

**SONEVA FOUNDATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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## SONEVA FOUNDATION

### LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	S Shivdasani E Malmstrom-Shivdasani B Bromley
<b>Secretary</b>	A Oines
<b>Charity number</b>	1138811
<b>Principal address</b>	6 O-NES Tower 10th Floor, Soi 6 Sukhumvit Road BANGKOK 10110 Thailand
<b>Registered office</b>	6th Floor Kings House 9-10 Haymarket London United Kingdom SW1Y 4BP
<b>Auditor</b>	TC Group The Courtyard Shoreham Road Upper Beeding Steyning West Sussex BN44 3TN
<b>Bankers</b>	The Mauritius Commercial Bank Limited PO Box 52 Sir William Newton St. Port Louis Republic of Mauritius

## **SONEVA FOUNDATION**

### **TRUSTEES' REPORT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2022**

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The trustees present their report and financial statements for the year ended 31 December 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 Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

#### **Objectives and activities**

The purposes of the Trust are to fund a variety of projects that have a positive environmental, social, and economic impact. The trustees confirm that they referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives, and planning future activities.

The Trust furthers its charitable purposes, which aims at:

- promote conservation, protection, and improvement of the physical and natural environment;
- prevent and relief poverty and financial hardship;
- advance education in impoverished communities;
- the relief of sickness and preservation of health;
- the relief of children in need;
- for such other purposes as are exclusively charitable in accordance with the laws of England and Wales as the Trustees may from time to time determine.

The main activities of the Soneva Foundation are the Myanmar Stoves Campaign, Forest Restoration, Mangrove Restoration, Coral Restoration, Hornbill Reintroduction, Soneva Namoon and Action Against Hunger.

#### **Achievements and performance**

The Trust has several successful projects to be proud of.

##### **Myanmar Stoves Campaign**

The Myanmar Stoves Campaign is a Soneva Foundation programme that distributes fuel efficient cook stoves to thousands of families. It is the first Gold Standard-certified carbon project in Myanmar.

The Myanmar Stoves Campaign has been successfully operating for nine years, together with our implementation partner Mercy Corps Myanmar.

2022 was the most successful year to date despite dealing with political instability making operation difficult. A record number of 12,062 stoves reached end-users, which was helped by a 4,000 stoves order towards the end of 2021 that gave us a flying start to 2022. We also reduced the prices of the stoves, which boosted sales. Therefore, our subsidy cost of the stoves went up. To date, 49,000 stoves have been distributed, benefitting 230,000 people. 20,260 carbon credits were issued.

### **Forest Restoration**

The Soneva Foundation supports projects that restore the natural forest by planting a variety of native species. We started a Forest Restoration project in Matica Sede, Mozambique in 2022, where we have committed to plant 3.7 million trees to restore 3,378 hectare of degraded forest land over a four-year period. Our implementation partner Eden Reforestation Projects planted 1 million trees in 2022.

A key component of the project is to use indigenous tree species, based on the mimbo forest type, which are planted by the local community.

To date, the Soneva Foundation has planted over 1.5 million trees.

### **Mangrove Restoration**

Mangrove forests are coastal guardians and play a vital role in ocean biodiversity. One of its biggest strengths lies in the forest's ability to capture and store carbon.

The Soneva Foundation engaged in 2022 Worldview International Foundation to plant 1.5 million mangroves in Myanmar, restoring 600 hectares of mangrove forests.

The mangrove restoration project is being registered under VERRA and is expected to generate 430,000 carbon credits for the Foundation over a 25-year period.

### **Coral Propagation**

The Soneva Foundation Coral Restoration Programme aims to restore precious coral reef systems, establishing a thriving coral hub in the Maldives. In collaboration with Coralive, the Soneva Foundation has set up one of the biggest coral nurseries in the world using Mineral Accretion Technology (MAT) late 2021. Located in the Maldives at the outer edge of the Soneva Fushi house reef, the coral nursery comprises 432 table structures, arranged in three circular clusters.

In 2022, the coral team focussed on rescuing 21,500 coral colonies from a dredging project in the Maldives, which was used to fill up the coral nursery as well as to plant them directly out to the reef. Once coral nursery now holds 50,000 coral fragments The Foundation also invested in coral micro-fragmenting tanks, which will be installed in 2023.

### **Hornbill Reintroduction**

The Soneva Foundation, in collaboration with the Hornbill Research Foundation, is spearheading the reintroduction of hornbills to Koh Kood in Thailand, a species that faced extinction on the island approximately 40 years ago.

The Hornbill is an important species for the island as it helps spread the seeds of bigger trees, which improves the biodiversity of the forest.

A total of five oriental pied hornbill were released in 2022. Sadly, one hornbill died at the end of the year as it got tangled in some wires.

## **SONEVA FOUNDATION**

### **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **Soneva Namoonaa**

The Soneva Foundation funds Soneva Namoonaa, a Maldivian NGO that works to empower zero waste communities.

It engages directly with seven islands in Baa Atoll, three in Noonu Atoll, and one in Haa Dhaalu. Furthermore, in the Noonu Atoll it has embarked on an atoll-wide project as a strategic and technical partner on waste management issues across 13 islands. 286 tonnes of recyclables have been collected since the start in 2019.

A water bottling facility – Soneva Water – in Maalhos, Baa Atoll, provides an alternative to single-use plastic bottled water to households, guesthouses, and cafes.

Soneva Namoonaa is partnering with the Ministry of Education in the second year of piloting the Fehi Madharusa (Green School) framework, an environmental education program. Seven pilot schools are actively shaping the final version through their participation and feedback.

Soneva Namoonaa also trains swimming and water rescue instructors on all Namoonaa islands, as well as encouraging community activities in and around the ocean.

#### **Action Against Hunger**

The Soneva Foundation works with Action Against Hunger to fight childhood hunger and malnutrition. For the past three years, our focus has been on southern Bangladesh. Here we have worked to strengthen households' capacity for climate adaptive and resilient livelihoods to tackle food insecurity and under-nutrition.

Our implementation partner, Action Against Hunger, is teaching families new skills and offering business training, as well as increasing their food production at home using new climate change-resistant farming methods. This dual action plan ensures that families can access nutritious food either from their own gardens or with their income.

In three years, we have helped 350 households improve their lives, positively impacting 1,750 people.

#### **Financial review**

The Soneva Foundation concluded the fiscal year 2022 in a robust financial position, boasting a healthy balance of GBP 1.3 million. While the income saw a 38% decrease from the previous year, amounting to GBP 1.26 million, it still ranks as the second highest in the Trust's history. This decline is attributed to the limited availability of carbon credits for sale, having depleted most of them in 2021, coupled with delays in new issuances.

##### *Income Sources:*

Historically, the Trust heavily relied on donations from Soneva resorts, constituting 60% of the total income in 2022. However, strategic efforts to diversify income streams were evident, with 30% attributed to the sale of carbon credits from the Myanmar Stoves Campaign and 10% from other donations. This diversification strategy reflects a prudent approach to reducing dependency on any single source.

##### *Expenditure and Investments:*

Having entered 2022 with a solid cash balance, the Trust exhibited a significant increase in spending, reaching almost 300% compared to the previous year. The primary driver behind this surge was substantial investment in the Myanmar Mangrove Restoration project. This initiative aims not only to restore degraded mangrove forests but also to generate carbon credits for future income, enabling further investment in impactful projects.

## **SONEVA FOUNDATION**

### **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### *Reserve Management:*

The Trustees maintain a strategic goal of reserves equivalent to approximately three months of charitable expenditure. This level is deemed sufficient to address project and operational needs while covering support and governance costs. However, the balance held at the end of 2022, GBP 1.3 million, exceeds this target. Recognizing this surplus, the Trustees plan to adjust the reserves through spending on existing and new projects.

#### *Strategic Spending:*

While the Trust emphasizes the utilization of funds for active projects, it acknowledges that occasional reserve surpluses may be necessary to ensure the support of high-quality initiatives. The Trustees remain committed to directing funds towards meaningful and impactful endeavours that align with the Foundation's mission.

#### *Closing Remarks:*

The Trust's financial review for 2022 reflects a balance between prudent financial management, strategic diversification of income sources, and substantial investments in projects with long-term environmental benefits. As the Foundation continues its mission, it aims to strike a dynamic balance between maintaining fiscal responsibility and deploying resources to drive positive change. The planned adjustment of reserves and strategic spending underscore the commitment to optimizing financial resources for maximum impact.

### **Structure, governance and management**

The Trust is a registered charity, number 1138811, and is governed by the Trust Deed dated 26 October 2010.

It was established by Sonu and Eva Shivdasani. Over the years Sonu and Eva have contributed substantial sums through their resort company Soneva.

New trustees are appointed by the existing trustees. The Trust Deed provides for a minimum of three Trustees. During their joint lifetimes Sonu and Eva Shivdasani have the power jointly to appoint or remove Trustees at their discretion.

At the quarterly trustees' meetings, the trustees agree the broad strategy and areas of activity for the Trust. The day-to-day administration of the trust is delegated to the Secretary.

### **Reference and administrative details**

#### **Charity name**

Soneva Foundation

#### **Registered charity number**

1138811

#### **Trustees**

Sonu Shivdasani

Eva Malmstrom Shivdasani

Bruce Bromley

#### **Secretary**

Arnfinn Oines

## **SONEVA FOUNDATION**

### **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **Registered Office**

6th Floor Kings House, 9-10 Haymarket, London, UK, SW1Y 4BP

#### **Operating Office**

10/F O-NES Tower, 6 Sukhumvit 6, Bangkok 10110, Thailand

#### **Auditors**

TC Group, The Courtyard, Shoreham Road, Upper Beeding, Steyning, West Sussex, BN44 3TN

The auditor, TC Group, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Statement of Trustees' responsibilities**

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

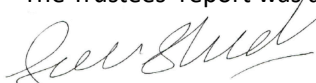
The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the the charity and of the incoming resources and application of resources of the the charity for that year.

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 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 charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees' report was approved by the Board of Trustees.



**S Shivdasani**

Trustee

Dated: 19 April 2024



## SONEVA FOUNDATION

### INDEPENDENT AUDITOR'S REPORT

#### TO THE TRUSTEES OF SONEVA FOUNDATION

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#### Opinion

We have audited the financial statements of Soneva Foundation (the 'the charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 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 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF SONEVA FOUNDATION

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**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.

**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 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 regulations made under section 154 of that Act.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

## SONEVA FOUNDATION

### INDEPENDENT AUDITOR'S REPORT (CONTINUED)

#### TO THE TRUSTEES OF SONEVA FOUNDATION

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Our approach was as follows:

- 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 trustees 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 considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102 and the Charities Act 2011) and the relevant tax compliance regulations in the UK;
- We considered the nature of the industry, the control environment and business performance, including the key drivers for management's remuneration;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the charity has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

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 (irregularities) 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. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

This description forms part of our auditor's report.



**TC Group**

**Statutory Auditor**

Office: Sussex

Date: 10 May 2024

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

**SONEVA FOUNDATION**

**STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
<b><u>Income from:</u></b>			
Donations	<b>3</b>	1,255,786	2,029,808
		<hr/>	<hr/>
<b><u>Expenditure on:</u></b>			
Charitable activities	<b>4</b>	2,182,336	544,713
Other expenditure: foreign exchange gain		(237,636)	-
		<hr/>	<hr/>
<b>Total resources expended</b>		<b>1,944,700</b>	<b>544,713</b>
		<hr/>	<hr/>
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<b>(688,914)</b>	<b>1,485,095</b>
Fund balances at 1 January 2022		1,976,506	491,411
		<hr/>	<hr/>
<b>Fund balances at 31 December 2022</b>		<b>1,287,592</b>	<b>1,976,506</b>
		<hr/> <hr/>	<hr/> <hr/>

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

All income and expenditure derive from continuing activities.

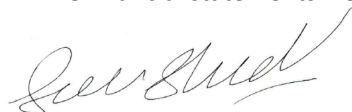
**SONEVA FOUNDATION**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 31 DECEMBER 2022**

	Notes	2022 £	£	2021 £	£
<b>Current assets</b>					
Cash at bank and in hand		1,328,408		1,988,873	
<b>Creditors: amounts falling due within one year</b>	<b>9</b>	<u>(40,816)</u>		<u>(12,367)</u>	
Net current assets			<u>1,287,592</u>		<u>1,976,506</u>
<b>Income funds</b>					
Unrestricted funds			<u>1,287,592</u>		<u>1,976,506</u>
			<u>1,287,592</u>		<u>1,976,506</u>

The financial statements were approved by the Trustees on 19 April 2024



S Shivdasani  
Trustee

**SONEVA FOUNDATION**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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		<b>2022</b>		<b>2021</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	<b>11</b>	(660,465)		1,493,262	
<b>Net cash used in investing activities</b>		-		-	
<b>Net cash used in financing activities</b>		-		-	
		<hr/>		<hr/>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		(660,465)		1,493,262	
Cash and cash equivalents at beginning of year		1,988,873		495,611	
		<hr/>		<hr/>	
<b>Cash and cash equivalents at end of year</b>		1,328,408		1,988,873	
		<hr/> <hr/>		<hr/> <hr/>	

## **1 Accounting policies**

### **Charity information**

Soneva Foundation is a charity registered in England and Wales. The registered address is 6th Floor Kings House, 9-10 Haymarket, London SW1Y 4BP.

### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

The charity is a public benefit entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

### **1.2 Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the 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 unless the funds have been designated for other purposes.

All charitable funds are unrestricted funds.

### **1.4 Incoming resources**

Income is recognised when the 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.

Income is derived from grants, donations and investment income.

Cash donations are recognised on receipt. Other donations are recognised once the the charity has been notified of the donation, unless performance conditions require deferral of the amount.

Income from grants is recognised when the Trust has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Interest is included when receivable by the Trust.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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**1 Accounting policies**

**(Continued)**

**1.5 Resources expended**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Resources expended are recognised in the period in which they are incurred and accounted for on an accruals basis.

Grant expenditure is recognised when committed.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements, including legal, audit fees and the costs of board meetings.

Where possible costs are allocated directly to the activities to which they relate. Support costs are allocated between charitable activities based on the apportionment of direct costs.

**1.6 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.7 Financial instruments**

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments'.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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**1 Accounting policies**

**(Continued)**

***Basic financial liabilities***

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the the charity's contractual obligations expire or are discharged or cancelled.

**1.8 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in net income/(expenditure for the period.

**2 Critical accounting estimates and judgements**

In the application of the the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

In the opinion of the Trustees there are no significant judgements or areas of estimation uncertainty.

**SONEVA FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**3 Donations**

	<b>Total Unrestricted funds 2022 £</b>	<b>Total Unrestricted funds 2021 £</b>
Carbon credits	372,532	1,023,940
Donations - Soneva Resort income	758,484	1,005,868
Donations - Coral Project	83,606	
Donations - Other	41,164	-
	<hr/>	<hr/>
	1,255,786	2,029,808
	<hr/>	<hr/>

SONEVA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Charitable activities

	Environment al Fund	Clean Water Project	Restaurants Against Hunger	Soneva Namoonaa	Care for Children	Total	Total
	2022	2022	2022	2022	2022	2022	2021
	£	£	£	£	£	£	£
<b>Support costs</b>							
Accountancy fees	4,045	284	90	81	-	4,500	5,604
Audit fees	5,573	392	123	112	-	6,200	3,200
Consultancy fees	42,010	2,951	928	844	-	46,733	60,631
Other costs	1,825	-	-	-	-	1,825	1,451
Bank charges	3,085	288	92	92	-	3,557	1,814
	56,538	3,915	1,233	1,129	-	62,815	72,700
Grant funding of activities (see note 5)	1,904,615	135,577	41,528	37,801	-	2,119,521	472,013
	1,961,153	139,492	42,761	38,930	-	2,182,336	544,713
<b>Analysis by fund</b>							
Unrestricted funds	1,961,153	139,492	42,761	38,930	-	2,182,336	544,713
	1,961,153	139,492	42,761	38,930	-	2,182,336	544,713
<b>For the year ended 31 December 2021</b>							
Unrestricted funds	448,075	6,547	46,563	26,021	17,507		544,713
	448,075	6,547	46,563	26,021	17,507		544,713

**SONEVA FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**5 Grants payable**

	Environment al Fund	Clean Water Project	Restaurants Against Hunger	Soneva Namoonaa	Total	Total
	2022	2022	2022	2022	2022	2021
	£	£	£	£	£	£
<b>Grants to institutions (24 grants):</b>						
Worldview Development	996,678	-	-	-	996,678	-
Envirofit	256,685	-	-	-	256,685	149,420
Eden Reforestation Projects	182,724	-	-	-	182,724	18,736
Island Fish Project	-	113,164	-	-	113,164	-
Plant a Million Corals	103,821	-	-	-	103,821	-
Mercy Corps	71,481	-	-	-	71,481	79,258
Coralive.org	67,899	-	-	-	67,899	117,708
Reefscapers	49,654	-	-	-	49,654	-
Actions Against Hunger UK	-	-	41,528	-	41,528	40,567
Sustain CERT	34,427	-	-	-	34,427	13,879
Bricketts	33,810	-	-	-	33,810	-
Hook-Up Solutions	4,830	-	-	25,791	30,621	-
Hornbill Research Foundation	21,909	-	-	-	21,909	8,904
Acquarum Connections	21,030	-	-	-	21,030	-
Systempack Manufaktur	18,914	-	-	-	18,914	-
Other	40,753	22,413	-	12,010	75,176	43,541
	<u>1,904,615</u>	<u>135,577</u>	<u>41,528</u>	<u>37,801</u>	<u>2,119,521</u>	<u>472,013</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

**6 Auditor's remuneration**

The auditor's remuneration constituted an audit fee of £6,200 (2021: £3,200).

**7 Trustees**

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

During the year expenses were reimbursed to the Trustees amounting to £nil (2021: £nil) in respect of travelling, subsistence and other expenses.

**8 Employees**

There were no employees during the year.

**9 Creditors: amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	3,499	-
Other creditors	-	6,167
Accruals and deferred income	37,317	6,200
	<u>40,816</u>	<u>12,367</u>

**10 Related party transactions**

**Remuneration of key management personnel**

The remuneration of key management personnel is as follows.

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Aggregate compensation	<u>23,000</u>	<u>31,693</u>

**SONEVA FOUNDATION****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****10 Related party transactions****(Continued)****Transactions with related parties**

During the year the the charity entered into the following transactions with related parties:

The charity received income of £758,484 (2021: £1,005,868) from Soneva resorts. The Trustees of the charity, S Shivdasani and E Malmstrom-Shivdasani are directors of the Soneva resorts and B Bromley is the CFO and Deputy CEO at Soneva resorts.

<b>11 Cash generated from operations</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
(Deficit)/surplus for the year	(688,914)	1,485,095
Movements in working capital:		
Increase in creditors	28,449	8,167
<b>Cash (absorbed by)/generated from operations</b>	<b>(660,465)</b>	<b>1,493,262</b>

**12 Analysis of changes in net funds**

The charity had no debt during the year.