sri Lanka.
The Trust continues to fund this orphanage with 47 children under its care.
- The Carmel Girls Orphanage in Murungan, Sri Lanka.
The Trust continues to fund this orphanage with 42 children under its care.
- St Joseph Convent hostel in Trincomalee.
The Trust has commenced funding this orphanage with 30 children under its care.
- Jaffna Nallur St.Benedict R.C Vidyalayam / School.
The Trust has commenced funding to support teachers' salaries.

Monitoring achievement

The success of the programme is evaluated using a measure of orphans under care. Our key performance indicators are summarised in the table below.

	Outcome Feb 2022	Target Feb 2022	Outcome 2020	Target 2020
Orphans under care	119	85	119	80
Trust funded Orphanages scholarships completed	3	2	2	2

Financial review

The Trust's work is reliant on income from its corporate sponsor The Prax Group, whose employees give generously of their time and whose founders remain trustees of the charity. Donors are committed to their funding of the charity which is reflected in income for the year. Prax is the principal trading name and brand whose ultimate trading company is State Oil Ltd. Additionally the Trust is reliant on donations from members of the public and charity raising events.

Risk management

The principal risks faced by the Trust lie in the performance of investments and operational risks from ineffective grant making and the capacity of the Trust to make effective grants.

The trustees consider variability of investment returns on non-cash investments to constitute the charity's financial risk. This is mitigated by retaining cash on deposit until such a future time that the size of the investments warrant a diversified investment portfolio.

The operational risk from grant awards that are ineffective in the care of orphans is managed by firstly retaining trustees of sufficient skill and expertise and secondly through the quality of the institutions and people who we support. The process of reporting and review assists us, and those we support, in keeping track of how our support is developing. This review process retains our focus on the public benefit derived from our funding of their work.

The risk of a lack of capacity to effectively manage the grants programme is mitigated by an annual review by the Chair of the current and historical track record of achievement in their expert field of the trustees. By retaining experts active in the field, we are assured that their technical knowledge is up to date and that they have the depth of insight to effectively evaluate the grant proposals.

Trustees report

For the 14 months period ended 28 February 2022

Reserves policy

The trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately three months of unrestricted charitable expenditure. The trustees consider that this level will provide sufficient funds to respond to applications for grants and ensure that support and governance costs are covered. The trustees consider that a level of 3 months is sufficient given the historical level of income and expenditure in the past few years. The Charity's reserves, as of 28 February 2022, stood at £145,566.

Plans for the future

The Roots Trust is a testimony to the generosity and charitable concerns of the donors. The core of the trustees' approach is to care for Orphans in but not limited to Sri Lanka.

We continue to work with our key partners in Sri Lanka.

In the next 12 months, the trustees anticipate:

- An increase in grant awards, subject to a continued favorable donation.
- Expansion of its charitable work outside of Sri Lanka.

Structure, governance and management

The Trust is a registered charity, number 1136347, and is constituted under a trust deed dated 14 June 2010. The Trust was established in 2010. The Trust does not actively fundraise but seeks to continue charitable work through the donations of individuals and organizations who care for the plight of Orphans.

The trustees seek to follow the good practice 'Charity Trustees Guide' issued by ICSA. We keep the skills and composition of the trustee body and succession planning under review and, where needed, to recruit new trustee(s) for their experience, empathy and knowledge of the charity. The trustees have also developed a code of conduct for trustees including formal statements of role and responsibilities and provision for trustee training.

New trustees may be sought by open advertisement or through a dialogue with major grant recipients. The ultimate decision on selection is a matter for the trustees.

On appointment, new trustees sign a model trustee declaration statement committing them to giving of their time and expertise. The induction process has been changed to follow the ICSA good practice Charity Trustees' Guide with a formal induction programme for any newly appointed trustee, which includes an initial meeting with the Chair and the trustees. The welcome pack includes a brief history of the Trust, copy trustee board, a copy of the last three years of annual reports and accounts, a copy of the governing trust deed and a copy of the Charity Commission's guidance 'The Essential Trustee: What You Need to Know' and 'Public Benefit: running a charity'.

The Trust is a member of the Association of Charitable Foundations (ACF). The ACF provides helpful information on good practice, changes in the law affecting charities and acts as an authoritative lobby on behalf of the charitable foundations with the government and regulators. ROOTS CHARITY Charity number: 11363474

Trustees report

For the 14 months period ended 28 February 2022

Key management personnel remuneration

The trustees consider the board of trustees as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 2 to the accounts.

Trustees are required to disclose all relevant interests and register them in accordance with the Trust's policy and to withdraw from decisions where a conflict of interest arises.

Trustees report

For the 14 months period ended 28 February 2022

Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements

Under the trust deed and rules of the charity and charity law, the trustees are responsible for preparing a Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. The trustees are required to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed and rules, subject to any material departures disclosed and explained in the financial statements;
- assess the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The trustees are required to act in accordance with the trust deed and the rules of the charity, within the framework of trust law. They are responsible for keeping accounting records which are sufficient to show and explain the charity's transactions and disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

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

Signed on behalf of the Trustees on 09 May 2023:



Winston Sanjeev Kumar Soosaipillai

CHAIR of TRUSTEES

Harvest House, Horizon Business Village

1 Brooklands Road, Weybridge, Surrey KT13 OTJ

Independent auditor's report to the Trustees of Roots Charity

Opinion

We have audited the financial statements of Roots ("the charity") for the period ended 28 February 2022 which comprise the Statement of Financial Activities, Balance Sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 28 February 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 145 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charity in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charity or to cease its operations, and as they have concluded that the charity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the charity's business model and analysed how those risks might affect the charity's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charity will continue in operation.

Independent auditor's report to the Trustees of Roots Charity

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of trustees as to the Charity's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading meeting minutes.
- Considering remuneration incentive schemes and performance targets for management and directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to income as it has little judgement or complexity involved.

We did not identify any additional fraud risks.

We performed procedures including:

Identifying journal entries and post close entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included unusual combinations with cash accounts and material post close entries.

We did not identify any additional fraud risks.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related charity legislation) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Charity is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Independent auditor's report to the Trustees of Roots Charity

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing 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, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing noncompliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the charity has not kept sufficient accounting records; 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.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 5, the trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the Trustees of Roots Charity

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charity's trustees as a body, in accordance with section 145 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. 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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Julie Wheeldon

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 Forest Gate

Brighton Road

Crawley, RH11 9PT

09 May 2023

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

Statement of Financial Activities
for the 14 months period ended 28 February 2022

	Total Funds	February 2022 £	December 2020 £
Income and endowments			
Donations:			
Company		14,000	52,364
Collection Boxes		18,241	6,819
Total income		32,241	59,183
Expenditure			
Costs of raising funds:			
Bank charges		1,313	1,076
Other fees paid		4,214	100
Expenditure on charitable activities:			
Education and maintenance		34,964	26,551
Total expenditure		40,491	27,727
Net income and net movement in funds		(8,250)	31,456
Net Movement in funds		(8,250)	31,456
Reconciliation of Funds			
Total Funds brought forward		153,816	122,360
Total Funds carried forward		145,566	153,816

All the activities are in relation to unrestricted funds.

Balance sheet as at 28 February 2022

	Total Funds	February 2022 £	December 2020 £
Current assets:			
Cash at bank and in hand		145,566	153,816
Net Current assets		145,566	153,816
Unrestricted income funds		145,566	153,816
Total charity funds		145,566	153,816

All the activities are in relation to unrestricted funds.

The notes at pages 12 to 14 form part of these accounts.

Approved by the trustees on 09 May 2023 and signed on their behalf by:

Mr Winston Sanjeev Kumar Soosaipillai
CHAIR of TRUSTEES



Notes to the Financial Statements

For the 14 months period ended 28 February 2022

1. Accounting policies

a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The trust constitutes a public benefit entity as defined by FRS 102.

b) Going concern

The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The business model of the charity is such that its charitable activities are limited to those which it has sufficient funds to support from the excess of funding received over the costs of administering the charity. The charity therefore has no specific commitments and no committed costs.

The Trustees have reviewed the cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the charity will have sufficient funds to meet its liabilities as they fall due for that period. The Trustees have also considered the implications of COVID-19 on these cash flow forecasts and consider that as a result of its operating model explained above, even if no further funding is received in the 12 month period, the charity has sufficient cash reserves to pay all committed costs.

Consequently, the Trustees are confident that the charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

c) Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

d) Charitable activities

Costs of charitable activities include grants made and governance costs

e) Contingent liabilities

A contingent liability is identified and disclosed for these grants resulting from:

- A possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control; or
- A present obligation following a grant offer where settlement is either not considered probable; or
- The amount has not been communicated in the grant offer and that amount cannot be estimated reliably.

Notes to the Financial Statements

For the period ended 28 February 2022

f) Cash flow statement

In accordance with the exemptions granted under FRS102, Roots is exempt from preparing a cash flow statement on the grounds of size.

g) Income recognition

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

Donations, are recognised when the Trust has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Expenditure recognition

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 settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions accrue when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Trust.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

i) Fund Accounting

All funds are held as unrestricted funds and can be used in accordance with the objectives of the charity. The balance in unrestricted funds represents the full reserves of the charity.

Notes to the Financial Statements

For the period ended 28 February 2022

2. Related party transactions and trustees' expenses and remuneration

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2020: £nil). Expenses paid to the trustees in the year totalled £nil (2020: £nil). State Oil Limited, a limited liability entity controlled by the trustees donated £14,000 (2020: £12,000) to the charity. Audit fees of £5,000 have been paid by State Oil Limited (2020: £5,000).

3. Analysis of charitable expenditure

The charity undertakes its charitable activities through awarded grants to a number of individuals and instructions in furtherance of its charitable activities.

	Total Funds	February 2022 £	December 2020 £
Funded from unrestricted funds:			
Education and maintenance:			
Orphanage in Sri Lanka		34,964	26,551

4. Analysis of staff costs and remuneration of key management personnel

There were no employees or staff costs during the year (2020 – Nil).

The Trust considers its key management personnel comprise the trustees. The total employment benefits including employer pension contributions of the key management personnel were £ nil (2020: £nil).