

Charity number: 1140672

**THE MADRINHA TRUST
UNAUDITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

RPG Crouch Chapman LLP
Chartered Accountants & Statutory Auditor
14-16 Dowgate Hill
London
EC4R 2SU

THE MADRINHA TRUST

CONTENTS

	Page
Reference and administrative details of the Charity, its Trustees and advisers	1
Trustees' report	2 - 10
Trustees' responsibilities statement	11
Independent examiner's report	12
Statement of financial activities	13
Balance sheet	14
Notes to the financial statements	15 - 29

THE MADRINHA TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees	J Geoghegan, Chairman S C Mckeand-Han, Legal Advisor C Chanda W Dear G Dibiase V Kyte E Patsalos C V Pocock A Singh S Haidry
Charity registered number	1140672
Principal office	c/o RPG Crouch Chapman LLP 14-16 Dowgate Hill London EC4R 2SU
Principal operating office	c/o RPG Crouch Chapman LLP 14-16 Dowgate Hill London EC4R 2SU
Treasurer	Tom Morrell
Accountants	RPG Crouch Chapman LLP 14-16 Dowgate Hill London EC4R 2SU
Bankers	HSBC Church Street Weybridge Surrey KT13 8DF
Solicitors	Thomson Snell & Passmore 3 Lonsdale Gardens Tunbridge Wells TN1 1NX
Investment Adivser	Veritas Investment Management LLP 90 Long Acre London WC2E 9RA
Independent Examiner	Jeremy Tyrrell RPG Crouch Chapman LLP 14-16 Dowgate Hill London EC4R 2SU

THE MADRINHA TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees of The Madrinha Trust present their annual report as Trustees together with the financial statements of the The Madrinha Trust for the 1 January 2022 to 31 December 2022 as required by Charity regulations and legislation.

Structure, governance and management

a. Constitution

The Madrinha Trust is a registered charity, number 1140672, and is constituted under a Trust deed. The trust is registered with the Charity Commission in England and Wales.

There are no restrictions in the governing document on the operation of the charity or on its investment powers other than those imposed by general charity law.

b. The Trustees

The trustees who served the charity during the year were as follows:

J Geoghegan (Chairman)
S C Mckeand-Han (Legal Advisor)
Dr C Chanda
W Dear
E Patsalos
C Pocock
V Kyte
A Singh
G Dibiase
S Haidry

All trustees give their time freely and no trustee remuneration was paid in the year.

c. The methods adopted for the recruitment and appointment of new trustees

The minimum number of trustees for the charity is three. Any additional trustees must be appointed by resolution of the trustees and must indicate their willingness to act as a trustee of the charity before he or she may act as such.

d. Policies adopted for the induction and training of Trustees

There is no formal procedure for the induction and training of trustees laid down in the Trust deed. Trustees will have long standing business experience or direct experience of charitable education provision in the developing world. All trustees will be given and directed to guidance for trustees issued by the Charities Commission in order to help them understand their duties and responsibilities as a trustee of the charity

e. The organisational structure of the charity and how decisions are made

The trust is managed by trustees. The trust deed stipulates that at least two meetings are held per year. During 2022, three trustee meetings were held.

The trustees have prodedural powers in relation to decision making to:

- (a) Appoint a chairman, treasurer and other honorary officers;
- (b) Delegate any of their functions to a committee, which must consist of two or more persons, the majority of which must also be trustees;
- (c) Make rules to govern the proceedings of trust meetings and committees;
- (d) Make regulations to govern the administration of the charity including the use and application of the income, property and funds, the operation of bank accounts and the committment of funds.

THE MADRINHA TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Structure, governance and management (continued)

The following officers are currently in place: chairman, treasurer and legal advisor who all support and advise the trustees. Decisions at trustee meetings are determined by a simple majority of the votes cast at a meeting of the trustees.

f. The major risks to which the charity is exposed and reviews and systems to mitigate risks

The trustees identify the major risks to which the charity is exposed each financial year when preparing and updating a strategic plan, in particular those related to the operations and finances of the charity. The trustees then review any major risks, which have been identified, and establish systems to mitigate those risks. The charity is satisfied that the systems are in place to mitigate their exposure to the major risks which have been so identified and reviewed.

g. Financial Risk Management Objectives and Policies

The main financial risks arising from the charities activities are credit/ liquidity and fraud risk and other risks as described below.

Liquidity Risk

The charity prepares regular forecasts and reports to its members on a quarterly basis. The board of trustees approve the forecasts and signs off the year end accounts. The charity understands its cash flow requirements and its policy is to maintain sufficient funds in a liquid form at all times to ensure that the charity can meet its liabilities as they fall due. The charity is not reliant on grants and donations.

Other risks/ fraud risk

The charity is not exposed to risks involved in fundraising because its activities are supported by income from investment capital.

The charity is exposed to risk from misappropriation of funds or mismanagement of its investments but has made contracts with Veritas Investment Management LLP and SEI Investments (Europe) Ltd in which any loss caused by them in this manner would constitute a breach and be remediable in law.

The charity is exposed to misappropriation of grants. It controls this by seeking receipts and verifying use of funds wherever possible, for example, by attendance reports from the school that a student has attended.

The charity relies on its investments delivering income and value growth to fund future activities. As with any investment, there is a risk that the value declines, this is mitigated through the appointment of a professional investment manager, Veritas Investment Management LLP, to manage the portfolio.

h. Relationships with other groups, charities and individuals

The charity recognises that there is much activity already in the area of improving education in the developing world. The Madrinha Trust aims to complement rather than compete with existing organisations and as stated in the charity's development plan aims to ensure that funds are not spent on any infrastructure costs of those organisations and that funds are additional to rather than a replacement of existing funds.

Up to the end of 2022 the Charity had established relationships with 12 other charitable organisations through which grants to Mentees are made. The relationships currently existent are:

- a) Tana River Life Foundation (TRLF) is a Charitable Trust set up by Gabriel Teo Kian Chong on 13th December 2005 in Mombasa, Kenya. Gabriel has been living and working in Tana River District, Kenya since 1995. The Foundation was set up with the objective of assisting the marginalized through education and acquisition of livelihood skills.
- b) Al-Quds Foundation for Medical Schools in Palestine (FQMS) was formed in 1997 as a UK registered charity to support medical education in Palestine.

THE MADRINHA TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Structure, governance and management (continued)

- c) KHULA (formerly the David Rattray Foundation) which means to Grow or to Prosper. The David Rattray Foundation was founded originally in 2007. KHULA works closely with communities and schools in Umzinyathi District of KwaZulu Natal, South Africa in providing the resources, skills and opportunities that the pupils need to succeed in life.
- d) Rwanda Aid operates in the remote south-west of Rwanda, in the districts of Rusizi and Nyamasheke. The aim is to support the vulnerable and disadvantaged, especially children, helping them to develop the skills and knowledge to build a better future for themselves, their families and their community.
- e) The Himalayan Youth Foundation (HYF) works to improve the education, health and living conditions of orphaned, semi-orphaned and disadvantaged children and young people aged 6 - 25 living in the Himalayan region.
- f) Kenya Kesho is a very small educational charity having a huge impact on a very local, disadvantaged community in Kwale County of Southern Kenya. Kwale County came second to bottom in the national educational league tables in the latest National assessments
- g) Commonwealth Girls Education Fund (CGEF), based in the United Kingdom, provides sponsorship grants to girls for secondary or high school education where this otherwise might not be possible.
- h) Teach the Nation: Through its Fellowship scheme, Teach the Nation seeks to develop students and to help them to reach their full potential and make them ready for their future career.
- i) Edu Fun, based in South Africa, is a volunteer-led non-for profit organisation working with the Diepsloot Combined School in the township of Diepsloot on the northern outskirts of Johannesburg, South Africa.
- j) Make A Difference Leadership Foundation (MAD Leadership Foundation), based in South Africa, shares a vision to develop academically talented scholars with leadership potential into future leaders for South Africa. Make A Difference Leadership Foundation NPC was formed in 2003 to realise this ambition to transform South Africa – one scholar at a time.
- k) TEST (The Tertiary Education Scholarship Trust) for Africa, based in Malawi, Tanzania and Uganda. In the late 1960s at Oxford University Keith Lloyd was at Linacre College, which was gender neutral with some 50% of the students from non-UK countries. Prof. Hagan was at Linacre at the same time and little did they know that they would meet again some 40 years later! The Linacre experience left them both with a profound sense of the value of education in future advancement of society. Almost 20 years ago, Keith and his wife, Marjorie, with the help of the UK government through the DFID scheme created a series of Scholarships (Norman & Ivy LLOYD and LLOYD Scholars) for very bright, financially needy African students to pursue one year Masters studies in subjects which would enhance the social and economic development of their countries of origin. Since then we have some 30 to 40 successful "sons and daughters" who are back in Africa making significant contributions to their communities.
- l) Saigon Children is a Vietnamese charity that enables disadvantaged children and young adults in Vietnam to reach their full potential through receiving a quality education that is relevant to their needs.

The characteristics of our partner charities are as follows:

- Our partner charities have effective presence in the countries in which they operate, and a working knowledge of their individual educational, political and economic settings.
- We have easy access to a named individual within our partner charity who is responsible for responding to our queries, allaying any concerns and is amenable to being guided in our ethos, requirements and targets.
- Our partners are financially stable, have other sources of income and are not dependent on our funding.

THE MADRINHA TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Structure, governance and management (continued)

- Our partners participate in our interactive sessions and celebrate the success of our mentees.
- Our partner charities actively participate in recommending and recruiting suitable mentors, who are familiar with their region or country of operation.

Objectives and activities

a. A summary of the objects of the charity as set out in its governing document

The Trust deed of the charity was created on 1 February 2011 on funds settled by Michael Francis Geoghegan, the first three trustees being named as Jania Geoghegan, Maya Sanbar and Amrit Singh. The Trust deed outlines the objectives of the charity, the powers of the trustees and procedures for their appointment, rules for the proceedings of trustees and their procedural powers, requirements for records and accounts and procedures for the amalgamation and dissolution of the charity.

The objectives of the charity are the advancement of education and the relief of poverty by the provision of funds and financial assistance to educational and other projects anywhere in the world, but with a particular focus on Africa and the developing world.

Selected projects should aim to improve education, relieve poverty and improve the conditions for socially and economically disadvantaged people and communities.

b. Public benefit that is provided by the charity

Throughout the financial year the main objective of the charity continued to be to identify young people in the developing world and support them through their education as well as supporting those students currently sponsored by the charity.

The charity believes that the provision of a support structure to ensure that a young person receives an adequate education is a very important step in ensuring that a young person, their family and ultimately their community can lift themselves out of poverty.

The trustees of the charity have been directly involved in mentoring selected individuals so that they can assist them with their paths and ensure, as far as possible, that the recipients use their talents and education for the benefit of their native country.

In framing the objectives of the charity, the trustees have had regard to the general guidance issued by the Charity Commission on public benefit, including guidance on the prevention and relief of poverty for the public benefit.

c. The charity's aims including the changes or differences it seeks to make through its activities

The charity's vision is to develop future leaders of the developing world. This will be achieved by providing educational funding for disadvantaged young people with leadership ability and providing individually tailored support for their development, encouraging an open mentoring relationship to boost their confidence and creating an avenue for exploring the opportunities open to them.

The charity is committed to providing access to education for the young people in its programme by paying school and tertiary education fees. In addition, the charity will provide ancillary services to the Mentees such as books, uniforms and travel and subsistence allowances to bridge the gap between school and university and facilitate work experience in any gap year periods.

THE MADRINHA TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Objectives and activities (continued)

In order to maximise the benefit of any education that it provides, the charity believes that mentoring and guidance is an important part of the education process. The charity also aims to provide Mentees with access to a Mentor who will offer long term support, guidance and encouragement to enable Mentees to pursue their personal goals and ambitions.

The charity has a wide discretion in its powers and can help the education process in several ways. This could also include assisting and funding research to create an economic plan for a country, provide funds for the education of potential leaders, as well as helping build the educational structure in third world countries.

d. An explanation of the charity's main objectives for the year

During 2022 the objective of the charity remained to expand its base of mentors and to develop and strengthen links with sponsoring partners with the aim of increasing the number of children receiving educational support.

The charity has also actively looked to strengthen the administration, mentoring offering and marketing of the charity.

e. An explanation of the charity's strategies for achieving its stated objectives

The Madrinha Trust plans to spend its endowment over 20 years in line with its Development Plan. This plan outlines the charity's strategies for achieving its stated objectives that have been followed during the year which broadly are:

1. Find suitable beneficiaries

Following approvals made at Trustee meetings the charity has supported or will provide support to a total of 60 Mentees whose educational expenditure has been approved.

The Mentees of the Trust:

- are High Achievers who very often have no positive role models within their local communities.
- are from disadvantaged backgrounds and often the first within their families to aspire to higher education. Without the Trust support, they will be unlikely to further their education in spite of having great potential.
- have the potential to become leaders in various fields and within their communities. Our mentors continue to guide them to recognise this potential and fulfil it.
- have strong commitments to give back and 'pay forward' to their communities and to contribute to making the wider world better for others. Accepting a mentored funding agreement which incorporates a strong personal statement of 'give-back commitment' is essential to the commencement and continuation of our relationship.
- are able and willing to communicate their needs, goals (short, medium and long) and their challenges to their mentors. Their mentors will keep working with them to find suitable solutions.

2. Mentor the beneficiaries

Before the approval of any financial support the Mentees have to agree to participation in the mentoring process. Each of the approved mentees has been allocated a Mentor and the communication and support process has started.

To ensure that the Mentees are paired with a Mentor from whom they can benefit and to ensure the ongoing quality of the Mentoring process, the charity holds regular Mentoring workshops. The sessions sometimes involve the participation of other Mentoring charities with the objective of this collaboration being to help the Madrinha Trust develop its own best practice and provide the opportunity for the Mentors to share and learn from each other's successes.

THE MADRINHA TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Objectives and activities (continued)

The overall objective remains to ensure that Mentors are paired with a suitable Mentees and to coach the skills required to be a successful Mentor, the records that need to be kept of communications, guidelines for Mentees, evaluation techniques and how to report success.

Madrinha places great value on the role of Mentor being performed to as high a standard as possible to ensure that the process is carried out for the maximum benefit of Mentees. Therefore, a Mentoring handbook has been published and is issued to all Mentors. The Mentoring handbook contains the Madrinha Trust's core values, the roles and responsibilities of Mentors, rights and responsibilities of Mentees, steps in the mentoring process, record keeping requirements, the requirement for a filter in the mentoring process, tips on letter writing and developing relationships as well as guidance in the case of problems.

The charity now has 68 Mentors and to help with the administration process and in addition to the Mentoring handbook has issued a Mentoring summary, five mentoring tools as well as developing a Mentoring agreement to ensure that all parties are clear what is expected of them.

- Our mentors are professionals in various fields who understand the value of their gift of time to support a mentee.
 - They have an affinity for either the mentee's country, subject of study or aspirations; very often all three.
 - Our mentors have an understanding of the mentees' circumstances, environment, and educational system and are empathetic.
 - Our mentors attend interactive sessions and actively strive to understand and mentor in line with the Trust's ethos.
 - Our mentors often have language skills that make communicating with the mentees both easier and more enjoyable for the mentee.
3. Complete its mission
- Madrinha will create an alumni association for its "graduates" who have completed the formal period of education and mentoring.
 - It will hold a webinar every alumnus can share experiences and ideas.
 - It will create on-line closed communications for Mentees and for Mentors.
 - Madrinha will take on sufficient beneficiaries so that its funds are mainly used up by 2030.
 - At this stage the alumni association could appeal to alumni to maintain their association from their own contributions and offer their services as mentors through and for other organisations.
4. Marketing the charity

The charity has been marketed by:

- Use of its website with Mentor profiles and videos from Mentees. the address is www.madrinha-trust.org
- A Facebook page.
- A LinkedIn page with connections to mentees, mentors and "on the ground co-ordinators".
- A regular Madrinha trust newsletter issued to Mentees, Mentors and supporters of the charity.
- An annual report detailing the work of the charity during the year.

THE MADRINHA TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Achievements and performance

a. Charitable activities during the year

Applications have now been considered and approved from 71 Mentees in 11 countries. The trustees have the intention to make payments over the years from 2022 to 2027 of £908,400 (2021: £557,755).

This includes a total of £239,505 which was committed to during 2022 (2021: £179,870) bringing total costs for educational fees and other support to £1,995,061.

b. Fundraising activities

During the course of the year the charity has continued to be funded by the original expendable endowment of a gift of shares given by Mr M F Geoghegan.

c. Investment performance achieved against investment objectives set

The trustees have adopted a statement of investment principles which are described in the section of the trustees' report relating to investment policies and objectives.

The market investments are held by Veritas Investment Management LLP who issue a monthly valuation report. In addition, the charity Treasurer and a trustee hold a meeting with Veritas Investment Management LLP on an annual basis unless circumstances require greater frequency.

Financial review

a. Policies on reserves

At the end of December 2022, the Charity has £398,448 (2022: £803,842) of funds and has powers in its trust deed to use its capital over the lifespan of the charity (expected to be twenty years) to support its charitable aims.

b. Principal funding sources and how expenditure in the year under review has supported the key objectives of the charity

The charity has also been funded, as permitted in its trust deed, primarily by drawing down cash from the investment portfolio managed by Veritas Investment Management LLP which has been used to support the charity's activities during the year. By the end of December 2022, a total of £2,367,000 (2021: £2,132,000) had been drawn down from Veritas.

c. The investment policy and objectives, including the extent (if any) to which social, environmental or ethical considerations are taken into account

1. Background

The Charity is an unincorporated charity, given initial funding in the form of £1.9m in HSBC shares donated by Mr M F Geoghegan.

The shares were immediately put into an investment fund held by SEI Investments (Europe) Ltd and managed by Veritas Investment Management LLP, who actively manage the share portfolio of the Charity.

Veritas Investment Management LLP issue a monthly share valuation and in addition the Charity Treasurer and Chairman hold meetings with the fund managers to discuss and review the charity's portfolio.

THE MADRINHA TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

During the course of the year the value of the funds under management decreased from £2.255m to £1.844m. The performance is analysed in the table below.

	2022
	£
Brought forward	2,255
Purchases	-
Sales	(229)
Realised and unrealised losses	(182)
Carried forward	1,844

2. Investment Objectives

In order to guide the investment strategy, the board of trustees has adopted the following objectives with respect to investments:

- The day to day management of investments is undertaken by professional investment managers on a discretionary basis.
- The trust wishes to maximise the returns on all its investments, commensurate with its defined level of risk, whilst adhering to the general principles of trust law for charitable investment portfolios.

At 31 December 2022, 95% of the portfolio was held in equities and 5% in fixed interest securities.

3. Risk

The assets of the charity will be exposed to various financial risks. The board has considered the following risks when agreeing their strategy:

- The risk that investments will not deliver the increases in real capital or income values expected.
- The risk that the investment managers will not achieve the returns projected.

4. Investment Strategy

The strategy adopted is that:

- Investments are held to create real returns over the investment horizon of five years plus through both dividend and interest income and capital growth. The Development Plan assumes a real return of 2%.
- The trustees are willing to accept a medium risk approach in the achievement of their objectives.
- The long term indicative guideline asset allocation will be 60% equities and 40% bonds/ cash/ equivalents.
- There will be 18,000 HSBC shares included in the share portfolio.

5. Ethical Position

The charity has issued no ethical guidelines to Veritas Investment Management LLP.

6. Day to day management

The trustees have appointed Veritas Investment Management LLP as the investment manager to manage the trust's investment portfolio. The investment manager will exercise its investment powers to achieve the trust's objectives with the appropriate level of diversification as directed in section 3.12 of the Charitable Trust deed. In addition, the charity Treasurer and a trustee hold a meeting with Veritas Investment Management LLP on an annual basis unless circumstances require greater frequency.

THE MADRINHA TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

d. Availability and adequacy of assets of each of the funds

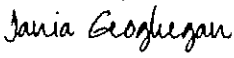
The board of trustees is satisfied that the charity's assets in each fund are available and adequate to fulfil its obligations in respect of each fund.

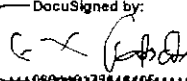
e. Transactions and Financial position

The Statement of Financial Activities shows net outgoing resources for the year of £223,717 (2021: £272,268) prior to net losses on investments of £181,677 (2021: net gains of £318,074), resulting in net outgoing resources of £405,394 (2021: net incoming resources of £45,806).

The total reserves at the period end stand at £398,448 (2021: £803,842).

Approved by order of the members of the board of Trustees and signed on their behalf by:

DocuSigned by:

.....9D518E3A248048D.....
J Geoghegan
Trustee

DocuSigned by:

.....090740773848405.....
E Patsalos
Trustee

Date: 25 October 2023 | 12:30 AM PDT

THE MADRINHA TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2022


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 & 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 Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on its behalf by:

DocuSigned by:

BD518E3A246049D.....
J Geoghegan
Trustee

DocuSigned by:

6334A8175646A06.....
E Patsalos
Trustee

Date: 25 October 2023 | 12:30 AM PDT

THE MADRINHA TRUST

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Independent examiner's report to the Trustees of The Madrinha Trust ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 December 2022.

Responsibilities and basis of report

As the Trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

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

Independent examiner's statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

Your attention is drawn to the fact that the Charity has prepared the accounts in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.


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

1. accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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 accounts to be reached.

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed:

 Dated: 30/10/2023

Jeremy Tyrrell FCA

14-16 Dowgate Hill, London, EC4R 2SU

THE MADRINHA TRUST

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Endowment funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income and endowments from:					
Donations and legacies	3	-	14,081	14,081	-
Investments	4	3,962	-	3,962	5,039
Other income	5	-	133,161	133,161	-
Total income and endowments		3,962	147,242	151,204	5,039
Expenditure on:					
Raising funds	6	(810)	(3,914)	(4,724)	1,857
Charitable activities	8	-	379,645	379,645	275,450
Total expenditure		(810)	375,731	374,921	277,307
Net income/(expenditure) before net (losses)/gains on investments		4,772	(228,489)	(223,717)	(272,268)
Net (losses)/gains on investments		(30,912)	(150,765)	(181,677)	318,074
Net (expenditure)/income		(26,140)	(379,254)	(405,394)	45,806
Transfers between funds	19	(154,243)	154,243	-	-
Net movement in funds		(180,383)	(225,011)	(405,394)	45,806
Reconciliation of funds:					
Total funds brought forward		496,111	307,731	803,842	758,036
Net movement in funds		(180,383)	(225,011)	(405,394)	45,806
Total funds carried forward		315,728	82,720	398,448	803,842

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


The notes on pages 15 to 29 form part of these financial statements.

THE MADRINHA TRUST

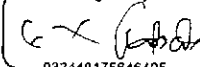
BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	12	1,844,469	2,255,146
		<u>1,844,469</u>	<u>2,255,146</u>
Current assets			
Debtors	13	18,770	6,406
Cash at bank and in hand		14,989	84,990
		<u>33,759</u>	<u>91,396</u>
Creditors: amounts falling due within one year	14	(294,428)	(1,271,504)
Net current liabilities		<u>(260,669)</u>	<u>(1,180,108)</u>
Total assets less current liabilities		<u>1,583,800</u>	<u>1,075,038</u>
Creditors: amounts falling due after more than one year	16	(1,185,352)	(271,196)
Total net assets		<u><u>398,448</u></u>	<u><u>803,842</u></u>
Charity funds			
Endowment funds	19	315,728	496,111
Unrestricted funds	19	82,720	307,731
Total funds		<u><u>398,448</u></u>	<u><u>803,842</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

DocuSigned by:


J Geoghegan
 Trustee

DocuSigned by:


E Patsalos
 Trustee

Date: 25 October 2023 | 12:30 AM PDT

The notes on pages 15 to 29 form part of these financial statements.

THE MADRINHA TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Madrinha Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy. The trustees confirm their explicit and unreserved compliance with the above legislation.

The financial statements have been prepared in Sterling and all amounts have been rounded to the nearest £.

1.2 Going concern

It is the opinion of the Trustees that the use of the going concern basis of accounting is appropriate because:

- there are no material uncertainties relating to events or conditions that may cast significant doubt about the ability of the charity to continue as a going concern;
- there is reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, this being at least 12 months from the date on which the balance sheet was signed
- Mr Geoghegan has confirmed to support the charity for the foreseeable future

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

The charity is substantially funded by an expendable endowment and it is the policy of the board of trustees to carefully monitor the application of those funds in accordance with the restrictions placed upon them.

Investment income, gains and losses are allocated to the appropriate fund.

THE MADRINHA TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies (continued)

1.4 Income

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 and grants receivable are taken into account when received by the charity. Income received in circumstances where a claim for repayment of tax has been made or will be made to HM Revenue and Customs is grossed up for the tax recoverable. Any amounts of tax reclaimed from HM Revenue and Customs but not yet received is shown within the charity's debtors.

Donations are recognised when they have been communicated in writing with notification 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 these 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 year..

Dividends are included in the income and expenditure account when they are disclosed on a statement of investment valuation, issued monthly by Veritas Investment Management LLP.

1.5 Expenditure

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, including irrecoverable VAT, is accounted for on an accruals basis. All expenses, including support and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. 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. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled conditions attaching to that grant are outside of the control of the charity.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT. Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

1.6 Interest receivable

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 institution with whom the funds are deposited.

THE MADRINHA TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies (continued)

1.7 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.8 Allocation of support and governance costs

Support costs have been differentiated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to the independent examination and legal fees together with an apportionment of overhead and support costs relating to trustees meetings..

1.9 Charitable activities

The expenditure on charitable activities includes grants made, governance costs and an apportionment of support costs as shown in the notes.

1.10 Unrealised and realised gains and losses

Realised gains and losses are included in the accounts on the date at which a contractual obligation is entered into.

Unrealised gains and losses are computed by reference to the market value of the investments at the balance sheet date, compared to the brought forward cost or valuation, and gains and losses arising on similar categories of investments are netted off.

1.11 Investments

Fixed asset investments are listed investments which have been included in the balance sheet at the value stated on the Veritas Investment Management LLP statement at 31 December, the last statement issued in each financial year. Investments are shown at the mid-market value.

1.12 Reserves

Any unrestricted funds held are regularly monitored with the intention of using them to forward the charity's objectives.

The reserves policy is regularly assessed by the trustees for appropriateness.

1.13 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

THE MADRINHA TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies (continued)

1.14 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.15 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Creditors and provisions are normally recognised at transaction value. They are subsequently measured at amortised cost using the effective interest method, except where the effect of discounting would be immaterial. In such cases, creditors are stated at transaction value.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the statement of financial activities as a finance cost.

Long and short term mentee accruals are based on constructive, rather than legal, obligations.

1.16 Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets or financial liabilities. The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value. They are subsequently measured at amortised cost using the effective interest method, except where the effect of discounting would be immaterial, in which case they are stated at cost (less impairment, where appropriate).

1.17 Grant making policy

The charity makes grants for educational expenditure to young people in the developing world, especially in Africa.

Either through recommendation from a sponsoring organisation or directly, candidates make an application to the charity which should include the ongoing costs of education. The candidates must agree to participate in the charity's mentoring process, to communicate with Mentors and record and share progress. Applications are subject to phone interviews, reviewed and approved at trustees meetings.

Grants to successful applicants are paid on production of supporting documentation for educational fees. Grants will be made to cover the full length of both secondary and post-secondary education and grants will be paid annually for as long as education continues. The performance grades of Mentees and commitment to the Mentoring process is monitored. A grant programme could be terminated for performance below the expected standard.

Educational grants are recognised in full in the accounts for the entire period of education to be supported at the time that the grant is approved by the trustees. Grants are paid annually with the amount paid being deducted from the total grant provision, any adjustment being made for changes to the total expected cost of education over the life of the grant. Should any student not finish the full period of education covered by the grant, any balance of grant provision will be written back to the accounts in the period in which the support ended.

THE MADRINHA TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The trustees are of the opinion that the following estimates and assumptions may carry a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Discount Rates for long term loans and accruals

The discount rate applied for long term mentee accruals is based on an estimate or expectation of the average inflation over the life of the accrual.

The discount rate applied for the long term loan received from M Geoghegan is based on an estimated interest rate of a similar loan, ie base rate plus 1%.

3. Income from donations and legacies

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	14,081	14,081	-

4. Investment Income

	Endowment funds 2022 £	Total funds 2022 £
Dividends and interest	3,962	3,962

	Unrestricted funds 2021 £	Total funds 2021 £
Dividends and interest	5,039	5,039

THE MADRINHA TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Capital Contribution arising from loan interest foregone	133,161	133,161	-

6. Investment management costs

	Endowment funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Investment management costs	(810)	(3,914)	(4,724)

	Endowment funds 2021 £	Total funds 2021 £
Investment management costs	1,857	1,857

7. Analysis of grants

	Grants to Individuals 2022 £	Total funds 2022 £
Grants, Grant giving and mentee support	337,614	337,614

	Grants to Individuals 2021 £	Total funds 2021 £
Grants, Grant giving and mentee support	232,238	232,238

THE MADRINHA TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Total 2022 £
Grant giving and mentee support	379,645	379,645
	<u>379,645</u>	<u>379,645</u>
	<i>Unrestricted funds 2021 £</i>	<i>Total 2021 £</i>
Grant giving and mentee support	275,450	275,450
	<u>275,450</u>	<u>275,450</u>

9. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Grant funding of activities 2022 £	Support costs 2022 £	Total funds 2022 £
Grant giving and mentee support	28,141	337,614	13,890	379,645
	<u>28,141</u>	<u>337,614</u>	<u>13,890</u>	<u>379,645</u>
	<i>Activities undertaken directly 2021 £</i>	<i>Grant funding of activities 2021 £</i>	<i>Support costs 2021 £</i>	<i>Total funds 2021 £</i>
Grant giving and mentee support	29,953	232,238	13,259	275,450
	<u>29,953</u>	<u>232,238</u>	<u>13,259</u>	<u>275,450</u>

THE MADRINHA TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Grant giving and mentee support 2022 £	Total funds 2022 £
Staff costs	24,147	24,147
Bank and other charges	1,673	1,673
Travel and subsistence	40	40
IT and software costs	30	30
Admin and office costs	149	149
Gifts and entertainment	2,102	2,102
	<u>28,141</u>	<u>28,141</u>
	Grant giving and mentee support 2021 £	Total funds 2021 £
Staff costs	25,068	25,068
Bank and other charges	1,481	1,481
Travel and subsistence	785	785
IT and software costs	19	19
Admin and office costs	2,232	2,232
Gifts and entertainment	368	368
	<u>29,953</u>	<u>29,953</u>

THE MADRINHA TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Grant giving and mentee support 2022 £	Total funds 2022 £
IT and software costs	939	939
Admin and office costs	4,497	4,497
Governance costs	8,454	8,454
	<u>13,890</u>	<u>13,890</u>
	Grant giving and mentee support 2021 £	Total funds 2021 £
IT and software costs	1,075	1,075
Admin and office costs	4,888	4,888
Governance costs	7,296	7,296
	<u>13,259</u>	<u>13,259</u>

10. Staff costs

	2022 £	2021 £
Wages and salaries	23,625	23,625
Social security costs	-	1,023
Contribution to defined contribution pension schemes	522	420
	<u>24,147</u>	<u>25,068</u>

The average number of persons employed by the Charity during the year was as follows:

	2022 No.	2021 No.
Administration and support	<u>1</u>	<u>1</u>

THE MADRINHA TRUST**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****10. Staff costs (continued)**

No employee received remuneration amounting to more than £60,000 in either year.

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 December 2022, no Trustee expenses have been incurred (2021 - £NIL).

12. Fixed asset investments

	Listed investments £	
Cost or valuation		
At 1 January 2022	2,255,146	
Disposals	(229,000)	
Revaluations	(181,677)	
	<hr/>	
At 31 December 2022	1,844,469	
	<hr/> <hr/>	
Net book value		
At 31 December 2022	1,844,469	
	<hr/>	
At 31 December 2021	2,255,146	
	<hr/> <hr/>	
Breakdown of gains/ (losses)		
	2022	2021
	£	£
Realised gains/ (losses)	(20,859)	20,508
Unrealised gains/ (losses)	(160,818)	297,567
	<hr/>	<hr/>
	(181,677)	318,075

THE MADRINHA TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

13. Debtors

	2022	2021
	£	£
Due within one year		
Other debtors	327	327
Prepayments and accrued income	18,443	6,079
	<u>18,770</u>	<u>6,406</u>

14. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	4,253	4,253
Other creditors	-	1,000,000
Accruals	290,175	267,251
	<u>294,428</u>	<u>1,271,504</u>

15. Accruals: Amounts falling due within one year

Accrued educational expenses	284,895	256,295
Other accrued expenses	5,280	10,956
	<u>290,175</u>	<u>267,251</u>

THE MADRINHA TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

16. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Other creditors	866,839	-
Accrued educational expenses	318,513	271,196
	<u>1,185,352</u>	<u>271,196</u>

Accrued educational expenses have been calculated at amortised cost using a discount rate of 5.5% (2021: 3%).

Other creditors represent a £1m loan advanced by M Geoghegan in 2021. The loan is interest free and was originally repayable on demand. However, the terms of the loan have been amended such that repayment date is extended to August 2026 at which point the full £1m loan is due to be repaid. In line with accounting standards, the loan has been discounted at base rate plus 1%.

17. Financial instruments

	2022 £	2021 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>1,844,469</u>	<u>2,255,146</u>

Financial assets measured at fair value through income and expenditure comprise the charity's investment portfolio.

18. Related party transactions

There were no related party transactions during the year. However, during the previous year an interest free loan of £1 million was received from Michael Geoghegan, who is related to J Geoghegan (trustee). This loan became a long term loan in 2022. Details are disclosed in Note 16.

THE MADRINHA TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

19. Statement of funds

Statement of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
Unrestricted funds						
Designated funds						
Designated Fund	80,757	-	-	(80,757)	-	-
General funds						
General Funds	226,974	147,242	(375,731)	235,000	(150,765)	82,720
Total Unrestricted funds	307,731	147,242	(375,731)	154,243	(150,765)	82,720
Endowment funds						
Endowment Fund	496,111	3,962	810	(154,243)	(30,912)	315,728
Total of funds	803,842	151,204	(374,921)	-	(181,677)	398,448

The endowment fund is expendable and represents a gift of shares by Mr M F Geoghegan. It is to be spent on the provision of grants to mentees taking part in the charity's sponsorship and support programmes.

The designated fund represents an initial transfer of shares in HSBC and is to be spent on educational projects over the remaining life of the trust.

THE MADRINHA TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
Unrestricted funds						
Designated funds						
Designated Fund	68,193	-	(29,737)	29,737	12,564	80,757
General funds						
General Funds	205,424	-	(245,713)	267,263	-	226,974
Total Unrestricted funds	273,617	-	(275,450)	297,000	12,564	307,731
Endowment funds						
Endowment Fund	484,419	5,039	(1,857)	(297,000)	305,510	496,111
Total of funds	758,036	5,039	(277,307)	-	318,074	803,842

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Endowment funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Fixed asset investments	315,728	1,528,741	1,844,469
Current assets	-	33,759	33,759
Creditors due within one year	-	(294,428)	(294,428)
Creditors due in more than one year	-	(1,185,352)	(1,185,352)
Total	315,728	82,720	398,448

THE MADRINHA TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Endowment funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Fixed asset investments	488,114	1,767,032	2,255,146
Current assets	7,997	83,399	91,396
Creditors due within one year	-	(1,271,504)	(1,271,504)
Creditors due in more than one year	-	(271,196)	(271,196)
Total	496,111	307,731	803,842