

Charity Registration No. 1138811

SONEVA FOUNDATION
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023



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SONEVA FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	S Shivdasani E Malmstrom-Shivdasani B Bromley
Secretary	A Oines
Charity number	1138811
Principal address	6 O-NES Tower 10th Floor, Soi 6 Sukhumvit Road BANGKOK 10110 Thailand
Registered office	6th Floor Kings House 9-10 Haymarket London United Kingdom SW1Y 4BP
Independent examiner	Tim Saxton TC Group 6th Floor Kings House 9-10 Haymarket London United Kingdom SW1Y 4BP
Bankers	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 2023

The trustees present their annual report and financial statements for the year ended 31 December 2023.

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 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

Significant activities and achievements against objectives

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 ten years, together with our implementation partner Mercy Corps Myanmar.

2023 was a successful year despite the challenges posed by political instability, which made operations difficult. A total of 7,315 stoves were delivered to end-users. To encourage sales, we kept stove prices low, meaning they were largely subsidised. To date, 56,000 stoves have been distributed, benefitting 264,000 people. Additionally, 51,252 carbon credits were issued.

Forest Restoration

The Soneva Foundation supports projects that restore natural forests by planting a diverse range of native species. In 2023, our implementation partner, Eden Reforestation Projects, worked on three initiatives for us in Mozambique, the Philippines, and Nepal.

A key aspect of the project is the use of indigenous tree species, based on the mimbo forest type, which are planted by the local community. In 2023, 1.1 million trees were planted. To date, the Soneva Foundation has planted a total of 2.9 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's implementation partner Worldview International Foundation planted 1 million mangroves in 2023, restoring 400 hectares of mangrove forest. That takes the total mangroves planted in Myanmar to 2.5 million, restoring 1,000 hectares of mangrove forests.

The mangrove restoration project is being registered under VERRA and is expected to generate 750,000 carbon credits for the Foundation over a 25-year period.

Coral Propagation

Soneva Foundation Coral Restoration aims to restore precious coral reef systems, establishing a thriving coral hub in the Maldives. Based at the AquaTerra sciencentre in Soneva Fushi, Soneva Foundation operates the largest coral restoration facility in the Indian Ocean, featuring both in-situ and ex-situ capabilities.

- **One-Hectare Coral Nursery:** One of the world's largest, utilising Mineral Accretion Technology (MAT) to accelerate coral growth.
- **Coral Spawning and Rearing Lab:** The Maldives' first lab dedicated to coral spawning, replicating the natural conditions of a reef to promote coral reproduction.
- **Micro-Fragmenting Tanks:** Breaking healthy coral colonies into pieces, or micro-fragments, which rapidly accelerates growth.

In 2023, the Soneva Foundation enhanced its coral restoration facility by adding the Maldives' first Coral Spawning and Rearing Lab, as well as micro-fragmenting tanks.

To date, the coral team has rescued 30,500 coral colonies from a dredging project in the Maldives. The team has outplanted 12,500 coral colonies and is currently nurturing 2,630 coral micro-fragments.

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.

Four oriental pied hornbills were released in 2023 bringing the total to 8.

SONEVA FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Soneva Namoonaa

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

It engages directly with 15 islands across Baa Atoll, Noonu Atoll, and Haa Dhaalu Atoll. 448 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. It has prevented 753,534 plastic bottles from entering landfills or polluting oceans.

The 'Fehi Madharusa' (Green School) framework, co-developed with the Ministry of Education, expanded to 44 schools in 2023, furthering the integration of sustainable practices into educational curricula.

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 four years, we have helped 830 households improve their lives, positively impacting 3,910 people.

Financial review

The Soneva Foundation concluded the fiscal year 2023 in a positive financial position, with a balance of GBP 3,500. Income decreased by 82% from the previous year, amounting to GBP 231,000. This decline is primarily due to reduced donation inflows and the limited availability of carbon credits for sale.

Income Sources:

Historically, the Trust heavily relied on donations from Soneva resorts, constituting 78% of the total income in 2023. There is now a strategic effort to diversify income streams, with other donations increasing to 14%, up from 10% the previous year. Unfortunately, carbon credit sales were significantly lower due to both a sluggish carbon market and limited availability. We will continue to pursue this diversification strategy as a prudent approach to reducing dependency on any single source.

Expenditure and Investments:

The Trust entered 2023 with a solid cash balance, which enabled higher spending than income allowed. The main driver of this was substantial investment in the Myanmar Mangrove Restoration project. This initiative aims to restore degraded mangrove forests and generate carbon credits for future income, facilitating further investment in impactful projects.

SONEVA FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Reserves policy

Reserve Management:

The Trustees maintain a strategic goal of holding reserves equivalent to approximately three months of charitable expenditure. This level is considered sufficient to meet project and operational needs, as well as cover support and governance costs. However, the balance at the end of 2023, £3,500, was below this target. Recognising this shortfall, the Trustees plan to restore reserves by increasing income and avoiding new projects until the balance is regained.

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 2023 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 optimising 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 four 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.

Trustees

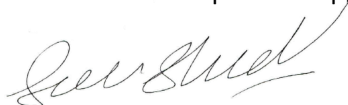
The Trustees in office during the year were as follows:

S Shivdasani

E Malmstrom-Shivdasani

B Bromley

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



S Shivdasani

Trustee

24 October 2024

SONEVA FOUNDATION

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF SONEVA FOUNDATION

I report to the trustees on my examination of the financial statements of Soneva Foundation (the charity) for the year ended 31 December 2023.

Responsibilities and basis of report

As the trustees of the the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the the charity as required by section 130 of the Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Tim Saxton FCA

6th Floor King's House
9-10 Haymarket
London
SW1Y 4BP

Dated: 24 October 2024

SONEVA FOUNDATION

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

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
<u>Income from:</u>			
Donations	2	231,341	1,255,786
		<hr/>	<hr/>
<u>Expenditure on:</u>			
Charitable activities	3	1,443,442	2,182,336
Other expenditure: foreign exchange (gain)/loss		72,024	(237,636)
		<hr/>	<hr/>
Total resources expended		1,515,466	1,944,700
		<hr/>	<hr/>
Net expenditure for the year/ Net movement in funds		(1,284,125)	(688,914)
Fund balances at 1 January 2023		1,287,592	1,976,506
		<hr/>	<hr/>
Fund balances at 31 December 2023		3,467	1,287,592
		<hr/> <hr/>	<hr/> <hr/>

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

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

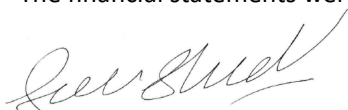
SONEVA FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Current assets					
Cash at bank and in hand		19,167		1,328,408	
Creditors: amounts falling due within one year	8	(15,700)		(40,816)	
Net current assets			3,467		1,287,592
The funds of the the charity					
Unrestricted funds	9		3,467		1,287,592
			3,467		1,287,592

The financial statements were approved by the trustees on 24 October 2024



S Shivdasani
Trustee

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 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 2023

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.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

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 and 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 Flow

The accounts do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash Flow Statements".

1.7 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.

1.8 Financial instruments

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

Financial instruments are recognised in the the charity's balance sheet when the 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies**(Continued)*****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.

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.

1.9 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 in the period are included in profit or loss.

2 Donations

	Total Unrestricted funds 2023 £	Total Unrestricted funds 2022 £
Carbon credits	18,988	372,532
Donations - Soneva Resort income	181,374	758,484
Donations - Coral Project	1,214	83,606
Donations - Other	29,765	41,164
	231,341	1,255,786

SONEVA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3 Charitable activities

	Environment al Fund	Clean Water Project	Restaurants Against Hunger	Soneva Namoonaa	Total	Total
	2023	2023	2023	2023	2023	2022
	£	£	£	£	£	£
Support costs						
Accountancy fees	3,217	35	48	-	3,300	4,500
Audit fees	-	-	-	-	-	6,200
Consultancy fees	62,528	674	931	-	64,133	46,733
Other costs	21,186	229	315	-	21,730	1,825
Bank charges	3,274	164	63	-	3,501	3,557
	90,205	1,102	1,357	-	92,664	62,815
 Grant funding of activities (see note 4)						
	1,316,970	14,196	19,612	-	1,350,778	2,119,521
	1,407,175	15,298	20,969	-	1,443,442	2,182,336
Analysis by fund						
Unrestricted funds	1,407,175	15,298	20,969	-	1,443,442	2,182,336
	1,407,175	15,298	20,969	-	1,443,442	2,182,336
For the year ended 31 December 2022						
Unrestricted funds	1,961,153	139,492	42,761	38,930		2,182,336
	1,961,153	139,492	42,761	38,930		2,182,336

SONEVA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

4 Grants payable

	Environment al Fund	Clean Water Project	Restaurants Against Hunger	Soneva Namoonna	Total	Total
	2023	2023	2023	2023	2023	2022
	£	£	£	£	£	£
Grants to institutions (16 grants):						
Worldview Development	690,359	-	-	-	690,359	996,678
Eden Reforestation Projects	167,596	-	-	-	167,596	182,724
Island Fish Project	-	10,356	-	-	10,356	113,164
Mercy Corps	115,467	-	-	-	115,467	71,481
Actions Against Hunger UK	-	-	19,612	-	19,612	-
Sustain CERT	45,462	-	-	-	45,462	49,654
Hornbill Research Foundation	14,137	-	-	-	14,137	41,528
Acquarum Connections	39,030	-	-	-	39,030	34,427
Plant a Million Corals	98,062	-	-	-	98,062	-
Reefscapers	59,732	-	-	-	59,732	25,791
Other	87,125	3,840	-	-	90,965	604,073
	<u>1,316,970</u>	<u>14,196</u>	<u>19,612</u>	<u>-</u>	<u>1,350,778</u>	<u>2,119,521</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

5 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 (2022: £nil) in respect of travelling, subsistence and other expenses.

6 Employees

There were no employees during the year (2022 - Nil).

7 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

8 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	-	3,499
Accruals and deferred income	15,700	37,317
	<u>15,700</u>	<u>40,816</u>

9 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2023	Incoming resources	Resources expended	At 31 December 2023
	£	£	£	£
General funds	1,287,592	231,341	(1,515,466)	3,467
	<u>1,287,592</u>	<u>231,341</u>	<u>(1,515,466)</u>	<u>3,467</u>
Previous year:	At 1 January 2022	Incoming resources	Resources expended	At 31 December 2022
	£	£	£	£
General funds	1,976,506	1,255,786	(1,944,700)	1,287,592
	<u>1,976,506</u>	<u>1,255,786</u>	<u>(1,944,700)</u>	<u>1,287,592</u>

SONEVA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

10 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2023	2022
	£	£
Aggregate compensation	31,184	23,000
	<u> </u>	<u> </u>

Transactions with related parties

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

The charity received income of £181,374 (2022: £758,484) 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.