BALLOON VENTURES FOUNDATION LTD

England & Wales · Charity number 1141552

Details

Other names	KENYA WORKS
Status	Registered
Legal form	Charitable company
Company number	07596900
Registered	2011-04-21
Register	View on the Charity Commission register

Contact

Address	73 Mount View Road London N4 4SR
Phone	02083402580
Email	melindaphillips73@gmail.com

Activities

Objects: TO RELIEVE POVERTY AND FINANCIAL HARDSHIP IN KENYA AND UGANDA IN SUCH WAYS AS THE TRUSTEE THINK FIT, IN PARTICULAR BUT NOT EXCLUSIVELY BY PROVIDING (1) TRAINING AND FUNDING FOR INCOME GENERATING PROGRAMMES AND JOB CREATION.(2) TO RELIEVE THE NEEDS OF CHILDREN IN BUSIA IN SUCH WAYS AS THE TRUSTEE THINK FIT, IN PARTICULAR BUT NOT EXCLUSIVELY THROUGH.(A) THE MAINTENANCE, DEVELOPMENT AND SUPPORT OF THE ORPHANAGE NAMED MAMA ORPHANS CHILDREN'S HOME(B) THE PROVISION AND MAINTENANCE OF A SCHOOL.

Activities: BVF and its wholly owned subsidiary Balloon Ventures ltd are dedicated to the relief of poverty and hardship in developing countries initially focusing on Kenya and Uganda. We provide support, training and loan finance to small businesses to help them grow and create good jobs. In Kenya we also support an orphanage in Busia.

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Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations
- **What:** General Charitable Purposes, Education/training, The Prevention Or Relief Of Poverty, Accommodation/housing, Economic/community Development/employment
- **Who:** Children/young People, The General Public/mankind

Geography

- Chile
- Kenya
- Scotland
- Uganda

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£2,289,459	£1,042,942	£4,124,409	39
2024-03-31	£2,149,257	£1,069,831	£3,116,463	29
2023-03-31	£1,444,998	£706,683	£2,037,037	20
2022-03-31	£640,770	£526,696	£1,298,722	17
2021-03-31	£686,481	£542,129	£1,184,648	18

Trustees

Name	Role	Appointed
MELINDA PHILLIPS		2026-03-04
PRABHAY JOSHI		2019-10-14
William smith		2018-10-08

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BALLOON VENTURES FOUNDATION LTD

England & Wales - Charity number 1141552

Accounts

Registered number: 07596900
Charity number: 1141552

Balloon Ventures Foundation Ltd

(A company limited by guarantee)

Trustees' report and financial statements

for the year ended 31 March 2025

Balloon Ventures Foundation Ltd
(A company limited by guarantee)

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Balloon Ventures Foundation Ltd

(A company limited by guarantee)

Reference and administrative details of the Charity, its Trustees and advisers for the year ended 31 March 2025

Trustees	Mr W S G Smith Ms A J Hindman Mr J Prabhay Mr W Ogwal (appointed 5 July 2024)
Company registered number	07596900
Charity registered number	1141552
Registered office	73 Mount View Road London N4 4SR
Company secretary	Ms M C Phillips
Independent auditors	Kreston Reeves Audit LLP Chartered Accountants 2nd Floor 168 Shoreditch High Street London E1 6RA
Bank	TSB Bank Plc 120 George Street Edinburgh EH2 4LH VFX Plc 32-38 Dukes Place London EC3A 7LP Wise Payments Ltd 56 Shoreditch High Street London E1 6JJ FairFX PLC 68 Upper Thames Street London EC4V 3BJ

Balloon Ventures Foundation Ltd

(A company limited by guarantee)

Trustees' report
for the year ended 31 March 2025

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 April 2024 to 31 March 2025. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the group and the Charity qualify as small under section 383 of the Companies Act 2006, the group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The charity's objectives are to relieve poverty and financial hardship in Kenya and Uganda in such ways as the Trustees see fit. In particular but not exclusively by providing:

(1) Training and funding for income generating programmes and job creation.
(2) Supporting the needs of children in Busia in such ways as the trustees think fit.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

To achieve its objectives the charity:

- Provides business support, training & loan finance to small businesses in East Africa to help them to grow and create good jobs, via the charity's trading subsidiary Balloon Ventures Limited.
- Provides support to several children's' homes and schools.

c. Activities undertaken to achieve objectives

To achieve the objectives the group has this year focussed on providing business support and loan finance to small business in East Africa. This year we have given 403 loans to small businesses in Kenya and Uganda (2024: 205 loans) and continued to provide technical business support to our investee businesses.

d. Grant-making policies

IIn order to further its objectives, the charity may co operate with, fund or provide grants to other organisations whether charities or other. The current focus of the charity is job creation.

The Board of trustees has ultimate collective responsibility for all grant making decisions in line with the group's charitable purposes and any restrictions agreed with donors and funding partners.

Trustees may assign certain decision making responsibilities to its sub committees, Board members or staff within its scheme of delegation. Such delegated decisions are subject to scrutiny and review from time to time.

Trustees' report (continued)
for the year ended 31 March 2025

Review of the year's performance and achievements

Balloon Ventures Limited continued working with and investing in small-medium enterprises ("SMEs"), building on the success of the previous year to achieve significant growth. Highlights of the year include:

Overall we made 403 loans against a target of 372 (2024: 205). This was on average 34 loans per month with an average loan size of £17k (£18k in Uganda, £13k in Kenya). The average loan size continues to grow (2024: £17.5k, 2023: £16.7k) particularly in Uganda where we have numerous clients returning for larger loans.
Of the 403 loans, 109 were repeat loans to customers who wanted larger loans having successfully repaid the first loan. Becoming a lender of choice and retaining good clients is a key part of our growth, profitability and efficiency strategy.

During the year we:

- Significantly grew revenue generated from the loan portfolio by £723k, to £1.5m (2024: £802k). This was driven by growth in our gross loan portfolio, which grew by £2.8m to £6.3m (2024: £3.5m). This growth was mostly concentrated in Uganda, though we saw growth in Kenya too.
- Expanded the team in Uganda from 24 to 35, with a total group-wide team of 45 staff. We also opened 1 new branch in Uganda to continue extending our geographical reach there.
- Focused on investment in technology and innovation projects, such as a new semi-automated arrears process, a new due diligence interface for the pre-investment team and connected our technology into the credit scoring bureau in Uganda.

Cash

We continued to receive financial support and excellent feedback from our funders: Palladium (through their Challenge Fund for Youth Employment), Dutch Good Growth Fund and Ceniarth.

During the year we raised additional debt funding of $500k from DGGF and $1.5m with Ceniarth. We are in ongoing discussions with various lenders about future funding.

Impact

5,269 good jobs have been created from Balloon's investments, were created/improved and 30,000 lives positively impacted. Before Balloon investment, 2.8% of jobs in our investee businesses are good jobs; after Balloon investment this increases to 92.5%.

Our investments have improved educational facilities for 75,000 students, healthcare facilities for 400,000 patients, and improved incomes for 16,000 smallholder farmers.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The charity retains such reserves as the trustees consider necessary in order to sustain its ongoing charitable activities, having regard to the level of donations and grants received. Donations and grants received to cover specific charitable project costs are held in restricted reserves.

As at 31 March 2025, the total funds were £4,124,409 (2024: £3,116,463). Of this, £3,936,355 (2024: £2,732,265) was restricted funds.

c. Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity and are satisfied that systems and procedures are in place to mitigate the charity's exposure to the major risks.

Structure, governance and management

a. Constitution

The charity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 8 April 2011.

b. Methods of appointment or election of Trustees

The management of the charity is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

c. Organisational structure and decision-making policies

The Board of Trustees, which has a minimum of three members, administers the charity and makes all decisions in regard to the charity's operations. The Board meets at least twice a year.

d. Policies adopted for the induction and training of Trustees

The initial trustees were appointed by the Articles of Association. Subsequent appointments are made by the Board of Trustees.

e. Related party relationships

During the year the charity received distributions of £519,380 (2024: £nil) from Balloon Ventures Limited, its wholly owned subsidiary.

The outstanding balance owed by Balloon Ventures Limited to the charity at the end of the year was £1,349,634 (2024: £343,810).

Plans for future periods

For the next financial year the group plans to focus on raising additional funding to continue growth, particularly in Uganda where we have built significant momentum.

The group will continue investing in technologies in order to create more efficiencies and reduce the cost of borrowing to clients in order to have more impact.

Trustees' report (continued)
for the year ended 31 March 2025

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

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

Mr W S G Smith
Trustee
Date: 13 October 2025

Independent auditors' report to the Members of Balloon Ventures Foundation Ltd

Opinion

We have audited the financial statements of Balloon Ventures Foundation Ltd (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes, 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 Group's and of the parent charitable company's affairs as at 31 March 2025 and of the Group's incoming resources and application of resources, including its income and expenditure 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 Companies Act 2006 and 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent charitable company'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.

Independent auditors' report to the Members of Balloon Ventures Foundation Ltd (continued)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Group's and the parent charitable company'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 liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the Members of Balloon Ventures Foundation Ltd (continued)

Auditors' responsibilities for the audit of the financial statements

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 auditors' 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:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charity and the sector as a whole, and through discussion with the Trustees, directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP (FRS 102), the Companies Act 2006 and other relevant charity legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements such as the provisions against loan debtor balances. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates including the loans provision by assessing adequacy of provision against overdue and high risk debtors; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transcations; and
- Reading minutes of meetings of those charged with governance; and
- Using automated data analytics, identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

Independent auditors' report to the Members of Balloon Ventures Foundation Ltd (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Stephen Moss BSc (Hons) (Senior Statutory Auditor)
for and on behalf of
Kreston Reeves Audit LLP
Chartered Accountants
Statutory Auditor
London

Date: 13 October 2025

Balloon Ventures Foundation Ltd

(A company limited by guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account) for the year ended 31 March 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Income from:					
Donations and legacies	4	**-**	**743,186**	**743,186**	*1,326,718*
Other trading activities	5	**-**	**1,525,023**	**1,525,023**	*802,072*
Other investment income	6	**-**	**20,180**	**20,180**	*11,195*
Other income	7	**-**	**1,070**	**1,070**	*9,272*
Total income		**-**	**2,289,459**	**2,289,459**	*2,149,257*
Expenditure on:					
Other trading activities		**-**	**788,305**	**788,305**	*891,878*
Charitable activities		**196,144**	**58,493**	**254,637**	*177,953*
Total expenditure		**196,144**	**846,798**	**1,042,942**	*1,069,831*
Net (expenditure)/income before taxation		**(196,144)**	**1,442,661**	**1,246,517**	*1,079,426*
Taxation	14	**-**	**(238,571)**	**(238,571)**	*-*
Net movement in funds		**(196,144)**	**1,204,090**	**1,007,946**	*1,079,426*
Reconciliation of funds:					
Total funds brought forward		**384,198**	**2,732,265**	**3,116,463**	*2,037,037*
Net movement in funds		**(196,144)**	**1,204,090**	**1,007,946**	*1,079,426*
Total funds carried forward		**188,054**	**3,936,355**	**4,124,409**	*3,116,463*

Balloon Ventures Foundation Ltd
(A company limited by guarantee)
Registered number: 07596900

Consolidated balance sheet as at 31 March 2025

	Note		2025 £		*2024 £*
Tangible assets	15		**64,376**		*76,196*
Current assets					
Debtors	17	**6,650,983**		*3,602,550*	
Cash at bank and in hand		**968,453**		*1,060,379*	
		7,619,436		*4,662,929*	
Creditors: amounts falling due within one year	18	**(1,423,974)**		*(32,103)*	
Net current assets			**6,195,462**		*4,630,826*
Total assets less current liabilities			**6,259,838**		*4,707,022*
Creditors: amounts falling due after more than one year	19		**(2,135,429)**		*(1,590,559)*
Total net assets			**4,124,409**		*3,116,463*
Charity funds					
Restricted funds	20		**3,936,355**		*2,732,265*
Unrestricted funds	20		**188,054**		*384,198*
Total funds			**4,124,409**		*3,116,463*

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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

Mr W S G Smith
Trustee
Date: 13 October 2025

The notes on pages 14 to 32 form part of these financial statements.

Balloon Ventures Foundation Ltd
(A company limited by guarantee)
Registered number: 07596900

Charity balance sheet
as at 31 March 2025

	Note		2025 £		*2024 £*
Fixed assets					
Investments	16		**3,024,786**		*3,024,786*
			3,024,786		*3,024,786*
Current assets					
Debtors	17	**1,349,634**		*343,818*	
Cash at bank and in hand		**40,757**		*32,252*	
		1,390,391		*376,070*	
Creditors: amounts falling due within one year	18	**(12,803)**		*(6,411)*	
Net current assets			**1,377,588**		*369,659*
Total net assets			**4,402,374**		*3,394,445*
Charity funds					
Restricted funds	20		**2,932,860**		*2,248,167*
Unrestricted funds	20		**1,469,514**		*1,146,278*
Total funds			**4,402,374**		*3,394,445*

The Charity's net movement in funds for the year was £1,007,929 *(2024 - £1,148,765)*.

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Date: 13 October 2025

The notes on pages 14 to 32 form part of these financial statements.

Balloon Ventures Foundation Ltd
(A company limited by guarantee)

Consolidated statement of cash flows for the year ended 31 March 2025

	2025 £	*2024 £*
Cash flows from operating activities		
Net cash used in operating activities	**(1,661,999)**	*(421,551)*
Cash flows from investing activities		
Proceeds from the sale of tangible fixed assets	**34,941**	*-*
Purchase of tangible fixed assets	**(41,184)**	*(54,749)*
Interest received	**20,180**	*11,195*
Net cash provided by/(used in) investing activities	**13,937**	**(43,554)**
Cash flows from financing activities		
Cash inflows from new borrowing	**1,514,406**	*961,672*
Interest payable	**(116,119)**	*(50,512)*
Net cash provided by financing activities	**1,398,287**	**911,160**
Change in cash and cash equivalents in the year	**(249,775)**	**446,055**
Cash and cash equivalents at the beginning of the year	**1,060,379**	*769,605*
Change in cash and cash equivalents due to exchange rate movements	**157,849**	*(155,281)*
Cash and cash equivalents at the end of the year	**968,453**	*1,060,379*

The notes on pages 14 to 32 form part of these financial statements

Notes to the financial statements
for the year ended 31 March 2025

1. General information

Balloon Ventures Foundation Limited is a private company limited by guarantee and a registered charity. Registered company number 07596900, registered in England, and registered charity number 1141552. The principal aims of the charity are shown in the Trustee Report and the registered office is shown in the administrative details of the company page.

2. Accounting policies

2.1 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 Companies Act 2006.

Balloon Ventures Foundation Ltd 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 consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

The Charity's functional and presentational currency is Pound Sterling.

2.2 Company status

The charity is a company limited by guarantee. The members of the company are the trustees named on the adminstrative details page. In the event of the charity being wound up the liability in respect of the guarantee is limited to £10 per member of the charity.

2.3 Going concern

The financial statements have been prepared on the going concern basis. In determining this the directors have reviewed the group's financial position and available resources, including the group''s cash flow forecast. After considering this the directors believe the group has adequate resources to continue operating for at least 12 months from the date of signing these financial statements.

2.4 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.

The Charity receives all the profits generated during the year from Balloon Ventures Limited by way of a deed of covenant. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income received for a specific purpose, or which has restrictions or conditions associated with it, is classified as restricted income and allocated to restricted funds. Income that can be spent at the trustees’ discretion in furtherance of the charity’s aims and objectives is classified as unrestricted income and allocated to unrestricted funds.

2. Accounting policies (continued)

2.5 Expenditure

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 allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Charitable activities and governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

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.

2.6 Government grants

Government grants are credited to the consolidated statement of financial activities as the related expenditure is incurred.

2.7 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 Bank.

2.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the consolidated statement of financial activities.

2. Accounting policies (continued)

2.9 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.

2.10 Tangible fixed assets and depreciation

Tangible fixed assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following basis:

Motor vehicles	-	20%
Office equipment	-	33%
Computer equipment	-	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of financial activities.

2.11 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

2.12 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.

2.13 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.

2. Accounting policies (continued)

2.14 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. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. 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 risk specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.15 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.16 Operating leases

Rentals paid under operating leases are charged to the consolidated statement of financial activities on a straight line basis over the lease term.

2.17 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.18 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 Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

3. Critical accounting estimates and areas of judgment

In preparing the financial statements it is necessary to make certain judgments, assumptions and estimates that affect the amounts recognised in the financial statements. The trustees consider the key areas of estimate and judgement to be:

Critical accounting estimates and assumptions:

Recoverability value of loans receivable from small businesses

A loan loss provision is included on the balance sheet to account for the risk of potentially irrecoverable loans. This is offset against loans receivable to adjust the value of loans receivable to their estimated recoverable amount. The provision is an estimate based on judgment and assumptions. Increases and decreases in the value of the loan loss provision are reflected in the Statement of Comprehensive Income.

When estimating this provision required, management assesses the probability of default ("PD %"), the exposure at default ("EAD") and the Loss Given Default ("LGD %") for each loan based on its risk categorisation.

The formula used is to determine the provision required is: EAD x PD % x LGD %

Risk categorisation

Loans are risk categorised as follows:

Risk category	No. days in arrears	Arrears multiple
Low	< 30	< 1
Medium	30 - 89	1 - 3
High	90 - 179	3 - 6
Default	180 +	6 +

The arrears multiple refers to the number of installments that the loan is in arrears by. It is calculated by taking total arrears at the reporting period end and dividing this by the average loan installment. This combined approach, looking at days in arrears as well as value, gives a better indication of the probability of default than solely considering days in arrears, as loans with a higher arrears multiple are more likely to default.

Probability of default

Management assesses the likelihood of a default occurring over a particular time horizon or the likelihood that a borrower will be unable to meet their debt obligations as they fall due by assessing historic and up-to-date data for all loans in each risk category, to determine the percentage of loans that ultimately result in a default.

Exposure at default

This is the carrying amount of the loan outstanding at the reporting date.

Loss given default

LGD % reflects the portion of the loan that is not covered by the estimated recoverable value of collateral. In computing the estimated recoverable value of collateral, management adjusts the forced sale value of the collateral (which is obtained from accredited, independent valuation experts) using:

- A discount factor to reflect the assumed quality of the collateral, based on collateral type;
- A discount factor to account for the time value of money; and
- A discount factor to account for the uncertainty of court case outcomes.

3. Critical accounting estimates and areas of judgment (continued)

The estimated recoverable value of collateral is then compared to the EAD to determine the portion of the EAD that is not covered by collateral. This portion, expressed as a percentage, equates to the LGD.
Included within debtors is a provision of £120,163 (2024: £131,349). Of this amount, £Nil (2024: £Nil) is provided against debt due in more than one year, with £120,163 (2024: £131,349) provided against debt due within one year.

4. Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Donations	-	-	**-**	*28,255*
Grants	-	743,186	**743,186**	*1,298,463*
Total 2025	-	743,186	**743,186**	*1,326,718*
Total 2024	*36*	*1,326,682*	*1,326,718*	

5. Income from other trading activities

Income from non charitable trading activities

	Restricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Loan interest income	1,525,023	**1,525,023**	*802,072*
Total 2024	*802,072*	*802,072*	

Notes to the financial statements
for the year ended 31 March 2025

6. Other investment income

	Restricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Other interest receivable	20,180	**20,180**	*11,195*
Total 2024	*11,195*	*11,195*	

7. Other incoming resources

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Other operating income	-	1,070	**1,070**	*9,272*
Total 2024	*4,805*	*4,467*	*9,272*	

8. Analysis of charitable expenditure by activities

	Grant funding of activities 2025 £	Support costs 2025 £	Total funds 2025 £	*Total funds 2024 £*
Kenyan and Ugandan project costs	-	254,637	**254,637**	*177,953*
Total 2024	*34,473*	*143,480*	*177,953*	

Of the above expenditure totalling £254,637 (2024: £177,953), £58,493 (2024: £132,238) related to restricted activities, and £196,144 (2024: £45,715) related to unrestricted activities.

Notes to the financial statements
for the year ended 31 March 2025

9. Charitable and trading expenses

	Charitable activities - support costs 2025 £	Other trading expenses 2025 £	Total 2025 £	Total *2024* £
In-country operating costs	-	907,136	**907,136**	*484,868*
Loan loss expense	-	95,901	**95,901**	*77,538*
Other project costs	-	-	**-**	*39,321*
Head office costs	175,306	50,457	**225,763**	*254,978*
Governance costs	20,838	10,240	**31,078**	*23,664*
Interest paid	-	116,119	**116,119**	*50,512*
Foreign exchange differences	-	(157,950)	**(157,950)**	*155,281*
Research and development	58,493	4,973	**63,466**	*13,612*
	254,637	1,026,876	**1,281,513**	*1,099,774*
Total 2024	*200,122*	*899,652*	*1,099,774*	

10. Analysis of grants

	Grants to Institutions 2025 £	Total funds 2025 £	*Total funds 2024* £
Love For All Orphanage (Nakuru, Kenya)	-	**-**	*34,473*
Total 2024	*34,473*	*34,473*	

11. Auditors' remuneration

	2025 £	*2024* £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	**11,700**	*11,100*
Fees payable to the Charity's auditor in respect of:		
All assurance services not included above	**8,400**	*7,950*
All non-audit services not included above	**1,100**	*1,050*

12. Staff costs

	Group 2025 £	*Group 2024 £*	**Charity 2025 £**	*Charity 2024 £*
Wages and salaries	**360,567**	*376,490*	**136,393**	*94,535*
Social security costs	**159,390**	*7,285*	**10,351**	*7,285*
Contribution to defined contribution pension schemes	**7,771**	*8,495*	**7,771**	*8,315*
	527,728	*392,270*	**154,515**	*110,135*

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

	Group 2025 No.	*Group 2024 No.*	**Charity 2025 No.**	*Charity 2024 No.*
UK management	**2**	*2*	**-**	*2*
Kenyan and Ugandan staff	**37**	*27*	**-**	*-*
	39	*29*		*2*

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2025 No.	*Group 2024 No.*
In the band £60,001 - £70,000	**2**	*2*

The Trustees of the charity are considered to be the Key Management Personnel.

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2024 - £NIL)*.

During the year ended 31 March 2025, no Trustee expenses have been incurred *(2024 - £NIL)*.

14. Taxation

	2025 £	*2024* *£*
Corporation tax		
Current tax on net (expenditure)/income for the year	**238,571**	-
Taxation on net (expenditure)/income	**238,571**	-

The tax assessed for the year is lower than (*2024 - lower than*) the standard rate of corporation tax in the UK of 25% (*2024 - 25%*). The differences are explained below:

	2025 £	*2024* *£*
Net (expenditure)/income before tax	**1,246,517**	*1,079,426*
Net (expenditure)/income multiplied by the standard rate of corporation tax in the UK of 25 *(2024 - 25%).*	**311,629**	*269,857*
Effects of:		
Non-taxable income less expenses not deductible for tax purposes	**(311,629)**	*(269,857)*
Overseas tax charge	**238,571**	-
Total tax charge for the year	**238,571**	-

There are no factors considered likely to affect future tax charges.

Notes to the financial statements
for the year ended 31 March 2025

15. Tangible fixed assets

Group

	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2024	**54,392**	**5,985**	**31,886**	**92,263**
Additions	**21,852**	**344**	**18,988**	**41,184**
Disposals	**(10,265)**	**-**	**(28,960)**	**(39,225)**
At 31 March 2025	**65,979**	**6,329**	**21,914**	**94,222**
Depreciation				
At 1 April 2024	**9,882**	**-**	**6,185**	**16,067**
Charge for the year	**9,443**	**2,110**	**6,510**	**18,063**
On disposals	**(387)**	**-**	**(3,897)**	**(4,284)**
At 31 March 2025	**18,938**	**2,110**	**8,798**	**29,846**
Net book value				
At 31 March 2025	**47,041**	**4,219**	**13,116**	**64,376**
At 31 March 2024	*44,510*	*5,985*	*25,701*	*76,196*

16. Fixed asset investments

Charity	Investments in subsidiary companies £
Cost	
At 1 April 2024	**3,024,786**
At 31 March 2025	**3,024,786**
Net book value	
At 31 March 2025	**3,024,786**
At 31 March 2024	*3,024,786*

17. Debtors

	Group 2025 £	*Group 2024 £*	Charity 2025 £	*Charity 2024 £*
Due after more than one year				
Other debtors	**2,175,699**	*1,141,907*	**-**	*-*
	2,175,699	*1,141,907*	**-**	*-*
Due within one year				
Amounts owed by group undertakings	**-**	*-*	**1,349,634**	*343,810*
Other debtors	**4,447,665**	*2,415,839*	**-**	*8*
Prepayments and accrued income	**27,619**	*44,804*	**-**	*-*
	6,650,983	*3,602,550*	**1,349,634**	*343,818*

All amounts owed by group undertakings are non-interest bearing, unsecured and are due on demand.

Where loans within Other debtors are given for the purpose of purchasing an asset, no asset held as security in the name of Balloon Ventures Ltd are included in the consolidated accounts of Balloon Ventures Foundation Ltd, as the charity does not have a beneficial interest in the asset unless the borrower defaults on the loan.

Included within Other debtors are loans receivable of £6,605,544 (2024: £3,450,902). Of this amount, £2,175,699 (2024: £1,141,907) is due in over one year, with £4,429,845 (2024: £2,413,944) due within one year.

Schedule of loans receivable

	Group 2025 £	*Group 2024 £*
Loans receivable at 1 April	**3,450,902**	*1,878,650*
Loan additions in the year	**6,885,793**	*3,863,676*
Loan repayments in the year	**(3,778,363)**	*(2,081,573)*
Loans written off in the year	**(94,496)**	*(34,911)*
(Increase)/ decrease in loan loss provision	**2,840**	*(44,635)*
FX revaluation adjustments	**138,868**	*(130,305)*
	6,605,544	*3,450,902*

As at 31 March 2025 the loan loss provision stands at £120,163 (2024: £131,349).

Notes to the financial statements
for the year ended 31 March 2025

18. Creditors: Amounts falling due within one year

	Group 2025 £	*Group 2024 £*	**Charity 2025 £**	*Charity 2024 £*
Bank overdrafts	**2**	*-*	**-**	*-*
Bank loans	**979,536**	*10,000*	**-**	*-*
Trade creditors	**-**	*692*	**-**	*-*
Corporation tax	**157,819**	*-*	**-**	*-*
Other taxation and social security	**12,425**	*-*	**-**	*-*
Other creditors	**251,798**	*951*	**1,103**	*951*
Accruals and deferred income	**22,394**	*20,460*	**11,700**	*5,460*
	1,423,974	*32,103*	**12,803**	*6,411*

Of this balance, £10,000 (2024: £10,000) is guaranteed by the UK Government under the Bounce Back Loan Scheme. Other creditors represent the pending balance to be disbursed to loans that were approved at the year end.

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

	Group 2025 £	*Group 2024 £*
Bank loans	**2,135,429**	*1,590,559*

Of this balance, £2,450 (2024: £12,450) is guaranteed by the UK Government under the Bounce Back Loan Scheme.

Included within the above are amounts falling due as follows:

	Group 2025 £	*Group 2024 £*
Between one and two years		
Bank loans	**1,747,615**	*10,000*
Between two and five years		
Bank loans	**387,814**	*1,580,559*

20. Statement of funds

Statement of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Balance at 31 March 2025 £
Unrestricted funds				
General fund	**384,198**	**-**	**(196,144)**	**188,054**
Restricted funds				
Balloon Ventures East Africa Fund	**2,248,167**	**743,186**	**(58,493)**	**2,932,860**
Balloon Ventures Limited	**484,098**	**1,546,273**	**(1,026,876)**	**1,003,495**
	2,732,265	**2,289,459**	**(1,085,369)**	**3,936,355**
Total of funds	**3,116,463**	**2,289,459**	**(1,281,513)**	**4,124,409**

Statement of funds - prior year

	Balance at 1 April 2023 £	*Income £*	*Expenditure £*	*Balance at 31 March 2024 £*
Unrestricted funds				
General fund	*425,072*	*4,841*	*(45,715)*	*384,198*
Restricted funds				
Balloon Ventures East Africa Fund	*1,053,723*	*1,326,682*	*(132,238)*	*2,248,167*
Balloon Ventures Limited	*558,242*	*817,734*	*(891,878)*	*484,098*
	1,611,965	*2,144,416*	*(1,024,116)*	*2,732,265*
Total of funds	*2,037,037*	*2,149,257*	*(1,069,831)*	*3,116,463*

The Balloon Ventures East Africa Fund is dedicated to supporting small businesses and creating jobs in East Africa.

Balloon Ventures Limited is the trading subsidiary of Balloon Ventures Foundation Limited.

Notes to the financial statements
for the year ended 31 March 2025

21. Summary of funds

Summary of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Balance at 31 March 2025 £
General funds	**384,198**	**-**	**(196,144)**	**188,054**
Restricted funds	**2,732,265**	**2,289,459**	**(1,085,369)**	**3,936,355**
	3,116,463	**2,289,459**	**(1,281,513)**	**4,124,409**

Summary of funds - prior year

	Balance at 1 April 2023 £	*Income £*	*Expenditure £*	*Balance at 31 March 2024 £*
General funds	*425,072*	*4,841*	*(45,715)*	*384,198*
Restricted funds	*1,611,965*	*2,144,416*	*(1,024,116)*	*2,732,265*
	2,037,037	*2,149,257*	*(1,069,831)*	*3,116,463*

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	-	64,376	**64,376**
Debtors due after more than one year	-	2,175,699	**2,175,699**
Current assets	200,857	5,242,880	**5,443,737**
Creditors due within one year	(12,803)	(1,411,171)	**(1,423,974)**
Creditors due in more than one year	-	(2,135,429)	**(2,135,429)**
Total	188,054	3,936,355	**4,124,409**

23. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2025 £	*Group 2024 £*
Net income for the year (as per Statement of Financial Activities)	1,007,946	*1,079,426*
Adjustments for:		
Depreciation charges	**18,063**	*11,501*
Increase in debtors	**(3,048,433)**	*(1,695,086)*
Increase/(decrease) in creditors	**264,516**	*(11,990)*
Foreign exchange differences	**(157,849)**	*155,281*
Interest receivable	**(20,180)**	*(11,195)*
Interest payable	**116,119**	*50,512*
Taxation charge	**238,571**	-
Corporation tax received/(paid)	**(80,752)**	-
Net cash used in operating activities	**(1,661,999)**	*(421,551)*

24. Analysis of cash and cash equivalents

	Group 2025 £	*Group 2024 £*
Cash in hand	**968,453**	*1,060,379*
Total cash and cash equivalents	**968,453**	*1,060,379*

25. Analysis of changes in net debt

	At 1 April 2024 £	Cash flows £	At 31 March 2025 £
Cash at bank and in hand	**1,060,379**	**(91,926)**	**968,453**
Bank overdrafts repayable on demand	**-**	**(2)**	**(2)**
Debt due within 1 year	**(10,000)**	**(969,536)**	**(979,536)**
Debt due after 1 year	**(1,590,559)**	**(544,870)**	**(2,135,429)**
	(540,180)	**(1,606,334)**	**(2,146,514)**

26. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £7,771 (2024: £8,316). Contributions totalling £1,103 (2024: £951) were payable to the fund at the balance sheet date and are included in creditors.

27. Operating lease commitments

At 31 March 2025 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2025 £	*Group 2024 £*
Not later than 1 year	**14,789**	*6,165*
Later than 1 year and not later than 5 years	**32,096**	*16,537*
Later than 5 years	**1,296**	*-*
	48,181	*22,702*

28. Members' liability

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1 of the accounts. In the event of the charity being wound up the liability in respect of the guarantee is limited to £10 per member of the charity.

29. Related party transactions

The charity has a wholly owned subsidiary, Balloov Ventures Limited ('the company'). During the year, the company made distributions of £519,380 (2024: £Nil) to the charity. During the year the charity recharged UK head office costs of £Nil (2024: £Nil) to its subsidiary, Balloon Ventures Limited. The outstanding balance owed to the charity at the end of the year was £1,349,634 (2024: £343,810).

30. Controlling party

The charity is under the control of the trustees.

Notes to the financial statements
for the year ended 31 March 2025

31. Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
Balloon Ventures Ltd	07940726	73 Mount View Road, London, N4 4SR	Investing in small businesses in Kenya and Uganda

Class of shares	Holding
Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) for the year £	Net assets £
Balloon Ventures Ltd	**1,525,023**	**628,629**	**519,380**	**2,746,821**

BALLOON VENTURES FOUNDATION LTD

England & Wales - Charity number 1141552

Accounts

Registered number: 07596900
Charity number: 1141552

Balloon Ventures Foundation Ltd

(A company limited by guarantee)

Trustees' report and financial statements

for the year ended 31 March 2024

Balloon Ventures Foundation Ltd
(A company limited by guarantee)

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Balloon Ventures Foundation Ltd
(A company limited by guarantee)

Reference and administrative details of the Charity, its Trustees and advisers for the year ended 31 March 2024

Trustees	Mr W S G Smith Ms A J Hindman Mr J Prabhay Mr W Ogwal (appointed 5 July 2024)
Company registered number	07596900
Charity registered number	1141552
Registered office	73 Mount View Road London N4 4SR
Company secretary	Ms M C Phillips
Independent auditors	Kreston Reeves LLP Statutory Auditor and Chartered Accountants Second Floor 168 Shoreditch High Street London E1 6RA
Bank	TSB Bank Plc 120 George Street Edinburgh EH2 4LH VFX Plc 32-38 Dukes Place London EC3A 7LP Wise Payments Ltd 56 Shoreditch High Street London E1 6JJ FairFX PLC 68 Upper Thames Street London EC4V 3BJ

Balloon Ventures Foundation Ltd
(A company limited by guarantee)

Trustees' report
for the year ended 31 March 2024

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 April 2023 to 31 March 2024. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the group and the Charity qualify as small under section 383 of the Companies Act 2006, the group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The charity's objectives are to relieve poverty and financial hardship in Kenya and Uganda in such ways as the Trustees see fit. In particular but not exclusively by providing:

(1) Training and funding for income generating programmes and job creation.
(2) Supporting the needs of children in Busia in such ways as the trustees think fit.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

To achieve its objectives the charity:

- Provides business support, training & loan finance to small businesses in East Africa to help them to grow and create good jobs, via the charity's trading subsidiary Balloon Ventures Limited.
- Provides support to several children's' homes and schools.

c. Activities undertaken to achieve objectives

To achieve the objectives the group has this year focused on providing business support and loan finance to small business in East Africa. This year we have given 205 loans to small businesses in Kenya and Uganda (2023: 128 loans) and continued to provide technical business support to our investee businesses.

d. Grant-making policies

In order to further its objectives, the charity may co operate with, fund or provide grants to other organisations whether charities or other. The current focus of the charity is job creation.

The Board of trustees has ultimate collective responsibility for all grant making decisions in line with the group's charitable purposes and any restrictions agreed with donors and funding partners.

Trustees may assign certain decision-making responsibilities to its sub-committees, Board members or staff within its scheme of delegation. Such delegated decisions are subject to scrutiny and review from time to time.

Trustees' report (continued)
for the year ended 31 March 2024

Review of the year's performance and achievements

Balloon Ventures Limited continued working with and investing in small-medium enterprises ("SMEs"), building on the success of the previous year to achieve significant growth.

Overall we made 205 loans against a target of 180 (128 last year). This was on average 17 per month with an average loan size of £17.5k (previous years were £16.7k, £13.6k, £12.6k) so right in line with projections.

Of the 208 loans, 77 were repeat customers who wanted larger loans having successfully repaid the first loan. Becoming a lender of choice and retaining good clients is clearly important to sustainability.

During the year we:

- Achieved significant growth of £643k in revenue generated from the loan portfolio with the gross loan portfolio reaching £3,450,902 (110% of the annual target).
- Expanded the team from 16 full time members of staff to 24 and opened 2 new branch offices to extend our reach across Uganda.
- Re-started investing in Kenya, with a newly designed loan product based on previous experiences.

Cash

We continued to receive financial support and excellent feedback from our funders: Argidius Foundation, Citi Foundation, Palladium (through their Challenge Fund for Youth Employment) and Dutch Good Growth Fund.

During the year we raised an additional debt funding of $500k from DGGF with term sheets signed for an additional $6m from new impact lenders.

Job Impact

2,970 good jobs were created/improved and nearly 20,000 lives positively impacted.

78% of SME employees are youth, 41% female, and nearly 60% of investments meet the 2x gender criteria for gender investing.

Our investments have improved educational facilities for 40,000 students, healthcare facilities for 400,000 patients, and improved incomes for 14,000 smallholder farmers.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The charity retains such reserves as the trustees consider necessary in order to sustain its ongoing charitable activities, having regard to the level of donations and grants received. Donations and grants received to cover specific charitable project costs are held in restricted reserves.

As at 31 March 2024, the total funds were £3,116,463 (2023: £2,037,037). Of this, £2,732,265 (2023: £1,611,965) was restricted funds.

c. Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity and are satisfied that systems and procedures are in place to mitigate the charity's exposure to the major risks.

Structure, governance and management

a. Constitution

The charity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 8 April 2011.

b. Methods of appointment or election of Trustees

The management of the charity is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

c. Organisational structure and decision-making policies

The Board of Trustees, which has a minimum of three members, administers the charity and makes all decisions in regard to the charity's operations. The Board meets at least twice a year.

d. Policies adopted for the induction and training of Trustees

The initial trustees were appointed by the Articles of Association. Subsequent appointments are made by the Board of Trustees.

e. Related party relationships

During the year the charity received distributions of £nil (2023: £38,438) from Balloon Ventures Limited, its wholly owned subsidiary. The charity re-charged costs amounting to £nil (2023: £78,564) to Balloon Ventures Limited. The outstanding balance owed by Balloon Ventures Limited to the charity at the end of the year was £343,810 (2023: £1,066,780).

Plans for future periods

For the next financial year the group plans to focus on continued strong growth in Kenya and Uganda, with the loan book expected to grow 2x in Kenya and 1.5x in Uganda. This will involve scaling up across these countries, by opening new branches from which to service clients.

The group will continue investing in technologies in order to create more efficiencies and reduce the cost of borrowing to clients in order to have more impact.

The group will continue raising capital in the form of grants and debt in order to lend to more businesses.

Trustees' report (continued)
for the year ended 31 March 2024

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

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

W J G Smith

Mr W S G Smith
Trustee
Date: 07.10.2024

Independent auditors' report to the Members of Balloon Ventures Foundation Ltd

Opinion

We have audited the financial statements of Balloon Ventures Foundation Ltd (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes, 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 Group's and of the parent charitable company's affairs as at 31 March 2024 and of the Group's incoming resources and application of resources, including its income and expenditure 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 Companies Act 2006 and 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent charitable company'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.

Independent auditors' report to the Members of Balloon Ventures Foundation Ltd (continued)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Group's and the parent charitable company'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 liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the Members of Balloon Ventures Foundation Ltd (continued)

Auditors' responsibilities for the audit of the financial statements

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 auditors' 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:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charity and the sector as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP (FRS 102) Second Edition (released October 2019), the Companies Act 2006 and other relevant charity legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements such as the provisions against loan debtor balances. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates including the loans provision by assessing adequacy of provision against overdue and high risk debtors; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Reading minutes of meetings of those charged with governance; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

Independent auditors' report to the Members of Balloon Ventures Foundation Ltd (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Stephen Moss BSc (Hons) ACA (Senior Statutory Auditor)
for and on behalf of
Kreston Reeves LLP
Statutory Auditor and Chartered Accountants
London

Date: 8 October 2024

Balloon Ventures Foundation Ltd
(A *company limited by guarantee*)

Consolidated Statement of financial activities (incorporating income and expenditure account) for the year ended 31 March 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Income from:					
Donations and legacies	4	**36**	**1,326,682**	**1,326,718**	*862,043*
Other trading activities	5	**-**	**802,072**	**802,072**	*572,125*
Other investment income	6	**-**	**11,195**	**11,195**	*30*
Other income	7	**4,805**	**4,467**	**9,272**	*10,800*
Total income		**4,841**	**2,144,416**	**2,149,257**	*1,444,998*
Expenditure on:					
Other trading activities		**-**	**891,878**	**891,878**	*520,769*
Charitable activities		**45,715**	**132,238**	**177,953**	*185,914*
Total expenditure		**45,715**	**1,024,116**	**1,069,831**	*706,683*
Net movement in funds		**(40,874)**	**1,120,300**	**1,079,426**	*738,315*
Reconciliation of funds:					
Total funds brought forward		**425,072**	**1,611,965**	**2,037,037**	*1,298,722*
Net movement in funds		**(40,874)**	**1,120,300**	**1,079,426**	*738,315*
Total funds carried forward		**384,198**	**2,732,265**	**3,116,463**	*2,037,037*

Balloon Ventures Foundation Ltd
(A company limited by guarantee)
Registered number: 07596900

Consolidated balance sheet as at 31 March 2024

	Note		2024 £		2023 £
Tangible assets	14		**76,196**		*32,948*
Current assets					
Debtors	16	**3,602,550**		*1,907,464*	
Cash at bank and in hand		**1,060,379**		*769,605*	
		4,662,929		*2,677,069*	
Creditors: amounts falling due within one year	17	**(32,103)**		*(44,093)*	
Net current assets			**4,630,826**		*2,632,976*
Total assets less current liabilities			**4,707,022**		*2,665,924*
Creditors: amounts falling due after more than one year	18		**(1,590,559)**		*(628,887)*
Total net assets			**3,116,463**		*2,037,037*
Charity funds					
Restricted funds	19		**2,732,265**		*1,611,965*
Unrestricted funds	19		**384,198**		*425,072*
Total funds			**3,116,463**		*2,037,037*

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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

WSG Smith

Mr W S G Smith
Trustee
Date: 07.10.2024

The notes on pages 14 to 29 form part of these financial statements.

Balloon Ventures Foundation Ltd
(A company limited by guarantee)
Registered number: 07596900

Charity balance sheet
as at 31 March 2024

	Note		2024 £		2023 £
Fixed assets					
Investments	15		**3,024,786**		*984,718*
			3,024,786		*984,718*
Current assets					
Debtors	16	**343,818**		*1,066,780*	
Cash at bank and in hand		**32,252**		*201,110*	
		376,070		*1,267,890*	
Creditors: amounts falling due within one year	17	**(6,411)**		*(11,733)*	
Net current assets			**369,659**		*1,256,157*
Total net assets			**3,394,445**		*2,240,875*
Charity funds					
Restricted funds	19		**2,248,167**		*1,053,723*
Unrestricted funds	19		**1,146,278**		*1,187,152*
Total funds			**3,394,445**		*2,240,875*

The Charity's net movement in funds for the year was £1,148,765 *(2023 - £793,131)*.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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

Mr W S G Smith
Trustee
Date: 07.10.2024

The notes on pages 14 to 29 form part of these financial statements.

Balloon Ventures Foundation Ltd
(A company limited by guarantee)

Consolidated statement of cash flows for the year ended 31 March 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	22	**(421,551)**	*294,051*
Cash flows from investing activities			
Purchase of tangible fixed assets		**(54,749)**	*(37,514)*
Interest received		**11,195**	*30*
Net cash used in investing activities		**(43,554)**	**(37,484)**
Cash flows from financing activities			
Cash inflows from new borrowing		**961,672**	-
Interest payable		**(50,512)**	*(8,319)*
Net cash provided by/(used in) financing activities		**911,160**	**(8,319)**
Change in cash and cash equivalents in the year		**446,055**	**248,248**
Cash and cash equivalents at the beginning of the year		**769,605**	*560,188*
Change in cash and cash equivalents due to exchange rate movements		**(155,281)**	*(38,831)*
Cash and cash equivalents at the end of the year		**1,060,379**	*769,605*

The notes on pages 14 to 29 form part of these financial statements

Notes to the financial statements
for the year ended 31 March 2024

1. General information

Balloon Ventures Foundation Limited is a private company limited by guarantee and a registered charity. Registered company number 07596900, registered in England, and registered charity number 1141552. The principal aims of the charity are shown in the Trustee Report and the registered office is shown in the administrative details of the company page.

2. Accounting policies

2.1 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 Companies Act 2006.

Balloon Ventures Foundation Ltd 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 consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

The Charity's functional and presentational currency is Pound Sterling.

2.2 Company status

The charity is a company limited by guarantee. The members of the company are the trustees named on the adminstrative details page. In the event of the charity being wound up the liability in respect of the guarantee is limited to £10 per member of the charity.

2.3 Going concern

The financial statements have been prepared on the going concern basis. In determining this the directors have reviewed the group's financial position and available resources, including the group"s cash flow forecast. After considering this the directors believe the group has adequate resources to continue operating for at least 12 months from the date of signing these financial statements.

2.4 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.

The Charity receives all the profits generated during the year from Balloon Ventures Limited by way of a deed of covenant. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income received for a specific purpose, or which has restrictions or conditions associated with it, is classified as restricted income and allocated to restricted funds. Income that can be spent at the trustees' discretion in furtherance of the charity's aims and objectives is classified as unrestricted income and allocated to unrestricted funds.

2. Accounting policies (continued)

2.5 Expenditure

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 allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Charitable activities and governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

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.

2.6 Government grants

Government grants are credited to the consolidated statement of financial activities as the related expenditure is incurred.

2.7 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 Bank.

2.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the consolidated statement of financial activities.

2. Accounting policies (continued)

2.9 Tangible fixed assets and depreciation

Tangible fixed assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following basis:

Motor vehicles	-	20%
Office equipment	-	33%
Computer equipment	-	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of financial activities.

2.10 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

2.11 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.

2.12 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.

2.13 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. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. 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 risk specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2. Accounting policies (continued)

2.14 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.15 Operating leases

Rentals paid under operating leases are charged to the consolidated statement of financial activities on a straight line basis over the lease term.

2.16 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.17 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 Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

3. Critical accounting estimates and areas of judgment

In preparing the financial statements it is necessary to make certain judgments, assumptions and estimates that affect the amounts recognised in the financial statements. The trustees consider the key areas of estimate and judgement to be:

Critical accounting estimates and assumptions:

Recoverability value of loans receivable from small businesses

A loan loss provision is included on the balance sheet to account for the risk of potentially irrecoverable loans. This is offset against loans receivable to adjust the value of loans receivable to their estimated recoverable amount. The provision is an estimate based on judgment and assumptions. When estimating this provision, management take account of the potential risk to the portfolio, which is assessed using various metrics including Portfolio at Risk ("PAR"). The provision is increased if necessary to comply with the DGGF loan covenant. Increases and decreases in the value of the loan loss provision are reflected in the Statement of Comprehensive Income.

Included within debtors is a provision of £131,349 (2023: £88,722). Of this amount, £131,349 (2023: £21,228) is provided against debt due in more than one year, with £Nil (2023: £67,494) provided against debt due within one year.

Notes to the financial statements
for the year ended 31 March 2024

4. Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Donations	36	28,219	**28,255**	*3,704*
Grants	-	1,298,463	**1,298,463**	*858,339*
Total 2024	36	1,326,682	**1,326,718**	*862,043*
Total 2023	*3,704*	*858,339*	*862,043*	

5. Income from other trading activities

Income from non charitable trading activities

	Restricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Grant income	-	-	*199,593*
Loan related activities	802,072	**802,072**	*372,532*
	802,072	**802,072**	*572,125*
Total 2023	*572,125*	*572,125*	

6. Other investment income

	Restricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Other interest receivable	11,195	**11,195**	*30*
Total 2023	*30*	*30*	

7. Other incoming resources

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Other operating income	4,805	4,467	**9,272**	*10,800*
Total 2023	*9,227*	*1,573*	*10,800*	

8. Analysis of charitable expenditure by activities

	Grant funding of activities 2024 £	Support costs 2024 £	Total funds 2024 £	*Total funds 2023 £*
Kenyan and Ugandan project costs	34,473	143,480	**177,953**	*185,914*
Total 2023	*1,979*	*183,935*	*185,914*	

Of the above expenditure totalling £177,953 (2023: £185,914), £132,238 (2023: £83,412) related to restricted activities, and £45,715 (2023: £102,502) related to unrestricted activities.

Notes to the financial statements
for the year ended 31 March 2024

9. Charitable and trading expenses

	Charitable activities - support costs 2024 £	Other trading expenses 2024 £	Total 2024 £	Total *2023* £
In-country operating costs	-	484,868	**484,868**	*353,084*
Loan loss expense	-	77,538	**77,538**	*39,889*
Other project costs	34,473	4,848	**39,321**	*4,385*
Head office costs	156,985	97,993	**254,978**	*190,017*
Governance costs	8,664	15,000	**23,664**	*21,194*
Bank charges	-	50,512	**50,512**	*8,319*
Foreign exchange differences	-	155,281	**155,281**	*38,831*
Research and development	-	13,612	**13,612**	*50,964*
	200,122	899,652	**1,099,774**	*706,683*
Total 2023	*185,914*	*520,769*	*706,683*	

10. Analysis of grants

	Grants to Institutions 2024 £	Total funds 2024 £	*Total funds 2023* £
Love For All Orphanage (Nakuru, Kenya)	34,473	**34,473**	*1,979*
Total 2023	*1,979*	*1,979*	

11. Auditors' remuneration

	2024 £	*2023* £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	**11,100**	*10,500*
Fees payable to the Charity's auditor in respect of:		
All assurance services not included above	**7,950**	*7,500*
All non-audit services not included above	**1,050**	*1,000*

Notes to the financial statements
for the year ended 31 March 2024

12. Staff costs

	Group 2024 £	*Group 2023 £*	Charity 2024 £	*Charity 2023 £*
Wages and salaries	**376,490**	*377,836*	**94,535**	*141,149*
Social security costs	**7,285**	*12,607*	**7,285**	*12,607*
Contribution to defined contribution pension schemes	**8,495**	*8,445*	**8,315**	*8,445*
	392,270	*398,888*	**110,135**	*162,201*

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

	Group 2024 No.	*Group 2023 No.*	Charity 2024 No.	*Charity 2023 No.*
UK management	**2**	*2*	**2**	*2*
Kenyan and Ugandan staff	**27**	*18*	**-**	*-*
	29	*20*	**2**	*2*

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2024 No.	*Group 2023 No.*
In the band £60,001 - £70,000	**2**	*2*

The Trustees of the charity are considered to be the Key Management Personnel.

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2023 - £NIL)*.

During the year ended 31 March 2024, no Trustee expenses have been incurred *(2023 - £NIL)*.

14. Tangible fixed assets

Group

	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2023	**22,286**	**-**	**15,228**	**37,514**
Additions	**32,106**	**5,985**	**16,658**	**54,749**
At 31 March 2024	**54,392**	**5,985**	**31,886**	**92,263**
Depreciation				
At 1 April 2023	**2,649**	**-**	**1,917**	**4,566**
Charge for the year	**7,233**	**-**	**4,268**	**11,501**
At 31 March 2024	**9,882**	**-**	**6,185**	**16,067**
Net book value				
At 31 March 2024	**44,510**	**5,985**	**25,701**	**76,196**
At 31 March 2023	*19,637*	*-*	*13,311*	*32,948*

15. Fixed asset investments

Charity	Investments in subsidiary companies £
Valuation	
At 1 April 2023	**984,718**
Additions	**2,040,068**
At 31 March 2024	**3,024,786**
Net book value	
At 31 March 2024	**3,024,786**
At 31 March 2023	*984,718*

16. Debtors

	Group 2024 £	*Group 2023 £*	Charity 2024 £	*Charity 2023 £*
Due after more than one year				
Other debtors	**1,141,907**	*449,498*	**-**	-
	1,141,907	*449,498*	**-**	-
Due within one year				
Amounts owed by group undertakings	**-**	-	**343,810**	*1,066,780*
Other debtors	**2,415,839**	*1,434,740*	**8**	-
Prepayments and accrued income	**44,804**	*23,226*	**-**	-
	3,602,550	*1,907,464*	**343,818**	*1,066,780*

All amounts owed by group undertakings are non-interest bearing, unsecured and are due on demand.

Where loans within Other debtors are given for the purpose of purchasing an asset, no asset held as security in the name of Balloon Ventures Ltd are included in the consolidated accounts of Balloon Ventures Foundation Ltd, as the charity does not have a beneficial interest in the asset unless the borrower defaults on the loan.

Included within Other debtors are loans receivable of £3,450,902 (2023: £1,878,650). Of this amount, £1,036,958 (2023: £449,498) is due in over one year, with £2,413,944 (2023: £1,429,152) due within one year.

Schedule of loans receivable

	Group 2024 £	*Group 2023 £*
Loans receivable at 1 April	**1,878,650**	*780,114*
Reclassifications	**-**	-
Loan additions in the year	**3,863,676**	*2,114,398*
Loan repayments in the year	**(2,081,573)**	*(935,734)*
Loans written off in the year	**(34,911)**	*(38,704)*
(Increase)/ decrease in loan loss provision	**(44,635)**	*(1,184)*
FX revaluation adjustments	**(130,305)**	*(40,240)*
	3,450,902	*1,878,650*

As at 31 March 2024 the loan loss provision stands at £131,349 (2023: £88,722).

17. Creditors: Amounts falling due within one year

	Group 2024 £	*Group 2023 £*	Charity 2024 £	*Charity 2023 £*
Bank loans	**10,000**	*10,000*	**-**	*-*
Trade creditors	**692**	*8,018*	**-**	*-*
Other creditors	**951**	*1,233*	**951**	*1,233*
Accruals and deferred income	**20,460**	*24,842*	**5,460**	*10,500*
	32,103	*44,093*	**6,411**	*11,733*

The bank loan is guaranteed by the UK Government under the Bounce Back Loan Scheme.

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

	Group 2024 £	*Group 2023 £*
Bank loans	**1,590,559**	*628,887*

Of this amount, £12,450 (2023: £22,500) is guaranteed by the UK Government under the Bounce Back Loan Scheme.

Included within the above are amounts falling due as follows:

	Group 2024 £	*Group 2023 £*
Between one and two years		
Bank loans	**10,000**	*10,000*
Between two and five years		
Bank loans	**1,580,559**	*618,887*

Notes to the financial statements
for the year ended 31 March 2024

19. Statement of funds

Statement of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Balance at 31 March 2024 £
Unrestricted funds				
General fund	**425,072**	**4,841**	**(45,715)**	**384,198**
Restricted funds				
Balloon Ventures East Africa Fund	**1,053,723**	**1,326,682**	**(132,238)**	**2,248,167**
Balloon Ventures Limited	**558,242**	**817,734**	**(891,878)**	**484,098**
	1,611,965	**2,144,416**	**(1,024,116)**	**2,732,265**
Total of funds	**2,037,037**	**2,149,257**	**(1,069,831)**	**3,116,463**

Statement of funds - prior year

	Balance at 1 April 2022 £	*Income* £	*Expenditure* £	*Balance at 31 March 2023* £
Unrestricted funds				
General fund	*515,086*	*12,931*	*(102,945)*	*425,072*
Restricted funds				
Balloon Ventures East Africa Fund	*278,796*	*858,339*	*(83,412)*	*1,053,723*
Balloon Ventures Limited	*504,840*	*573,728*	*(520,326)*	*558,242*
	783,636	*1,432,067*	*(603,738)*	*1,611,965*
Total of funds	*1,298,722*	*1,444,998*	*(706,683)*	*2,037,037*

The Balloon Ventures East Africa Fund is dedicated to supporting small businesses and creating jobs in East Africa.

Balloon Ventures Limited is the trading subsidiary of Balloon Ventures Foundation Limited.

20. Summary of funds

Summary of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Balance at 31 March 2024 £
General funds	**425,072**	**4,841**	**(45,715)**	**384,198**
Restricted funds	**1,611,965**	**2,144,416**	**(1,024,116)**	**2,732,265**
	2,037,037	**2,149,257**	**(1,069,831)**	**3,116,463**

Summary of funds - prior year

	Balance at 1 April 2022 £	*Income £*	*Expenditure £*	*Balance at 31 March 2023 £*
General funds	*515,086*	*12,931*	*(102,945)*	*425,072*
Restricted funds	*783,636*	*1,432,067*	*(603,738)*	*1,611,965*
	1,298,722	*1,444,998*	*(706,683)*	*2,037,037*

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	-	76,196	**76,196**
Debtors due after more than one year	-	1,141,907	**1,141,907**
Current assets	390,609	3,130,413	**3,521,022**
Creditors due within one year	(6,411)	(25,692)	**(32,103)**
Creditors due in more than one year	-	(1,590,559)	**(1,590,559)**
Total	384,198	2,732,265	**3,116,463**

22. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2024 £	*Group 2023 £*
Net income for the period (as per Statement of Financial Activities)	1,079,426	*738,315*
Adjustments for:		
Depreciation charges	**11,501**	*4,566*
Increase in debtors	**(1,695,086)**	*(1,078,565)*
Increase/(decrease) in creditors	**(11,990)**	*582,615*
Foreign exchange differences	**155,281**	*38,831*
Interest receivable	**(11,195)**	*(30)*
Interest payable	**50,512**	*8,319*
Net cash provided by/(used in) operating activities	**(421,551)**	*294,051*

23. Analysis of cash and cash equivalents

	Group 2024 £	*Group 2023 £*
Cash in hand	**1,060,379**	*769,605*
Total cash and cash equivalents	**1,060,379**	*769,605*

24. Analysis of changes in net debt

	At 1 April 2023 £	Cash flows £	At 31 March 2024 £
Cash at bank and in hand	**769,605**	**290,774**	**1,060,379**
Debt due within 1 year	**(10,000)**	**-**	**(10,000)**
Debt due after 1 year	**(628,887)**	**(961,672)**	**(1,590,559)**
	130,718	**(670,898)**	**(540,180)**

25. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £8,316 (2023: £8,445). Contributions totalling £951 (2023: £1,233) were payable to the fund at the balance sheet date and are included in creditors.

26. Operating lease commitments

At 31 March 2024 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2024 £	*Group 2023 £*
Not later than 1 year	**6,165**	*7,258*
Later than 1 year and not later than 5 years	**16,537**	*20,246*
	22,702	*27,504*

27. Members' liability

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1 of the accounts. In the event of the charity being wound up the liability in respect of the guarantee is limited to £10 per member of the charity.

28. Related party transactions

During the year the charity recharged UK head office costs of £nil (2023: £78,654) to its subsidiary, Balloon Ventures Limited.

During the year the charity received donations of £nil (2023: £38,438) from its subsidiary, Balloon Ventures Limited.

29. Controlling party

The charity is under the control of the trustees.

30. Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
Balloon Ventures Ltd	07940726	73 Mount View Road, London, N4 4SR	Investing in small businesses in Kenya and Uganda

Class of shares	Holding
Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) for the year £	Net assets £
Balloon Ventures Ltd	**817,734**	**891,878**	**(74,144)**	**2,746,804**

BALLOON VENTURES FOUNDATION LTD

England & Wales - Charity number 1141552

Accounts

Registered number: 07596900
Charity number: 1141552

Balloon Ventures Foundation Ltd

(A company limited by guarantee)

Trustees' report and financial statements

for the year ended 31 March 2023

Balloon Ventures Foundation Ltd
(A company limited by guarantee)

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Balloon Ventures Foundation Ltd
(A company limited by guarantee)

Reference and administrative details of the Charity, its Trustees and advisers for the year ended 31 March 2023

Trustees	Ms A J Hindman Mr W S G Smith Mr J Prabhay
Company registered number	07596900
Charity registered number	1141552
Registered office	73 Mount View Road London N4 4SR
Company secretary	Ms M C Phillips
Independent auditors	Kreston Reeves LLP Statutory Auditor and Chartered Accountants Second Floor 168 Shoreditch High Street London E1 6RA
Bank	TSB Bank Plc 120 George Street Edinburgh EH2 4LH VFX Plc 32-38 Dukes Place London EC3A 7LP Wise Payments Ltd 56 Shoreditch High Street London E1 6JJ FairFX PLC 68 Upper Thames Street London EC4V 3BJ

Balloon Ventures Foundation Ltd
(A company limited by guarantee)

Trustees' report
for the year ended 31 March 2023

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 April 2022 to 31 March 2023. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the group and the Charity qualify as small under section 383 of the Companies Act 2006, the group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The charity's objectives are to relieve poverty and financial hardship in Kenya and Uganda in such ways as the Trustees see fit. In particular but not exclusively by providing:

(1) Training and funding for income generating programmes and job creation.
(2) Supporting the needs of children in Busia in such ways as the trustees think fit.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

To achieve its objectives the charity:

- Provides business support, training & loan finance to small businesses in East Africa to help them to grow and create good jobs, via the charity's trading subsidiary Balloon Ventures Limited.
- Provides support to several children's' homes and schools.

c. Activities undertaken to achieve objectives

To achieve the objectives the group has this year focused on providing business support and loan finance to small business in East Africa. This year we have given 128 loans to small businesses in Kenya and Uganda (2022: 65 loans) and continued to provide technical business support to our investee businesses.

d. Grant-making policies

In order to further its objectives, the charity may co operate with, fund or provide grants to other organisations whether charities or other. The current focus of the charity is job creation.

The Board of trustees has ultimate collective responsibility for all grant making decisions in line with the group's charitable purposes and any restrictions agreed with donors and funding partners.

Trustees may assign certain decision making responsibilities to its sub committees, Board members or staff within its scheme of delegation. Such delegated decisions are subject to scrutiny and review from time to time.

Trustees' report (continued)
for the year ended 31 March 2023

Review of the year's performance and achievements

The Group continued working with and investing in small-medium enterprises ("SMEs"), building on the success of the previous year to achieve significant growth. Highlights of the year include:

- Making 128 loans to SMEs (2022: 65) and more than doubling the loan portfolio to £1,967,372 (2022: £867,651). This was the highest number and value of loans given to date, meaning we extended our reach to more businesses than ever.
- Significant growth in revenue generated from the loan portfolio, growing to £365,223 (2022: £210,522)
- Growing our team in Uganda to 16 staff members (2022: 8).
- In Kenya, re-starting investments and trialling a new loan product.
- Despite this significant growth and investment, continuing be financially sustainable* in Uganda, ending the year with sustainability of 115% (2022: 134%). Across both branches sustainability was 97% (2022: 92%).
- Receiving continued support and strong feedback from our funders: Argidius Foundation, Citi Foundation, Palladium (through their Challenge Fund for Youth Employment) and Dutch Good Growth Fund.

*Proportion of the direct costs incurred to invest in and support small businesses that are covered by revenue generated from the loan portfolio.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The charity retains such reserves as the trustees consider necessary in order to sustain its ongoing charitable activities, having regard to the level of donations and grants received. Donations and grants received to cover specific charitable project costs are held in restricted reserves.

As at 31 March 2023, the total funds were £2,037,037 (2022: £1,298,722). Of this, £1,611,965 (2022: £783,636) was restricted funds.

c. Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity and are satisfied that systems and procedures are in place to mitigate the charity's exposure to the major risks.

Trustees' report (continued)
for the year ended 31 March 2023

Structure, governance and management

a. Constitution

The charity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 8 April 2011.

b. Methods of appointment or election of Trustees

The management of the charity is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

c. Organisational structure and decision-making policies

The Board of Trustees, which has a minimum of three members, administers the charity and makes all decisions in regard to the charity's operations. The Board meets at least twice a year.

d. Policies adopted for the induction and training of Trustees

The initial trustees were appointed by the Articles of Association. Subsequent appointments are made by the Board of Trustees.

e. Related party relationships

During the year the charity received distributions of £38,438 (2022: £249,952) from Balloon Ventures Limited, its wholly owned subsidiary. In addition, during the year Balloon Ventures Limited re-charged costs amounting to £nil (2022: £36,806) to the charity. The charity re-charged costs amounting to £78,564 (2022: £161,972) to Balloon Ventures Limited. The outstanding balance owed by Balloon Ventures Limited to the charity at the end of the year was £1,066,780 (2022: £707,168).

f. Impact of Covid-19

The trustees have assessed, and continue to monitor, the potential impact of Covid 19 on the charity's financial position and operations. Given the unprecedented impact on the global economy it is difficult to evaluate with any certainty the potential impact on the charity and its donors. However the trustees have reviewed and assessed all available information, including cash forecasts and projections, and taking account of committed income from grant funders the trustees have a reasonable expectation that the charity will continue in operational existence for the foreseeable future.

Plans for future periods

For the next financial year the group plans to focus on steady-state investing in Uganda and consolidating our learnings, rather than continuing the rapid growth we have seen over the last 2 financial years.

With funding from Palladium, Dutch Good Growth Fund, Argidius Foundation and Citi Foundation, and a full team in place, we will aim to invest at our current rate of 15 investments per month. This will still lead to strong revenue and portfolio growth, and we expect to see strong impact with ~1,800 jobs to be improved.

Having re-started investing in Kenya, albeit at much slower pace than Uganda, we will continue to pilot our new loan product offering there.

We will test other innovations such as more automated credit scoring, and the expansion of the branch network in Uganda, to lay the foundations for more rapid growth in the future.

Trustees' report (continued)
for the year ended 31 March 2023

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) 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).

Company law requires the Trustees to prepare financial statements for each financial . Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

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

Mr W S G Smith
Trustee
Date: 06/09/2023

Balloon Ventures Foundation Ltd
(A company limited by guarantee)

Independent auditors' report to the Members of Balloon Ventures Foundation Ltd

Opinion

We have audited the financial statements of Balloon Ventures Foundation Ltd (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes, 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 Group's and of the parent charitable company's affairs as at 31 March 2023 and of the Group's incoming resources and application of resources, including its income and expenditure 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 Companies Act 2006 and 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent charitable company'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.

Independent auditors' report to the Members of Balloon Ventures Foundation Ltd (continued)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Group's and the parent charitable company'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 liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the Members of Balloon Ventures Foundation Ltd (continued)

Auditors' responsibilities for the audit of the financial statements

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 auditors' 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:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charity and the sector as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP (FRS 102) Second Edition (released October 2019), the Companies Act 2006 and other relevant charity legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements such as the provisions against loan debtor balances. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Reading minutes of meetings of those charged with governance; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

Independent auditors' report to the Members of Balloon Ventures Foundation Ltd (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Stephen Tanner BSC(Econ) FCA (Senior Statutory Auditor)
for and on behalf of
Kreston Reeves LLP
Statutory Auditor and Chartered Accountants
London

Date: 7 September 2023

Balloon Ventures Foundation Ltd
(A company limited by guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account) for the year ended 31 March 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Income from:					
Donations and legacies	4	**3,704**	**858,339**	**862,043**	*184,032*
Other trading activities	5	**-**	**572,125**	**572,125**	*456,724*
Other investment income	6	**-**	**30**	**30**	*14*
Other income	7	**9,227**	**1,573**	**10,800**	*-*
Total income		**12,931**	**1,432,067**	**1,444,998**	*640,770*
Expenditure on:					
Other trading activities		**443**	**520,326**	**520,769**	*280,581*
Charitable activities		**102,502**	**83,412**	**185,914**	*246,115*
Total expenditure		**102,945**	**603,738**	**706,683**	*526,696*
Net movement in funds		**(90,014)**	**828,329**	**738,315**	*114,074*
Reconciliation of funds:					
Total funds brought forward		**515,086**	**783,636**	**1,298,722**	*1,184,648*
Net movement in funds		**(90,014)**	**828,329**	**738,315**	*114,074*
Total funds carried forward		**425,072**	**1,611,965**	**2,037,037**	*1,298,722*

Balloon Ventures Foundation Ltd
(A company limited by guarantee)
Registered number: 07596900

Consolidated balance sheet as at 31 March 2023

	Note		2023 £		2022 £
Tangible assets	14		**32,948**		-
Current assets					
Debtors	16	**1,907,464**		*828,899*	
Cash at bank and in hand		**769,605**		*560,188*	
		2,677,069		*1,389,087*	
Creditors: amounts falling due within one year	17	**(44,093)**		*(57,865)*	
Net current assets			**2,632,976**		*1,331,222*
Total assets less current liabilities			**2,665,924**		*1,331,222*
Creditors: amounts falling due after more than one year	18		**(628,887)**		*(32,500)*
Total net assets			**2,037,037**		*1,298,722*
Charity funds					
Restricted funds	19		**1,611,965**		*783,636*
Unrestricted funds	19		**425,072**		*515,086*
Total funds			**2,037,037**		*1,298,722*

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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

W S G Smith

Mr W S G Smith
Trustee

Date: 06/09/2023

The notes on pages 14 to 30 form part of these financial statements.

Balloon Ventures Foundation Ltd
(A company limited by guarantee)
Registered number: 07596900

Charity balance sheet
as at 31 March 2023

	Note		2023 £		*2022 £*
Fixed assets					
Investments	15		**984,718**		*461,284*
			984,718		*461,284*
Current assets					
Debtors	16	**1,066,780**		*707,168*	
Cash at bank and in hand		**201,110**		*283,497*	
		1,267,890		*990,665*	
Creditors: amounts falling due within one year	17	**(11,733)**		*(12,989)*	
Net current assets			**1,256,157**		*977,676*
Total net assets			**2,240,875**		*1,438,960*
Charity funds					
Restricted funds	19		**1,053,723**		*171,904*
Unrestricted funds	19		**1,187,152**		*1,267,056*
Total funds			**2,240,875**		*1,438,960*

The Charity's net movement in funds for the year was £793,131 *(2022 - £312,694)*.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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

WSGSmith

Mr W S G Smith
Trustee

Date: 06/09/2023

The notes on pages 14 to 30 form part of these financial statements.

Balloon Ventures Foundation Ltd
(A company limited by guarantee)

Consolidated statement of cash flows for the year ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	22	**294,051**	*(371,011)*
Cash flows from investing activities			
Purchase of tangible fixed assets		**(37,514)**	-
Interest received		**30**	*14*
Net cash (used in)/provided by investing activities		**(37,484)**	**14**
Cash flows from financing activities			
Interest payable		**(8,319)**	*873*
Net cash (used in)/provided by financing activities		**(8,319)**	**873**
Change in cash and cash equivalents in the year		**248,248**	**(370,124)**
Cash and cash equivalents at the beginning of the year		**560,188**	*900,216*
Change in cash and cash equivalents due to exchange rate movements		**(38,831)**	*30,096*
Cash and cash equivalents at the end of the year		**769,605**	*560,188*

The notes on pages 14 to 30 form part of these financial statements

Notes to the financial statements
for the year ended 31 March 2023

1. General information

Balloon Ventures Foundation Limited is a private company limited by guarantee and a registered charity. Registered company number 07596900, registered in England, and registered charity number 1141552. The principal aims of the charity are shown in the Trustee Report and the registered office is shown in the administrative details of the company page.

2. Accounting policies

2.1 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 Companies Act 2006.

Balloon Ventures Foundation Ltd 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 consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

The Charity's functional and presentational currency is Pound Sterling.

2.2 Company status

The charity is a company limited by guarantee. The members of the company are the trustees named on the adminstrative details page. In the event of the charity being wound up the liability in respect of the guarantee is limited to £10 per member of the charity.

2.3 Going concern

The financial statements have been prepared on the going concern basis. In determining this the trustees have reviewed the company's financial position and available resources, including the charity's cash flow forecast. While the impact of the Covid-19 virus has been assessed by the trustees, so far as reasonably possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcomes on the charity or its donors. However, taking into consideration the charity's cash flow forecast, planning and committed income from grant funders, the trustees believe the charity has adequate resources to continue operating for at least 12 months from the date of signing these financial statements.

2. Accounting policies (continued)

2.4 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.

The Charity receives all the profits generated during the year from Balloon Ventures Limited by way of a deed of covenant. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income received for a specific purpose, or which has restrictions or conditions associated with it, is classified as restricted income and allocated to restricted funds. Income that can be spent at the trustees' discretion in furtherance of the charity's aims and objectives is classified as unrestricted income and allocated to unrestricted funds.

2.5 Expenditure

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 allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Charitable activities and governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

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.

2.6 Government grants

Government grants are credited to the consolidated statement of financial activities as the related expenditure is incurred.

2.7 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 Bank.

2. Accounting policies (continued)

2.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the consolidated statement of financial activities.

2.9 Tangible fixed assets and depreciation

Tangible fixed assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following basis:

Motor vehicles	-	20%
Computer equipment	-	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of financial activities.

2.10 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

2.11 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.

2.12 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.

2. Accounting policies (continued)

2.13 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. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. 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 risk specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.14 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.15 Operating leases

Rentals paid under operating leases are charged to the consolidated statement of financial activities on a straight line basis over the lease term.

2.16 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.17 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 Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

3. Critical accounting estimates and areas of judgment

In preparing the financial statements it is necessary to make certain judgments, assumptions and estimates that affect the amounts recognised in the financial statements. The trustees consider the key areas of estimate and judgement to be:

Critical accounting estimates and assumptions:

Recoverability value of loans receivable from small businesses

A loan loss provision is included on the balance sheet to account for the risk of potentially irrecoverable loans. This is offset against loans receivable to adjust the value of loans receivable to their estimated recoverable amount. The provision is an estimate based on judgment and assumptions. When estimating this provision, management take account of the potential risk to the portfolio, which is assessed using various metrics including Portfolio at Risk ("PAR"). The provision is increased if necessary to comply with the DGGF loan covenant. Increases and decreases in the value of the loan loss provision are reflected in the Statement of Comprehensive Income.

Included within debtors is a provision of £88,722 (2022: £87,538). Of this amount, £21,228 (2022: £26,537) is provided against debt due in more than one year, with £67,494 (2022: £61,001) provided against debt due within one year.

4. Income from donations and legacies

	Unrestricted funds 2023 £	**Restricted funds 2023 £**	**Total funds 2023 £**	*Total funds 2022 £*
Donations	3,704	-	**3,704**	*151,332*
Legacies	-	-	**-**	*341*
Grants	-	858,339	**858,339**	*32,359*
Total 2023	3,704	858,339	**862,043**	*184,032*
Total 2022	*6,853*	*177,179*	*184,032*	

Notes to the financial statements
for the year ended 31 March 2023

5. Income from other trading activities

Income from non charitable trading activities

	Restricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Grant income	199,593	**199,593**	*246,202*
Loan related activities	372,532	**372,532**	*210,522*
	572,125	**572,125**	*456,724*
Total 2022	*456,724*	*456,724*	

6. Other investment income

	Restricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Other interest receivable	30	**30**	*14*
Total 2022	*14*	*14*	

7. Other incoming resources

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Other operating income	9,227	1,573	**10,800**	-

Notes to the financial statements
for the year ended 31 March 2023

8. Analysis of charitable expenditure by activities

	Grant funding of activities 2023 £	Support costs 2023 £	Total funds 2023 £	*Total funds 2022 £*
Kenyan and Ugandan project costs	1,979	183,935	**185,914**	*246,037*
Foreign exchanges differences	-	-	**-**	*78*
	1,979	183,935	**185,914**	*246,115*
Total 2022	*32,826*	*213,289*	*246,115*	

Of the above expenditure totalling £185,914 (2022: £246,115), £83,412 (2022: £32,826) related to restricted activities, and £102,502 (2022: £213,289) related to unrestricted activities.

9. Charitable and trading expenses

	Charitable activities - support costs 2023 £	Other trading expenses 2023 £	Total 2023 £	Total *2022 £*
In-country operating costs	-	353,084	**353,084**	*252,852*
Loan loss expense	-	39,889	**39,889**	*(12,505)*
Other project costs	1,979	2,406	**4,385**	*52,820*
Head office costs	171,641	18,376	**190,017**	*210,094*
Governance costs	12,294	8,900	**21,194**	*19,604*
Bank charges	-	8,319	**8,319**	*1,097*
Foreign exchange differences	-	38,831	**38,831**	*(30,098)*
Research and development	-	50,964	**50,964**	-
	185,914	520,769	**706,683**	*493,864*
Total 2022	*213,288*	*280,576*	*493,864*	

Notes to the financial statements
for the year ended 31 March 2023

10. Analysis of grants

	Grants to Institutions 2023 £	Total funds 2023 £	*Total funds 2022 £*
Love For All Orphanage (Nakuru, Kenya)	1,979	**1,979**	*32,826*
Total 2022	*32,826*	*32,826*	

11. Auditors' remuneration

	2023 £	*2022 £*
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	**10,500**	*9,000*
Fees payable to the Charity's auditor in respect of:		
All assurance services not included above	**7,500**	*6,500*
All non-audit services not included above	**1,000**	*900*

Notes to the financial statements
for the year ended 31 March 2023

12. Staff costs

	Group 2023 £	*Group 2022 £*	Charity 2023 £	*Charity 2022 £*
Wages and salaries	**377,836**	*319,447*	**141,149**	*168,739*
Social security costs	**12,607**	*15,523*	**12,607**	*15,523*
Contribution to defined contribution pension schemes	**8,445**	*10,080*	**8,445**	*10,080*
	398,888	*345,050*	**162,201**	*194,342*

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

	Group 2023 No.	*Group 2022 No.*	Charity 2023 No.	*Charity 2022 No.*
UK management	**2**	*3*	**2**	*3*
Kenyan and Ugandan staff	**18**	*14*	**-**	*-*
	20	*17*	**2**	*3*

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2023 No.	*Group 2022 No.*
In the band £60,001 - £70,000	**2**	*-*

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2022 - £NIL)*.

During the year ended 31 March 2023, no Trustee expenses have been incurred *(2022 - £NIL)*.

14. Tangible fixed assets

Group

	Motor vehicles £	Computer equipment £	Total £
Cost or valuation			
Additions	**22,286**	**15,228**	**37,514**
At 31 March 2023	**22,286**	**15,228**	**37,514**
Depreciation			
Charge for the year	**2,649**	**1,917**	**4,566**
At 31 March 2023	**2,649**	**1,917**	**4,566**
Net book value			
At 31 March 2023	**19,637**	**13,311**	**32,948**
At 31 March 2022	-	-	-

15. Fixed asset investments

	Investments in subsidiary companies £
Charity	
Valuation	
At 1 April 2022	**461,284**
Additions	**523,434**
At 31 March 2023	**984,718**
Net book value	
At 31 March 2023	**984,718**
At 31 March 2022	*461,284*

16. Debtors

	Group 2023 £	*Group 2022 £*	Charity 2023 £	*Charity 2022 £*
Due after more than one year				
Other debtors	**449,498**	*239,701*	**-**	*-*
	449,498	*239,701*	**-**	*-*
Due within one year				
Trade debtors	**-**	*29,321*	**-**	*-*
Amounts owed by group undertakings	**-**	*-*	**1,066,780**	*707,168*
Other debtors	**1,434,740**	*548,121*	**-**	*-*
Prepayments and accrued income	**23,226**	*11,756*	**-**	*-*
	1,907,464	*828,899*	**1,066,780**	*707,168*

All amounts owed by group undertakings are non-interest bearing, unsecured and are due on demand.

Where loans within Other debtors are given for the purpose of purchasing an asset, no asset held as security in the name of Balloon Ventures Ltd are included in the consolidated accounts of Balloon Ventures Foundation Ltd, as the charity does not have a beneficial interest in the asset unless the borrower defaults on the loan.

Included within Other debtors are loans receivable of £1,878,650 (2022: £780,114). Of this amount, £449,498 (2022: £236,482) is due in over one year, with £1,429,152 (2022: £543,632) due within one year.

Debtors (continued)

Schedule of loans receivable

	Group 2023 £	*Group 2022 £*
Loans receivable at 1 April	**780,114**	*255,505*
Reclassifications	**-**	*-*
Loan additions in the year	**2,114,398**	*867,369*
Loan repayments in the year	**(935,734)**	*(372,692)*
Loans written off in the year	**(38,704)**	*(53,789)*
(Increase)/ decrease in loan loss provision	**(1,184)**	*53,789*
FX revaluation adjustments	**(40,240)**	*29,932*
	1,878,650	*780,114*

As at 31 March 2023 the loan loss provision stands at £88,722 (2022: £87,538).

17. Creditors: Amounts falling due within one year

	Group 2023 £	*Group 2022 £*	Charity 2023 £	*Charity 2022 £*
Bank loans	**10,000**	*10,000*	**-**	*-*
Trade creditors	**8,018**	*27,683*	**-**	*-*
Other creditors	**1,233**	*1,624*	**1,233**	*1,608*
Accruals and deferred income	**24,842**	*18,558*	**10,500**	*11,381*
	44,093	*57,865*	**11,733**	*12,989*

The bank loan is guaranteed by the UK Government under the Bounce Back Loan Scheme.

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

	Group 2023 £	*Group 2022 £*
Bank loans	**628,887**	*32,500*

Of this amount, £22,500 (2022: £32,500) is guaranteed by the UK Government under the Bounce Back Loan Scheme.

Included within the above are amounts falling due as follows:

	Group 2023 £	*Group 2022 £*
Between one and two years		
Bank loans	**10,000**	*10,000*
Between two and five years		
Bank loans	**618,887**	*22,500*
Over five years		

Notes to the financial statements
for the year ended 31 March 2023

19. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Balance at 31 March 2023 £
Unrestricted funds				
General fund	**515,086**	**12,931**	**(102,945)**	**425,072**
Restricted funds				
Balloon Ventures East Africa Fund	**278,796**	**858,339**	**(83,412)**	**1,053,723**
Balloon Ventures Limited	**504,840**	**573,728**	**(520,326)**	**558,242**
	783,636	**1,432,067**	**(603,738)**	**1,611,965**
Total of funds	**1,298,722**	**1,444,998**	**(706,683)**	**2,037,037**

Statement of funds - prior year

	Balance at 1 April 2021 £	*Income £*	*Expenditure £*	*Balance at 31 March 2022 £*
Unrestricted funds				
General fund	*693,957*	*6,853*	*(185,724)*	*515,086*
Restricted funds				
Balloon Ventures East Africa Fund	*162,349*	*176,838*	*(60,391)*	*278,796*
Balloon Ventures Limited	*328,342*	*457,079*	*(280,581)*	*504,840*
	490,691	*633,917*	*(340,972)*	*783,636*
Total of funds	*1,184,648*	*640,770*	*(526,696)*	*1,298,722*

The Balloon Ventures East Africa Fund is dedicated to supporting small businesses and creating jobs in East Africa.

Balloon Ventures Limited is the trading subsidiary of Balloon Ventures Foundation Limited.

Notes to the financial statements
for the year ended 31 March 2023

20. Summary of funds

Summary of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Balance at 31 March 2023 £
General funds	**515,086**	**12,931**	**(102,945)**	**425,072**
Restricted funds	**783,636**	**1,432,067**	**(603,738)**	**1,611,965**
	1,298,722	**1,444,998**	**(706,683)**	**2,037,037**

Summary of funds - prior year

	Balance at 1 April 2021 £	*Income £*	*Expenditure £*	*Balance at 31 March 2022 £*
General funds	*693,957*	*6,853*	*(185,724)*	*515,086*
Restricted funds	*490,691*	*633,917*	*(340,972)*	*783,636*
	1,184,648	*640,770*	*(526,696)*	*1,298,722*

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	32,948	**32,948**
Debtors due after more than one year	(29,746)	479,244	**449,498**
Current assets	466,551	1,761,020	**2,227,571**
Creditors due within one year	(11,733)	(32,360)	**(44,093)**
Creditors due in more than one year	-	(628,887)	**(628,887)**
Total	425,072	1,611,965	**2,037,037**

22. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2023 £	*Group 2022 £*
Net income for the year (as per Statement of Financial Activities)	738,315	*114,074*
Adjustments for:		
Depreciation charges	**4,566**	-
Increase in debtors	**(1,078,565)**	*(835,133)*
Increase in creditors	**582,615**	*443,367*
Foreign exchange differences	**38,831**	*(30,096)*
Interest receivable	**(30)**	*(14)*
Interest payable	**8,319**	*873*
Net cash provided by/(used in) operating activities	**294,051**	*(306,929)*

23. Analysis of cash and cash equivalents

	Group 2023 £	*Group 2022 £*
Cash in hand	**769,605**	*560,188*
Total cash and cash equivalents	**769,605**	*560,188*

24. Analysis of changes in net debt

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	**560,188**	**209,417**	**769,605**
Debt due within 1 year	**(10,000)**	**-**	**(10,000)**
Debt due after 1 year	**(32,500)**	**(596,387)**	**(628,887)**
	517,688	**(386,970)**	**130,718**

25. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £8,445 (2022: £10,080). Contributions totalling £1,233 (2022: £1,583) were payable to the fund at the balance sheet date and are included in creditors.

26. Operating lease commitments

At 31 March 2023 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £	*Group 2022 £*
Not later than 1 year	**7,258**	*7,201*
Later than 1 year and not later than 5 years	**20,246**	*1,605*
	27,504	*8,806*

27. Members' liability

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1 of the accounts. In the event of the charity being wound up the liability in respect of the guarantee is limited to £10 per member of the charity.

28. Controlling party

The charity is under the control of the trustees.

29. Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
Balloon Ventures Ltd	07940726	73 Mount View Road, London, N4 4SR	Investing in small businesses in Kenya and Uganda

Class of shares	Holding
Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Balloon Ventures Ltd	**635,725**	**445,900**	**38,438**	**780,880**

BALLOON VENTURES FOUNDATION LTD

England & Wales - Charity number 1141552

Accounts

Registered number: 07596900
Charity number: 1141552

Balloon Ventures Foundation Ltd

(A company limited by guarantee)

Trustees' report and financial statements

for the year ended 31 March 2022

Balloon Ventures Foundation Ltd
(A company limited by guarantee)

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Balloon Ventures Foundation Ltd
(A company limited by guarantee)

Reference and administrative details of the Charity, its Trustees and advisers for the year ended 31 March 2022

Trustees	Ms A J Hindman Mr W S G Smith Mr J Prabhay
Company registered number	07596900
Charity registered number	1141552
Registered office	73 Mount View Road London N4 4SR
Company secretary	Ms M C Phillips
Independent auditors	Kreston Reeves LLP Statutory Auditor and Chartered Accountants Second Floor 168 Shoreditch High Street London E1 6RA
Bank	TSB Bank Box 1 BX4 7SB VFX Plc 65 Leadenhall Street London EC3A 2AD TransferWise Limited 56 Shoreditch High Street London E1 6JJ

Trustees' report
for the year ended 31 March 2022

The Trustees present their annual report together with the audited financial statements of the Charity for the year year 1 April 2021 to 31 March 2022. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the group and the Charity qualify as small under section 383 of the Companies Act 2006, the group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The charity's objectives are to relieve poverty and financial hardship in Kenya and Uganda in such ways as the Trustees see fit. In particular but not exclusively by providing:

(1) Training and funding for income generating programmes and job creation.
(2) Supporting the needs of children in Busia in such ways as the trustees think fit.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

To achieve its objectives the charity:

- Provides business support, training & loan finance to small businesses in East Africa to help them to grow and create good jobs, via the charity's trading subsidiary Balloon Ventures Limited.
- Provides support to several children's' homes and schools.

c. Activities undertaken to achieve objectives

To achieve the objectives the group has:

- Given 65 loans to small businesses in Kenya and Uganda (2021: 36 loans) and continued to provide technical business support to our investee businesses.
- Funded a new orphanage in Nakuru, Kenya.
- Supported a school in Mbale, Uganda.

d. Grant-making policies

In order to further its objectives, the charity may co-operate with, fund or provide grants to other organisations whether charities or other. The current focus of the charity is job creation.

The Board of trustees has ultimate collective responsibility for all grant-making decisions in line with the group's charitable purposes and any restrictions agreed with donors and funding partners.

Trustees may assign certain decision-making responsibilities to its sub-committees, Board members or staff within its scheme of delegation. Such delegated decisions are subject to scrutiny and review from time to time.

Trustees' report (continued)
for the year ended 31 March 2022

Review of the year's performance and achievements

Balloon Ventures Limited continued working with and investing in small-medium enterprises ("SMEs"), building on the success of the previous year to achieve significant growth. Key achievements this year include:

- Making 65 loans to SMEs (2021: 36) and more than doubling the loan portfolio to £867,651 (2021: £396,832). This was the highest number and value of loans given to date, meaning we extended our reach to more businesses than ever.
- Significant growth in revenue generated from the loan portfolio, growing to £210,522 (2021: £86,682).
- Hitting breakeven for the first time in our Ugandan branch, which ended the year with financial sustainability* of 134%. Overall financial sustainability across both branches rose 92% (2021: 46%).

*Proportion of the direct costs incurred to invest in and support small businesses that are covered by revenue generated from the loan portfolio.

We saw particular success in Uganda, which was the driver of revenue and loan portfolio growth. Next year we plan on building upon this success, with plans to grow further.

In Kenya, in the final quarter of the year we paused new loans to focus on growing in Uganda. The Kenyan team continued to deliver business support services to high potential SMEs throughout the year.

The charity raised £42,303 of donations for projects it supports in Kenya and Uganda. It granted £22,076 onwards to an orphanage in Nakuru, Kenya to continue with the construction of a new, safer building for its children, and £10,750 to a school in Mbale, Uganda.

The group continued to receive strong support from our funders: Argidius Foundation, FCDO, Citi Foundation, Global Innovation Fund and Palladium (through their Challenge Fund for Youth Employment).

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The charity retains such reserves as the trustees consider necessary in order to sustain its ongoing charitable activities, having regard to the level of donations and grants received. Donations and grants received to cover specific charitable project costs are held in restricted reserves.

As at 31 March 2022, the total funds were £1,298,722 (2021: £1,184,648). Of this, £783,636 (2021: £490,691) was restricted funds.

c. Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity and are satisfied that systems and procedures are in place to mitigate the charity's exposure to the major risks.

Structure, governance and management

a. Constitution

The charity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 8 April 2011.

b. Methods of appointment or election of Trustees

The management of the charity is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

c. Organisational structure and decision-making policies

The Board of Trustees, which has a minimum of three members, administers the charity and makes all decisions in regard to the charity's operations. The Board meets at least twice a year.

d. Policies adopted for the induction and training of Trustees

The initial trustees were appointed by the Articles of Association. Subsequent appointments are made by the Board of trustees.

e. Related party relationships

During the year the charity received distributions of £249,952 (2021: donations of £158,027) from Balloon Ventures Limited, it's wholly owned subsidiary. In addition, during the year Balloon Ventures Limited re-charged costs amounting to £36,806 (2021: £86,332) to the charity. The charity re-charged costs amounting to £161,972 (2021: 70,085) to Balloon Ventures Limited. The outstanding balance owed by Balloon Ventures Limited to the charity at the end of the year was £707,168 (2021: £339,705).

f. Impact of Covid-19

The trustees have assessed, and continue to monitor, the potential impact of Covid 19 on the charity's financial position and operations. Given the unprecedented impact on the global economy it is difficult to evaluate with any certainty the potential impact on the charity and its donors. However the trustees have reviewed and assessed all available information, including cash forecasts and projections, and taking account of committed income from grant funders the trustees have a reasonable expectation that the charity will continue in operational existence for the foreseeable future.

Plans for future periods

For the next financial year, the group plans to focus on:

- Having proved the potential of the business model, we will actively be fundraising to scale up and prove the model works on a larger scale.
- With new funding we plan to grow the team in Uganda and increase the volume of loans made to SMEs, aiming to reach around 10 investments per month and growing the gross loan portfolio to over £2 million.
- We will also double down on our impact focus of creating good jobs e.g., by creating impact incentives in the loan product and targeting businesses with the potential for high good job creation.
- In Kenya we'll continue to deliver business support services to high potential SMEs, and we anticipate to restart lending in January 2023.

Trustees' report (continued)
for the year ended 31 March 2022

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) 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).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

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

Mr W S G Smith
Trustee
Date: 30/08/2022

Independent auditors' report to the Members of Balloon Ventures Foundation Ltd

Opinion

We have audited the financial statements of Balloon Ventures Foundation Ltd (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes, 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 Group's and of the parent charitable company's affairs as at 31 March 2022 and of the Group's incoming resources and application of resources, including its income and expenditure 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 Companies Act 2006 and 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent charitable company'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.

Independent auditors' report to the Members of Balloon Ventures Foundation Ltd (continued)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Group's and the parent charitable company'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 liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the Members of Balloon Ventures Foundation Ltd (continued)

Auditors' responsibilities for the audit of the financial statements

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 auditors' 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:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the group and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and taxation legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements such as the provisions against loan debtor balances. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations and fraud; and
- Assessment of identified fraud risk factors; and
- Testing of internal controls procedures relating to expenditure potentially more susceptible to fraud and other irregularities including cash, payroll and credit card expenditure; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

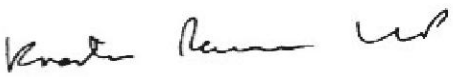
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Stephen Tanner BSC(Econ) FCA (Senior Statutory Auditor)
for and on behalf of
Kreston Reeves LLP
Statutory Auditor and Chartered Accountants
London

Date: 7 September 2022

Balloon Ventures Foundation Ltd
(A company limited by guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account) for the year ended 31 March 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Income from:					
Donations and legacies	4	**6,853**	**177,179**	**184,032**	*205,203*
Other trading activities	5	**-**	**456,724**	**456,724**	*481,173*
Other investment income	6	**-**	**14**	**14**	*105*
Total income		**6,853**	**633,917**	**640,770**	*686,481*
Expenditure on:					
Other trading activities		**-**	**280,581**	**280,581**	*328,415*
Charitable activities		**185,724**	**60,391**	**246,115**	*213,714*
Total expenditure		**185,724**	**340,972**	**526,696**	*542,129*
Net movement in funds		**(178,871)**	**292,945**	**114,074**	*144,352*
Reconciliation of funds:					
Total funds brought forward		**693,957**	**490,691**	**1,184,648**	*1,040,296*
Net movement in funds		**(178,871)**	**292,945**	**114,074**	*144,352*
Total funds carried forward		**515,086**	**783,636**	**1,298,722**	*1,184,648*

Balloon Ventures Foundation Ltd
(A company limited by guarantee)
Registered number: 07596900

Consolidated balance sheet as at 31 March 2022

	Note		2022 £		2021 £
Current assets					
Debtors	14	**828,899**		*367,110*	
Cash at bank and in hand		**560,188**		*900,216*	
		1,389,087		*1,267,326*	
Creditors: amounts falling due within one year	15	**(57,865)**		*(40,178)*	
Net current assets			**1,331,222**		*1,227,148*
Total assets less current liabilities			**1,331,222**		*1,227,148*
Creditors: amounts falling due after more than one year	16		**(32,500)**		*(42,500)*
Total net assets			**1,298,722**		*1,184,648*
Charity funds					
Restricted funds	17		**783,636**		*490,691*
Unrestricted funds	17		**515,086**		*693,957*
Total funds			**1,298,722**		*1,184,648*

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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

WSGSm

Mr W S G Smith
Trustee
Date: 30/08/2022

The notes on pages 14 to 29 form part of these financial statements.

Balloon Ventures Foundation Ltd
(A company limited by guarantee)
Registered number: 07596900

Charity balance sheet
as at 31 March 2022

	Note		2022 £		*2021 £*
Fixed assets					
Investments	13		**461,284**		*461,284*
			461,284		*461,284*
Current assets					
Debtors	14	**707,168**		*364,465*	
Cash at bank and in hand		**283,497**		*325,683*	
		990,665		*690,148*	
Creditors: amounts falling due within one year	15	**(12,989)**		*(25,166)*	
Net current assets			**977,676**		*664,982*
Total net assets			**1,438,960**		*1,126,266*
Charity funds					
Restricted funds	17		**171,904**		*92,264*
Unrestricted funds	17		**1,267,056**		*1,034,002*
Total funds			**1,438,960**		*1,126,266*

The Charity's net movement in funds for the year was £312,694 *(2021 - £131,115)*.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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

Mr W S G Smith
Trustee 30/08/2022

The notes on pages 14 to 29 form part of these financial statements.

Balloon Ventures Foundation Ltd
(A company limited by guarantee)

Consolidated statement of cash flows for the year ended 31 March 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities	**(371,011)**	*163,783*
Cash flows from investing activities		
Interest received	**14**	*105*
Net cash provided by investing activities	**14**	**105**
Cash flows from financing activities		
Interest payable	**873**	*(27)*
Net cash provided by/(used in) financing activities	**873**	**(27)**
Change in cash and cash equivalents in the year	**(370,124)**	**163,861**
Cash and cash equivalents at the beginning of the year	**900,216**	*809,278*
Change in cash and cash equivalents due to exchange rate movements	**30,096**	*(72,923)*
Cash and cash equivalents at the end of the year	**560,188**	*900,216*

The notes on pages 14 to 29 form part of these financial statements

Notes to the financial statements
for the year ended 31 March 2022

1. General information

Balloon Ventures Foundation Limited is a private company limited by guarantee and a registered charity. Registered company number 07596900, registered in England, and registered charity number 1141552. The principal aims of the charity are shown in the Trustee Report and the registered office is shown in the administrative details of the company page.

2. Accounting policies

2.1 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 Companies Act 2006.

Balloon Ventures Foundation Ltd 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 consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

The Charity's functional and presentational currency is Pound Sterling.

2.2 Company status

The charity is a company limited by guarantee. The members of the company are the trustees named on the adminstrative details page. In the event of the charity being wound up the liability in respect of the guarantee is limited to £10 per member of the charity.

2.3 Going concern

The financial statements have been prepared on the going concern basis. In determining this the trustees have reviewed the company's financial position and available resources, including the charity's cash flow forecast. While the impact of the Covid-19 virus has been assessed by the trustees, so far as reasonably possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcomes on the charity or its donors. However, taking into consideration the charity's cash flow forecast, planning and committed income from grant funders, the trustees believe the charity has adequate resources to continue operating for at least 12 months from the date of signing these financial statements.

2. Accounting policies (continued)

2.4 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.

The Charity receives all the profits generated during the year from Balloon Ventures Limited by way of a deed of covenant. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income received for a specific purpose, or which has restrictions or conditions associated with it, is classified as restricted income and allocated to restricted funds. Income that can be spent at the trustees' discretion in furtherance of the charity's aims and objectives is classified as unrestricted income and allocated to unrestricted funds.

2.5 Expenditure

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 allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Charitable activities and governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

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.

2.6 Government grants

Government grants are credited to the consolidated statement of financial activities as the related expenditure is incurred.

2.7 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 Bank.

2. Accounting policies (continued)

2.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the consolidated statement of financial activities.

2.9 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

2.10 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.

2.11 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.

2.12 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. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. 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 risk specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.13 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.14 Operating leases

Rentals paid under operating leases are charged to the consolidated statement of financial activities on a straight line basis over the lease term.

2.15 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2. Accounting policies (continued)

2.16 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 Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

3. Critical accounting estimates and areas of judgment

In preparing the financial statements it is necessary to make certain judgments, assumptions and estimates that affect the amounts recognised in the financial statements. The trustees consider the key areas of estimate and judgement to be:

Critical accounting estimates and assumptions:

Recoverability value of loans receivable from small businesses

A loan loss provision is included on the balance sheet to account for the risk of potentially irrecoverable loans. This is offset against loans receivable to adjust the value of loans receivable to their estimated recoverable amount. The provision is an estimate based on judgment and assumptions. When estimating this provision, management take account of the potential risk to the portfolio, which is assessed using various metrics including Portfolio at Risk ("PAR"). Increases and decreases in the value of the loan loss provision are reflected in the Statement of Comprehensive Income.

Notes to the financial statements
for the year ended 31 March 2022

4. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Donations	6,853	144,479	**151,332**	*17,741*
Legacies	-	341	**341**	*2,154*
Grants	-	32,359	**32,359**	*185,308*
Total 2022	6,853	177,179	**184,032**	*205,203*
Total 2021	*5*	*205,198*	*205,203*	

5. Income from other trading activities

Income from non charitable trading activities

	Restricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Grant income	246,202	**246,202**	*289,064*
Corporate programme income	-	**-**	*105,427*
Loan related activities	210,522	**210,522**	*86,682*
	456,724	**456,724**	*481,173*
Total 2021	*481,173*	*481,173*	

6. Other investment income

	Restricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Other interest receivable	14	**14**	*105*
Total 2021	*105*	*105*	

7. Analysis of charitable expenditure by activities

	Grant funding of activities 2022 £	Support costs 2022 £	Total funds 2022 £	*Total funds 2021 £*
Kenyan and Ugandan project costs	32,826	213,211	**246,037**	*213,714*
Foreign exchanges differences	-	78	**78**	*-*
	32,826	213,289	**246,115**	*213,714*
Total 2021	*23,135*	*190,579*	*213,714*	

Of the above expenditure totalling £246,115 (2021: £213,714), £32,826 (2021: £70,634) related to restricted activities, and £213,289 (2021: £143,080) related to unrestricted activities.

8. Charitable and trading expenses

	Charitable activities - support costs 2022 £	Other trading expenses 2022 £	Total 2022 £	*Total 2021 £*
In-country operating costs	-	252,852	**252,852**	*211,400*
Loan loss expense	-	(12,505)	**(12,505)**	*(10,334)*
Volunteer programme costs	-	-	**-**	*15,699*
Other project costs	-	52,820	**52,820**	*33,702*
Head office costs	201,456	8,638	**210,094**	*178,598*
Governance costs	11,754	7,850	**19,604**	*16,954*
Bank charges	-	1,097	**1,097**	*52*
Foreign exchange differences	78	(30,176)	**(30,098)**	*72,923*
	213,288	280,576	**493,864**	*518,994*
Total 2021	*190,579*	*328,415*	*518,994*	

Notes to the financial statements
for the year ended 31 March 2022

9. Analysis of grants

	Grants to Institutions 2022 £	Total funds 2022 £	*Total funds 2021 £*
Love For All Orphanage (Nakuru, Kenya)	32,826	**32,826**	*23,135*
Total 2021	*23,135*	*23,135*	

10. Auditors' remuneration

	2022 £	*2021 £*
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	**9,000**	*8,500*
Fees payable to the Charity's auditor in respect of:		
All assurance services not included above	**6,500**	*6,000*
All non-audit services not included above	**900**	*2,454*

Notes to the financial statements
for the year ended 31 March 2022

11. Staff costs

	Group 2022 £	*Group 2021 £*	Charity 2022 £	*Charity 2021 £*
Wages and salaries	**168,739**	*144,401*	**168,739**	*144,401*
Social security costs	**15,523**	*12,948*	**15,523**	*12,948*
Contribution to defined contribution pension schemes	**10,080**	*5,875*	**10,080**	*5,875*
	194,342	*163,224*	**194,342**	*163,224*

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

	Group 2022 No.	*Group 2021 No.*	Charity 2022 No.	*Charity 2021 No.*
UK management	**3**	*3*	**3**	*3*
Kenyan and Ugandan staff	**14**	*15*	**-**	*-*
	17	*18*	**3**	*3*

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

12. Trustees' remuneration and expenses

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

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

Notes to the financial statements
for the year ended 31 March 2022

13. Fixed asset investments

Charity	Investments in subsidiary companies £
Valuation	
At 1 April 2021	**461,284**
At 31 March 2022	**461,284**
Net book value	
At 31 March 2022	**461,284**
At 31 March 2021	*461,284*

14. Debtors

	Group 2022 £	*Group 2021 £*	Charity 2022 £	*Charity 2021 £*
Due after more than one year				
Other debtors	**239,701**	*103,468*	**-**	*-*
	239,701	*103,468*	**-**	*-*
Due within one year				
Trade debtors	**29,321**	*65,628*	**-**	*-*
Amounts owed by group undertakings	**-**	*-*	**707,168**	*339,705*
Other debtors	**548,121**	*161,274*	**-**	*-*
Prepayments and accrued income	**11,756**	*36,740*	**-**	*24,760*
	828,899	*367,110*	**707,168**	*364,465*

14. Debtors (continued)

All amounts owed by group undertakings are non-interest bearing, unsecured and are due on demand.

Where loans within Other debtors are given for the purpose of purchasing an asset, no asset held as security in the name of Balloon Ventures Ltd are included in the consolidated accounts of Balloon Ventures Foundation Ltd, as the charity does not have a beneficial interest in the asset unless the borrower defaults on the loan.

Included within Other debtors are loans receivable of £780,114 (2021: £255,505). Of this amount, £236,482 (2021: £103,111) is due in over one year, with £543,632 (2021: £152,394) due within one year.

Debtors (continued)

Schedule of loans receivable

	Group 2022 £	*Group 2021 £*
Loans receivable at 1 April	**255,505**	*196,264*
Reclassifications	**-**	*-*
Loan additions in the year	**867,369**	*332,748*
Loan repayments in the year	**(372,692)**	*(235,644)*
Loans written off in the year	**(53,789)**	*(28,276)*
(Increase)/ decrease in loan loss provision	**53,789**	*28,276*
FX revaluation adjustments	**29,932**	*(37,863)*
	780,114	*255,505*

As at 31 March 2022 the loan loss provision stands at £87,537.

15. Creditors: Amounts falling due within one year

	Group 2022 £	*Group 2021 £*	Charity 2022 £	*Charity 2021 £*
Bank loans	**10,000**	*7,500*	**-**	*-*
Trade creditors	**27,683**	*148*	**-**	*-*
Other creditors	**1,624**	*1,288*	**1,608**	*1,041*
Accruals and deferred income	**18,558**	*31,242*	**11,381**	*24,125*
	57,865	*40,178*	**12,989**	*25,166*

The bank loan is guaranteed by the UK Government under the Bounce Back Loan Scheme.

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

	Group 2022 £	*Group 2021 £*
Bank loans	**32,500**	*42,500*

The bank loan is guaranteed by the UK Government under the Bounce Back Loan Scheme.

Notes to the financial statements
for the year ended 31 March 2022

17. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Balance at 31 March 2022 £
Unrestricted funds				
General fund	**693,957**	**6,853**	**(185,724)**	**515,086**
Restricted funds				
Balloon Ventures East Africa Fund	**162,349**	**176,838**	**(60,391)**	**278,796**
Balloon Ventures Limited	**328,342**	**457,079**	**(280,581)**	**504,840**
	490,691	**633,917**	**(340,972)**	**783,636**
Total of funds	**1,184,648**	**640,770**	**(526,696)**	**1,298,722**

Statement of funds - prior year

	Balance at 1 April 2020 £	*Income £*	*Expenditure £*	*Balance at 31 March 2021 £*
Unrestricted funds				
General fund	*837,032*	*5*	*(143,080)*	*693,957*
Restricted funds				
Balloon Ventures East Africa Fund	*46,186*	*203,044*	*(86,881)*	*162,349*
Balloon Ventures Limited	*157,078*	*483,432*	*(312,168)*	*328,342*
	203,264	*686,476*	*(399,049)*	*490,691*
Total of funds	*1,040,296*	*686,476*	*(542,129)*	*1,184,648*

The Balloon Ventures East Africa Fund is dedicated to supporting small businesses and creating jobs in East Africa.

Balloon Ventures Limited is the trading subsidiary of Balloon Ventures Foundation Limited.

Notes to the financial statements
for the year ended 31 March 2022

18. Summary of funds

Summary of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Balance at 31 March 2022 £
General funds	**693,957**	**6,853**	**(185,724)**	**515,086**
Restricted funds	**490,691**	**633,917**	**(340,972)**	**783,636**
	1,184,648	**640,770**	**(526,696)**	**1,298,722**

Summary of funds - prior year

	Balance at 1 April 2020 £	*Income £*	*Expenditure £*	*Balance at 31 March 2021 £*
General funds	*837,032*	*5*	*(143,080)*	*693,957*
Restricted funds	*203,264*	*686,476*	*(399,049)*	*490,691*
	1,040,296	*686,481*	*(542,129)*	*1,184,648*

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Debtors due after more than one year	-	239,701	**239,701**
Current assets	528,075	621,311	**1,149,386**
Creditors due within one year	(12,989)	(44,876)	**(57,865)**
Creditors due in more than one year	-	(32,500)	**(32,500)**
Total	515,086	783,636	**1,298,722**

20. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2022 £	*Group 2021 £*
Net income for the year (as per Statement of Financial Activities)	114,074	*144,352*
Adjustments for:		
Increase in debtors	**(835,133)**	*(130,862)*
Increase in creditors	**443,367**	*77,448*
Foreign exchange differences	**(30,096)**	*72,923*
Interest receivable	**(14)**	*(105)*
Interest payable	**873**	*27*
Net cash provided by/(used in) operating activities	**(306,929)**	*163,783*

21. Analysis of cash and cash equivalents

	Group 2022 £	*Group 2021 £*
Cash in hand	**560,188**	*900,216*
Total cash and cash equivalents	**560,188**	*900,216*

22. Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	**900,216**	**(340,028)**	**560,188**
Debt due within 1 year	**(7,500)**	**(2,500)**	**(10,000)**
Debt due after 1 year	**(42,500)**	**10,000**	**(32,500)**
	850,216	**(332,528)**	**517,688**

Notes to the financial statements
for the year ended 31 March 2022

23. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £10,080 (2021: £5,875). Contributions totalling £1,583 (2021: £467) were payable to the fund at the balance sheet date and are included in creditors.

24. Operating lease commitments

At 31 March 2022 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	*Group 2021 £*
Not later than 1 year	**7,201**	*7,238*
Later than 1 year and not later than 5 years	**1,605**	*8,478*
	8,806	*15,716*

25. Members' liability

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1 of the accounts. In the event of the charity being wound up the liability in respect of the guarantee is limited to £10 per member of the charity.

26. Post balance sheet events

On 31 May 2022, the Charity was allotted 523,434 shares at £1 a share, in Balloon Ventures Limited, in exchange for release of the intercompany loan. This is considered to be a non-adjusting event after the end of the reporting period.

27. Controlling party

The charity is under the control of the trustees.

28. Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
Balloon Ventures Ltd	07940726	73 Mount View Road, London, N4 4SR	Investing in small businesses in Kenya and Uganda

Class of shares	Holding
Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Balloon Ventures Ltd	**655,344**	**405,392**	**249,952**	**257,446**

BALLOON VENTURES FOUNDATION LTD

England & Wales - Charity number 1141552

Accounts

Registered number: 07596900
Charity number: 1141552

Balloon Ventures Foundation Ltd

(A company limited by guarantee)

Trustees' report and financial statements

for the year ended 31 March 2021

Balloon Ventures Foundation Ltd
(A company limited by guarantee)

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Balloon Ventures Foundation Ltd
(A company limited by guarantee)

Reference and administrative details of the Charity, its Trustees and advisers for the year ended 31 March 2021

Trustees	Ms A J Hindman Mr W S G Smith Mr J Prabhay
Company registered number	07596900
Charity registered number	1141552
Registered office	73 Mount View Road London N4 4SR
Company secretary	Ms M C Phillips
Independent auditors	Kreston Reeves LLP Statutory Auditor and Chartered Accountants Second Floor 168 Shoreditch High Street London E1 6RA
Bank	TSB Bank Box 1 BX4 7SB VFX Plc 65 Leadenhall Street London EC3A 2AD TransferWise Limited 56 Shoreditch High Street London E1 6JJ

Balloon Ventures Foundation Ltd
(A company limited by guarantee)

Trustees' report
for the year ended 31 March 2021

The Trustees present their annual report together with the audited financial statements of the Charity for the 1 April 2020 to 31 March 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the group and the Charity qualify as small under section 383 of the Companies Act 2006, the group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The charity's objectives are to relieve poverty and financial hardship in Kenya and Uganda in such ways as the Trustees see fit. In particular but not exclusively by providing:

(1) Training and funding for income generating programmes and job creation.
(2) Supporting the needs of children in Busia in such ways as the trustees think fit.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

To achieve its objectives the charity:

- Provides business support, training & loan finance to small businesses in East Africa to help them to grow and create good jobs, via the charity's trading subsidiary Balloon Ventures Limited.
- Provides support to several children's' homes and schools.

c. Activities undertaken to achieve objectives

To achieve the objectives the group has:

- Given 36 loans to small businesses in Kenya and Uganda.
- Supported our businesses throughout Covid-19, by providing technical business support & loan holidays to the businesses most impacted by lockdowns.
- Funded a new orphanage in Nakuru, Kenya.
- Supported a school in Mbale, Uganda.

d. Grant-making policies

In order to further its objectives, the charity may co-operate with, fund or provide grants to other organisations whether charities or other. The current focus of the charity is job creation.

The Board of trustees has ultimate collective responsibility for all grant-making decisions in line with the group's charitable purposes and any restrictions agreed with donors and funding partners.

Trustees may assign certain decision-making responsibilities to its sub-committees, Board members or staff within its scheme of delegation. Such delegated decisions are subject to scrutiny and review from time to time.

Trustees' report (continued) for the year ended 31 March 2021

Review of the year's performance and achievements

Balloon Ventures Limited continued working with and investing in small businesses despite a challenging year.

In Kenya and Uganda there were various government enforced lockdowns as different waves of Covid-19 spread. In response we gave loan holidays to much of our portfolio who were impacted, froze interest, rescheduled loans, and provided emergency short-term loans to help businesses survive.

For around 5 months we paused investments in new clients, as the travel bans, sector closures and other uncertainties made the risks too high. When the economies slowly re-opened we started making investments again. Despite this pause we made 36 loans to small businesses (2020: 32 loans), meeting our targets and growing our loan portfolio. We continued to provide technical support to these businesses throughout the year.

During the year the charity raised funds of £17,736 for an orphanage in Nakuru, Kenya. We granted £23,145 onwards which was for the construction of a new, safer building for the children supported by the orphanage.

The group continued to receive strong support from our existing funders: Argidius Foundation, FCDO, Citi Foundation, Citi, and Global Innovation Fund. Furthermore, we were also successful at securing new support from Palladium through their Challenge Fund for Youth Employment, where from over 500 applicants we were one of 6 selected for support.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The charity retains such reserves as the trustees consider necessary in order to sustain its ongoing charitable activities, having regard to the level of donations and grants received. Donations and grants received to cover specific charitable project costs are held in restricted reserves.

As at 31 March 2021, the total funds were £1,184,648 (2020: £1,040,296). Of this, £490,691 (2020: £203,264) was restricted funds.

c. Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity and are satisfied that systems and procedures are in place to mitigate the charity's exposure to the major risks.

Trustees' report (continued)
for the year ended 31 March 2021

Structure, governance and management

a. Constitution

The charity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 8 April 2011.

b. Methods of appointment or election of Trustees

The management of the charity is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

c. Organisational structure and decision-making policies

The Board of Trustees, which has a minimum of three members, administers the charity and makes all decisions in regard to the charity's operations. The Board meets at least twice a year.

d. Policies adopted for the induction and training of Trustees

The initial trustees were appointed by the Articles of Association. Subsequent appointments are made by the Board of trustees.

e. Related party relationships

During the year the charity received distributions of £158,027 (2020: donations of £111,933) from Balloon Ventures Limited, it's wholly owned subsidiary. In addition, during the year Balloon Ventures Limited re-charged costs amounting to £86,332 (2020: £93,300) to the charity. The charity re-charged costs amounting to £70,085 (2020: Nil) to Balloon Ventures Limited. The outstanding balance owed by Balloon Ventures Limited to the charity at the end of the year was £339,705 (2020: £16,507).

f. Impact of Covid-19

The trustees have assessed, and continue to monitor, the potential impact of Covid 19 on the charity's financial position and operations. Given the unprecedented impact on the global economy it is difficult to evaluate with any certainty the potential impact on the charity and its donors. However the trustees have reviewed and assessed all available information, including cash forecasts and projections, and taking account of committed income from grant funders the trustees have a reasonable expectation that the charity will continue in operational existence for the foreseeable future.

Trustees' report (continued)
for the year ended 31 March 2021

Plans for future periods

For the next financial year, the group plans to focus on:

- Growing our loan portfolio in Uganda by significantly increasing the number of loans we make to small businesses. By doing this we aim to reach break-even point in Uganda. With this traction and scale we hope to raise more funds so that we can scale further and have more impact.
- Refining our product in Kenya to create something that has high demand and the potential for far reaching impact. Our focus in Kenya will be on the satisfaction of clients receiving our support before going for scale.
- Diving deeper into what employees really value as a good job. To do this we will work with 60 Decibels who will survey 500+ employees in portfolio companies. This research will create rich learning around the experiences, ambitions and desires of employees, and allow us to
  - o further refine what we aim for when creating good jobs; and
  - o create simpler indicators for measuring good work which can be collected regularly to track change and drive strategy.
- Continuing to digitise our approach to working with small businesses, both pre and post investment.
- Continuing to refine the post-investment support we give small businesses and define design a standardised behaviour change methodology that will increase our impact and efficiency.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) 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).

Company law requires the Trustees to prepare financial statements for each financial . Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Trustees' report (continued)
for the year ended 31 March 2021

Auditors

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 10/11/21
and signed on their behalf by:

W S Smith (10.11.2021)

Mr W S G Smith
Trustee

Independent auditors' report to the Members of Balloon Ventures Foundation Ltd

Opinion

We have audited the financial statements of Balloon Ventures Foundation Ltd (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes, 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 Group's and of the parent charitable company's affairs as at 31 March 2021 and of the Group's incoming resources and application of resources, including its income and expenditure 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 Companies Act 2006 and 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent charitable company'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.

Independent auditors' report to the Members of Balloon Ventures Foundation Ltd (continued)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Group's and the parent charitable company'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 liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the Members of Balloon Ventures Foundation Ltd (continued)

Auditors' responsibilities for the audit of the financial statements

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 auditors' 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:

- Detailed discussions were held with management to identify any known or suspected instances of noncompliance with laws and regulations;
- Reading minutes of meetings of those charged with governance;
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation;
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud;
- Performing analytical procedures to highlight any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Challenging assumptions and judgments made by management in its significant accounting estimates.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

Independent auditors' report to the Members of Balloon Ventures Foundation Ltd (continued)

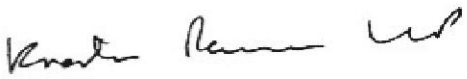
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matters

The financial statements of Balloon Ventures Limited, a subsidiary of the charity, for the year ended 31 March 2020 were not audited. Accordingly the comparative figures presented as part of the financial statements relating to Balloon Ventures Limited for the year ended 31 March 2021 are unaudited.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Stephen Tanner BSC(Econ) FCA (Senior Statutory Auditor)
for and on behalf of
Kreston Reeves LLP
Statutory Auditor and Chartered Accountants
London

Date: 11 November 2021

Balloon Ventures Foundation Ltd
(A company limited by guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account) for the year ended 31 March 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	4	5	205,198	205,203	651,944
Other trading activities	5	-	481,173	481,173	740,842
Other investment income	6	-	105	105	1,029
Total income		5	686,476	686,481	1,393,815
Expenditure on:					
Other trading activities	8	-	328,415	328,415	496,378
Charitable activities	7	143,080	70,634	213,714	215,251
Total expenditure		143,080	399,049	542,129	711,629
Net movement in funds		(143,075)	287,427	144,352	682,186
Reconciliation of funds:					
Total funds brought forward		837,032	203,264	1,040,296	358,110
Net movement in funds		(143,075)	287,427	144,352	682,186
Total funds carried forward		693,957	490,691	1,184,648	1,040,296

Balloon Ventures Foundation Ltd
(A company limited by guarantee)
Registered number: 07596900

Consolidated balance sheet as at 31 March 2021

	Note		2021 £		2020 £
Current assets					
Debtors	14	**367,110**		236,248	
Cash at bank and in hand		**900,216**		809,278	
		1,267,326		1,045,526	
Creditors: amounts falling due within one year	15	**(40,178)**		(5,230)	
Net current assets			**1,227,148**		1,040,296
Total assets less current liabilities			**1,227,148**		1,040,296
Creditors: amounts falling due after more than one year	16		**(42,500)**		-
Total net assets			**1,184,648**		1,040,296
Charity funds					
Restricted funds	17		**490,691**		203,264
Unrestricted funds	17		**693,957**		837,032
Total funds			**1,184,648**		1,040,296

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 10/11/21
and signed on their behalf by:

W S G Smith (10.11.2021)

Mr W S G Smith
Trustee

The notes on pages 15 to 30 form part of these financial statements.

Balloon Ventures Foundation Ltd
(A company limited by guarantee)
Registered number: 07596900

Charity balance sheet
as at 31 March 2021

	Note		2021 £		2020 £
Fixed assets					
Investments	13		**461,284**		461,284
			461,284		461,284
Current assets					
Debtors	14	**364,465**		56,697	
Cash at bank and in hand		**325,683**		480,520	
		690,148		537,217	
Creditors: amounts falling due within one year	15	**(25,166)**		(3,350)	
Net current assets			**664,982**		533,867
Total net assets			**1,126,266**		995,151
Charity funds					
Restricted funds	17		**92,264**		46,186
Unrestricted funds	17		**1,034,002**		948,965
Total funds			**1,126,266**		995,151

The Charity's net movement in funds for the year was £131,115 (2020 - £433,203).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 10/11/21.
and signed on their behalf by:

WSG Smith (10.11.2021)

Mr W S G Smith
Trustee

The notes on pages 15 to 30 form part of these financial statements.

Balloon Ventures Foundation Ltd
(A company limited by guarantee)

Consolidated statement of cash flows for the year ended 31 March 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	**163,783**	(814,442)
Cash flows from investing activities		
Interest received	**105**	1,029
Net cash provided by investing activities	**105**	**1,029**
Cash flows from financing activities		
Interest payable	**(27)**	(373)
Net cash used in financing activities	**(27)**	**(373)**
Change in cash and cash equivalents in the year	**163,861**	**(813,786)**
Cash and cash equivalents at the beginning of the year	**809,278**	1,620,440
Change in cash and cash equivalents due to exchange rate movements	**(72,923)**	2,624
Cash and cash equivalents at the end of the year	**900,216**	809,278

The notes on pages 15 to 30 form part of these financial statements

Notes to the financial statements
for the year ended 31 March 2021

1. General information

Balloon Ventures Foundation Limited is a private company limited by guarantee and a registered charity. Registered company number 07596900, registered in England, and registered charity number 1141552. The principal aims of the charity are shown in the Trustee Report and the registered office is shown in the administrative details of the company page.

2. Accounting policies

2.1 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 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Balloon Ventures Foundation Ltd 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 consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

The Charity's functional and presentational currency is Pound Sterling.

2.2 Company status

The charity is a company limited by guarantee. The members of the company are the trustees named on the adminstrative details page. In the event of the charity being wound up the liability in respect of the guarantee is limited to £10 per member of the charity.

2.3 Going concern

The financial statements have been prepared on the going concern basis. In determining this the trustees have reviewed the company's financial position and available resources, including the charity's cash flow forecast. While the impact of the Covid-19 virus has been assessed by the trustees, so far as reasonably possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcomes on the charity or its donors. However, taking into consideration the charity's cash flow forecast, planning and committed income from grant funders, the trustees believe the charity has adequate resources to continue operating for at least 12 months from the date of signing these financial statements.

2. Accounting policies (continued)

2.4 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.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income received for a specific purpose, or which has restrictions or conditions associated with it, is classified as restricted income and allocated to restricted funds. Income that can be spent at the trustees' discretion in furtherance of the charity's aims and objectives is classified as unrestricted income and allocated to unrestricted funds.

2.5 Expenditure

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 allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Charitable activities and governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

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.

2.6 Government grants

Government grants are credited to the consolidated statement of financial activities as the related expenditure is incurred.

2.7 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 Bank.

2. Accounting policies (continued)

2.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the consolidated statement of financial activities.

2.9 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

2.10 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.

2.11 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.

2.12 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. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. 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 risk specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.13 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.14 Operating leases

Rentals paid under operating leases are charged to the consolidated statement of financial activities on a straight line basis over the lease term.

2.15 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2. Accounting policies (continued)

2.16 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 Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

3. Critical accounting estimates and areas of judgment

In preparing the financial statements it is necessary to make certain judgments, assumptions and estimates that affect the amounts recognised in the financial statements. The trustees consider the key areas of estimate and judgement to be:

Critical accounting estimates and assumptions:

Recoverability value of loans receivable from small businesses

A loan loss provision is included on the balance sheet to account for the risk of potentially irrecoverable loans. This is offset against loans receivable to adjust the value of loans receivable to their estimated recoverable amount. The provision is an estimate based on judgment and assumptions. When estimating this provision, management take account of the potential risk to the portfolio, which is assessed using various metrics including Portfolio at Risk ("PAR"). Increases and decreases in the value of the loan loss provision are reflected in the Statement of Comprehensive Income.

Critical areas of judgment:

Going concern

The trustees have reviewed the company's financial position, available resources (including the charity's cash flow forecast) and taken into consideration the impact of Covid-19. While the on-going impact of Covid-19 is difficult to evaluate with any certainty the trustees believe that, taking into consideration the charity's cash flow forecast, planning and committed income from grant funders, the charity has adequate resources to continue operating for at least 12 months from the date of signing these financial statements.

Notes to the financial statements
for the year ended 31 March 2021

4. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	5	17,736	**17,741**	469,008
Legacies	-	2,154	**2,154**	22,154
Grants	-	185,308	**185,308**	160,782
Total 2021	5	205,198	**205,203**	651,944
Total 2020	462,308	189,636	651,944	

5. Income from other trading activities

Income from non charitable trading activities

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Grant income	289,064	**289,064**	440,569
Corporate programme income	105,427	**105,427**	236,603
Loan related activities	86,682	**86,682**	63,670
	481,173	**481,173**	740,842
Total 2020	740,842	740,842	

Notes to the financial statements
for the year ended 31 March 2021

6. Other investment income

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	-	-	-	31
Other interest receivable	-	105	**105**	998
	-	105	**105**	1,029
Total 2020	31	998	1,029	

7. Analysis of expenditure by activities

	Grant funding of activities 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Kenyan and Ugandan project costs	23,135	190,579	**213,714**	215,251
Total 2020	2,124	213,127	215,251	

Of the above expenditure totalling £213,714 (2020: £215,251), £70,634 (2020: £27,995) related to restricted activities, and £143,080 (2020: £187,256) related to unrestricted activities.

Notes to the financial statements
for the year ended 31 March 2021

8. Charitable and trading expenses

	Charitable activities - support costs 2021 £	Other trading expenses 2021 £	Total 2021 £	Total 2020 £
In-country operating costs	3,311	208,089	**211,400**	199,116
Loan loss expense	-	(10,334)	**(10,334)**	210,419
Volunteer programme costs	-	15,699	**15,699**	43,346
Other project costs	-	33,702	**33,702**	13,779
Head office costs	167,993	10,605	**178,598**	202,543
Governance costs	16,954	-	**16,954**	2,000
Bank charges	25	27	**52**	398
Foreign exchange differences	2,296	70,627	**72,923**	37,904
	190,579	328,415	**518,994**	709,505
Total 2020	213,127	496,378	709,505	

9. Analysis of grants

	Grants to Institutions 2021 £	Total funds 2021 £	Total funds 2020 £
Love For All Orphanage (Nakuru, Kenya)	23,135	**23,135**	-
Good Foundation (Mbale, Uganda)	-	-	2,124
	23,135	**23,135**	2,124
Total 2020	2,124	2,124	

10. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	**8,500**	-
Fees payable to the Charity's auditor in respect of:		
All assurance services not included above	**6,000**	2,000
All non-audit services not included above	**2,454**	-

11. Staff costs

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Wages and salaries	**144,401**	154,695	**144,401**	141,346
Social security costs	**12,948**	19,019	**12,948**	16,827
Contribution to defined contribution pension schemes	**5,875**	6,200	**5,875**	5,700
	163,224	179,914	**163,224**	163,873

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

	Group 2021 No.	Group 2020 No.	Charity 2021 No.	Charity 2020 No.
UK management	**3**	3	**3**	3
Kenyan and Ugandan staff	**15**	13	**-**	-
	18	16	**3**	3

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

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

13. Fixed asset investments

Charity	Investments in subsidiary companies £
Valuation	
At 1 April 2020	**461,284**
At 31 March 2021	**461,284**
Net book value	
At 31 March 2021	**461,284**
At 31 March 2020	461,284

14. Debtors

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Due after more than one year				
Other debtors	**103,468**	58,047	**-**	-
	103,468	58,047	**-**	-
Due within one year				
Trade debtors	**65,628**	2,153	**-**	-
Amounts owed by group undertakings	**-**	-	**339,705**	16,507
Other debtors	**161,274**	138,236	**-**	-
Prepayments and accrued income	**36,740**	37,812	**24,760**	40,190
	367,110	236,248	**364,465**	56,697

14. Debtors (continued)

All amounts owed by group undertakings are non-interest bearing, unsecured and are due on demand.

Where loans within Other debtors are given for the purpose of purchasing an asset, no asset held as security in the name of Balloon Ventures Ltd are included in the consolidated accounts of Balloon Ventures Foundation Ltd, as the charity does not have a beneficial interest in the asset unless the borrower defaults on the loan.

Included within Other debtors are loans receivable of £255,505 (2020: £196,264). Of this amount, £103,111 (2020: £58,047) is due in over one year, with £152,394 (2020: £138,217) due within one year.

Debtors (continued)

Schedule of loans receivable

	Group 2021 £	Group 2020 £
Loans receivable at 1 April	**196,264**	-
Reclassifications	**-**	130,339
Loan additions in the year	**332,748**	445,588
Loan repayments in the year	**(235,644)**	(170,321)
Loans written off in the year	**(28,276)**	(40,817)
(Increase)/ decrease in loan loss provision	**28,276**	(169,602)
FX revaluation adjustments	**(37,863)**	1,077
	255,505	196,264

As at 31 March 2021 the loan loss provision stands at £141,326. Due to the ongoing uncertainties regarding the Covid-19 pandemic and its impact on small businesses in East Africa the directors have continued to apply a prudent approach when assessing the recoverable value of these loans. Whilst initial signs show the financial impact has not been as damaging as first anticipated, the effects of Covid-19 are ongoing in East Africa and the risk that businesses will be effected still exists.

15. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Bank loans	**7,500**	-	**-**	-
Trade creditors	**148**	68	**-**	-
Pension fund loan payable	**1,016**	1,350	**1,016**	1,350
Other creditors	**272**	11	**25**	-
Accruals and deferred income	**31,242**	3,801	**24,125**	2,000
	40,178	5,230	**25,166**	3,350

The bank loan is guaranteed by the UK Government under the Bounce Back Loan Scheme.

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

	Group 2021 £	Group 2020 £
Bank loans	**42,500**	-

The bank loan is guaranteed by the UK Government under the Bounce Back Loan Scheme.

Notes to the financial statements
for the year ended 31 March 2021

17. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Balance at 31 March 2021 £
Unrestricted funds				
General fund	837,032	5	(143,080)	693,957
Restricted funds				
Balloon Ventures East Africa Fund	46,186	203,044	(86,881)	162,349
Balloon Ventures Limited	157,078	483,432	(312,168)	328,342
	203,264	686,476	(399,049)	490,691
Total of funds	1,040,296	686,481	(542,129)	1,184,648

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
Unrestricted funds					
General fund	379,419	462,339	(187,256)	182,530	837,032
Restricted funds					
Balloon Ventures East Africa Fund	182,529	167,482	(121,295)	(182,530)	46,186
Balloon Ventures Limited	(203,838)	763,994	(403,078)	-	157,078
	(21,309)	931,476	(524,373)	(182,530)	203,264
Total of funds	358,110	931,476	(711,629)	-	1,040,296

The Balloon Ventures East Africa Fund is dedicated to supporting small businesses and creating jobs in East Africa.

Balloon Ventures Limited is the trading subsidiary of Balloon Ventures Foundation Limited.

18. Summary of funds

Summary of funds - current year

	Balance at 1 April 2020 £	**Income £**	**Expenditure £**	**Balance at 31 March 2021 £**
General funds	**837,032**	**5**	**(143,080)**	**693,957**
Restricted funds	**203,264**	**686,476**	**(399,049)**	**490,691**
	1,040,296	**686,481**	**(542,129)**	**1,184,648**

18. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
General funds	379,419	462,339	(187,256)	182,530	837,032
Restricted funds	(21,309)	931,476	(524,373)	(182,530)	203,264
	358,110	1,393,815	(711,629)	-	1,040,296

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	**Restricted funds 2021 £**	**Total funds 2021 £**
Debtors due after more than one year	-	103,111	**103,111**
Current assets	719,123	445,092	**1,164,215**
Creditors due within one year	(25,166)	(15,012)	**(40,178)**
Creditors due in more than one year	-	(42,500)	**(42,500)**
Total	693,957	490,691	**1,184,648**

20. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021 £	Group 2020 £
Net income for the year (as per Statement of Financial Activities)	144,352	682,186
Adjustments for:		
Increase in debtors	**(130,862)**	(229,648)
Increase/(decrease) in creditors	**77,448**	(802,416)
Foreign exchange differences	**72,923**	(2,624)
Non-cash donation of investment	**-**	(461,284)
Interest receivable	**(105)**	(1,029)
Interest payable	**27**	373
Net cash provided by/(used in) operating activities	**163,783**	(814,442)

21. Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £
Cash in hand	**900,216**	809,278
Total cash and cash equivalents	**900,216**	809,278

22. Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	**809,278**	**90,938**	**900,216**
Debt due within 1 year	**(1,350)**	**(7,166)**	**(8,516)**
Debt due after 1 year	**-**	**(42,500)**	**(42,500)**
	807,928	**41,272**	**849,200**

23. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £5,875 (2020: £6,200). Contributions totalling £467 (2020: £633) were payable to the fund at the balance sheet date and are included in creditors.

24. Operating lease commitments

At 31 March 2021 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £
Not later than 1 year	**7,238**	6,675
Later than 1 year and not later than 5 years	**8,478**	9,180
	15,716	15,855

25. Members' liability

The charity is a company limited by guarantee. The members of the company are the trustees names in the admin page. In the event of the charity being wound up the liability in respect of the guarantee is limited to £10 per member of the charity.

26. Controlling party

The charity is under the control of the trustees.

27. Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity	Class of shares	Holding
Balloon Ventures Ltd	07940726	73 Mount View Road, London, N4 4SR	Investing in small businesses in Kenya and Uganda	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit £	Net assets £
Balloon Ventures Ltd	**467,936**	**309,909**	**158,027**	**257,446**