

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.

Balloon Ventures Foundation Ltd
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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.

Balloon Ventures Foundation Ltd
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Trustees' report (continued)
for the year ended 31 March 2024

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.

Balloon Ventures Foundation Ltd
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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:



Mr W S G Smith

Trustee

Date: 07.10.2024

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 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.

Balloon Ventures Foundation Ltd
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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.

Balloon Ventures Foundation Ltd
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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
		<u>4,662,929</u>	<u>2,677,069</u>
Creditors: amounts falling due within one year	17	(32,103)	(44,093)
Net current assets		<u>4,630,826</u>	<u>2,632,976</u>
Total assets less current liabilities		<u>4,707,022</u>	<u>2,665,924</u>
Creditors: amounts falling due after more than one year	18	(1,590,559)	(628,887)
Total net assets		<u><u>3,116,463</u></u>	<u><u>2,037,037</u></u>
Charity funds			
Restricted funds	19	2,732,265	1,611,965
Unrestricted funds	19	384,198	425,072
Total funds		<u><u>3,116,463</u></u>	<u><u>2,037,037</u></u>

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)
Registered number: 07596900

Charity balance sheet
as at 31 March 2024

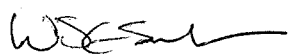
	Note	2024 £	2023 £
Fixed assets			
Investments	15	3,024,786	984,718
		<u>3,024,786</u>	<u>984,718</u>
Current assets			
Debtors	16	343,818	1,066,780
Cash at bank and in hand		32,252	201,110
		<u>376,070</u>	<u>1,267,890</u>
Creditors: amounts falling due within one year	17	(6,411)	(11,733)
Net current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

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

Balloon Ventures Foundation Ltd
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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 administrative 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.

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

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.

Balloon Ventures Foundation Ltd
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Notes to the financial statements
for the year ended 31 March 2024

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.

Balloon Ventures Foundation Ltd
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Notes to the financial statements
for the year ended 31 March 2024

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.

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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
<i>Total 2023</i>	<i>3,704</i>	<i>858,339</i>	<i>862,043</i>	

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
<i>Total 2023</i>	<i>572,125</i>	<i>572,125</i>	

6. Other investment income

	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Other interest receivable	11,195	11,195	30
<i>Total 2023</i>	<i>30</i>	<i>30</i>	

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

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
<i>Total 2023</i>	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
<i>Total 2023</i>	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.

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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
	<u>200,122</u>	<u>899,652</u>	<u>1,099,774</u>	<u>706,683</u>
<i>Total 2023</i>	<u>185,914</u>	<u>520,769</u>	<u>706,683</u>	

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
	<u>1,979</u>	<u>1,979</u>	
<i>Total 2023</i>			

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

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

12. Staff costs

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

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

	Group 2024 No.	<i>Group 2023 No.</i>	Charity 2024 No.	<i>Charity 2023 No.</i>
UK management	2	<i>2</i>	2	<i>2</i>
Kenyan and Ugandan staff	27	<i>18</i>	-	<i>-</i>
	29	<i>20</i>	2	<i>2</i>

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

	Group 2024 No.	<i>Group 2023 No.</i>
In the band £60,001 - £70,000	2	<i>2</i>

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).

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

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

	Investments in subsidiary companies £
Charity	
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

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

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).

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

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

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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.

Balloon Ventures Foundation Ltd
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Notes to the financial statements
for the year ended 31 March 2024

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
	<u>2,037,037</u>	<u>2,149,257</u>	<u>(1,069,831)</u>	<u>3,116,463</u>

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
	<u>1,298,722</u>	<u>1,444,998</u>	<u>(706,683)</u>	<u>2,037,037</u>

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	<u>384,198</u>	<u>2,732,265</u>	<u>3,116,463</u>

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

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

	Group 2024 £	<i>Group 2023 £</i>
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 £	<i>Group 2023 £</i>
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)

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

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
	<u>22,702</u>	<u>27,504</u>

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.

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

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