

# THE COSTA FOUNDATION

England & Wales - Charity number 1147400

## Details

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**Status** Registered

**Legal form** Charitable company

**Company number** [08064488](#)

**Registered** 2012-05-23

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** 3 Knaves Beech Business Centre  
Davies Way  
Loudwater  
High Wycombe  
Buckinghamshire  
HP10 9QR

**Phone** 08701977337

**Email** [info@costafoundation.com](mailto:info@costafoundation.com)

**Website** [www.costafoundation.com](http://www.costafoundation.com)

## Activities

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**Objects:** THE OBJECTS OF THE CHARITY ARE:(I) THE PREVENTION OR RELIEF OF POVERTY;(II) THE ADVANCEMENT OF EDUCATION, INCLUDING THE ESTABLISHMENT AND OPERATION OF SCHOOLS AND OTHER EDUCATIONAL ESTABLISHMENTS;(III) THE ADVANCEMENT OF HEALTH OR THE SAVING OF LIVES; AND(IV) THE ADVANCEMENT OF ENVIRONMENTAL PROTECTION OR ENVIRONMENTAL IMPROVEMENT, IN ALL CASES ANYWHERE IN THE WORLD, IN PARTICULAR (WITHOUT LIMITATION) WITHIN COFFEE GROWING COMMUNITIES AND SURROUNDING AREAS.

**Activities:** Prevention or relief of poverty;Advancement of education, including the establishment & operation of schools & other educational establishments;Advancement of health or the saving of lives; andAdvancement of environmental protection or environmental improvement,in all cases anywhere in the world, in particular (without limitation) within coffee growing communities and surrounding areas.

## Classification

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- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Buildings/facilities/open Space
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, The Prevention Or Relief Of Poverty, Overseas Aid/famine Relief, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** Children/young People, Other Charities Or Voluntary Bodies, The General Public/mankind

## Geography

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- **Area of benefit:** WORLDWIDE
- Colombia
- Costa Rica
- Ethiopia
- Guatemala
- Honduras
- Nicaragua
- Peru
- Uganda
- Vietnam
- Zambia

## Finances

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Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,912,360	£1,808,395	£1,484,277	2
2023-12-31	£1,589,574	£1,668,672	£1,094,488	1
2022-12-31	£1,287,715	£1,166,923	£1,173,586	0
2021-12-31	£1,967,922	£1,802,610	£1,052,794	0
2020-12-31	£1,415,862	£1,714,221	£887,482	0

## Trustees

Name	Role	Appointed
<b>ROBERT GEOFFREY JAMES SWYER</b>	Chair	2023-06-20
Amit Aggarwal		2020-08-13
Cecile Angrand		2025-04-28
Charlotte Catherine Poole		2023-07-20
Freda Janet Wolfenden		2026-04-14
Hannah Lucy Bellamy		2023-07-20
Hayley Finn		2023-03-16
Mukasa Keith Kibirango		2026-04-14
Nicholas Clive Orrin		2024-05-13
Rory William Alexander Blyth		2023-11-15

**THE COSTA FOUNDATION**

England & Wales - Charity number 1147400

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# Accounts

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The Costa Foundation  
Company Limited by Guarantee  
Financial Statements  
31 December 2024

**The Costa Foundation**  
**Company Limited by Guarantee**  
**Financial Statements**  
**Year ended 31 December 2024**

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# The Costa Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 December 2024

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The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 December 2024.

## Chair's report

We have made good progress in 2024. Having recruited our first employed Executive Director in 2023, the focus this year has been on refreshing our strategy to 2027, strengthening our teams and driving income growth, whilst focusing on our core mission of delivering education projects via our partners in coffee growing communities of the world.

The strategy development process has involved a significant amount of collaborative work with our major delivery partners and with our key supporter, Costa. Our mission remains unchanged: "to improve the life chances of children and young people in coffee growing communities by providing the opportunity of a safe, quality education". However, over the next 3 years we will increase investment in non- infrastructure projects. Whilst infrastructure remains critical to provide access to safe education we will invest more in programmes that drive the quality of education. We will accentuate our coffee focus and ensure that we are responding to the effects of climate change in the rural communities that we serve. Also, as Costa's global charity partner, we will investigate opportunities to support their other charitable activity in major customer markets, starting with the UK.

To build greater resilience we have strengthened both our internal and external teams. We have recruited a permanent project officer to support the charity's activities and changed our external accounting provider. We have also contracted the services of a Company Secretary rather than relying on a volunteer.

Our charitable income has risen to £1.9m. This is a 19% improvement year-on-year and is largely driven by record levels of fundraising by the teams who work in Costa Coffee stores. I'd like to thank them for everything they do to support the Foundation and also extend a huge thanks to the customers who continue to help fund our work.

At a time when there is so much uncertainty in the world, I'm very proud that we have been able to fund 17 projects in 8 coffee-growing countries. In line with our strategy these have included both infrastructure projects, and programmes focused on driving the quality of, and access to, education. The completed projects have positively impacted over 8,000 children and young people.

On behalf of the board, I would like to recognise the dedication of so many who make everything possible - our internal team, Kate and Faye, our in-country delivery partners, all those supporting us within Costa Coffee, and to all our other partners, volunteers and supporters...thank you.

I would personally like to thank our trustees, who selflessly give their time to supporting the Foundation. With such a small internal team we would just not be able to operate without their dedication and expertise. Thank you.

As we enter 2025, we say goodbye and thank you to Charlotte Clusker who has stepped down from the board having left Costa. We are pleased to welcome Cecile Angrand, Costa's Global Chief Marketing Officer.

In the year ahead, I very much hope the Foundation will build on the success of last year and successfully implement our refreshed strategy to improve the lives of even more children and young people across the world, and closer to home.

Rob Swyer – Chair, The Costa Foundation

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## Reference and administrative details

Registered charity name	The Costa Foundation
Charity registration number	1147400
Company registration number	08064488
Principal office and registered office	3 Knaves Beech Business Park Davies Way Loudwater High Wycombe Bedfordshire HP10 9QR UK

## The trustees

A Aggarwal	
L Camfield	
G Mowat	(Resigned 29 February 2024)
H Finn	
C Clusker	(Resigned March 2025)
C Balfour-Poole	
H Bellamy	
R Swyer	
R Blyth	
N Orrin	(Appointed 13 May 2024)
C Angrand	(Appointed 28 April 2025)

The resignation of C Clusker reflects turnover within Costa Coffee, where the trustee has stepped down from their position at the Foundation as a result of leaving their corporate role at Costa Coffee.

The Foundation was incorporated at Companies House on 10 May 2012, registered as a charity with the Charity Commission on 23 May 2012 and with the Office of the Scottish Charity Regulator on 17 September 2012.

Prior to the incorporation of the Foundation, donations were collected in an account maintained by Charities Trust, an independent registered charity, pursuant to an agreement with Costa Limited and with the intent that the monies in the account would be used for similar charitable purposes to those adopted by the Foundation. Following incorporation, Charities Trust transferred the funds then held by them to the Foundation.

The Articles of Association of the Foundation established the objects and powers of the Foundation. In the event of the Foundation being wound up, members are required to contribute an amount not exceeding £1 each.

**Company secretary** Gillian Long (2024)

**Executive Director** Kate O'Brien

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**Auditor**

MC Audit Limited  
Statutory Auditors  
Station House  
North Street  
Havant  
Hampshire  
PO9 1QU

**Bankers**

National Westminster Bank Plc  
PO Box 12263  
1 Princes Street  
London  
EC2R 8PH

# **The Costa Foundation**

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## **Structure, governance and management**

### **Relationship with Costa Limited**

Under the Articles of Association of the Foundation, Costa Limited ("Costa") has the power to appoint Trustees of the Foundation provided at least two Trustees are appointed by the Board of Trustees. Costa is party to a Commercial Participation Agreement with the Foundation to enable Costa to raise funds through the sale of certain products from which it has agreed to donate certain proceeds to the Foundation. Funds were also raised via fundraising from Costa's employees and members of the public.

### **Fundraising Approach**

The Foundation's approach to fundraising is to predominantly use the relationship with Costa, its employees, customers and partners to raise funds through fundraising activities and the sale of products. The Foundation does not carry out street fundraising, fundraising mail shots or telephone canvassing.

The Foundation works with Costa to ensure fundraising for the Foundation complies with recognised standards. Fundraising practice is monitored by the trustees of the charity, including any fundraising complaints (none were received during 2024) and always seek to protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches and undue pressure to donate.

### **Governing Document**

The Foundation is incorporated as a private company limited by guarantee No.08064488.

The Costa Foundation is a registered charity in England and Wales No. 1147400, a registered charity in Scotland No.SC043414.

The Articles of Association of the Foundation established the objects and powers of the Foundation.

### **Organisational Structure**

The Board of Trustees meets at least four times a year and oversees finance, current project work and the future strategy of the Foundation.

The Foundation also has one sub-committee: the Projects Committee. The purpose and duties of this committee is set out in the terms of reference and are broadly outlined below. The purpose of the Projects Committee is: a) To recommend to the Board the projects strategy in fulfilment of the Foundation's Theory of Change; b) To prepare annual budgets for projects and other matters within the remit of the Committee; c) To consider for approval all projects presented for funding by the Foundation; d) To develop and implement a system for the monitoring and evaluation of Foundation projects; and e) To monitor all external delivery partners for Foundation projects and to recommend new partners to the Board.

The Projects Committee uses a strategic matrix to assist in the evaluation of project proposals and collects detailed monitoring and evaluation information on Foundation projects to measure their impact and success across a number of key performance indicators. It reviews delivery partner performance and approves new delivery partners when appropriate.

Trustees visit projects to improve their understanding of the educational needs in coffee growing communities and to check that the funds are being used appropriately.

The Foundation held Trustee Indemnity Insurance during the period.

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Faye Southey was recruited as Project Officer in April 2024 to provide additional support to Kate O'Brien, Executive Director of the Foundation.

## **Principal risks and uncertainties**

The Trustees have examined the major strategic, financial, operational and reputational risks which the charity faces and regularly review what actions can be taken to mitigate these risks. The five risks that would have the highest impact are: a significant decrease in income, especially given reliance on a single supporter (Costa Coffee and related entities); a reduction in purchasing power due to inflation or currency movements; a safety or security incident on a monitoring visit to one of the countries the Foundation funds; reliance on a small team to deliver the work of the Foundation; safeguarding issues in Foundation funded schools; and misconduct by staff of delivery partners on or off Foundation projects.

These risks are mitigated by ongoing investment in building and maintaining strong and positive relationships with Costa and the Foundation's delivery partners. In addition, the Foundation has a safeguarding policy, conducts due diligence with delivery partners, and visits projects to mitigate against the risk of misconduct or breaches of safety. A full risk assessment is conducted before any overseas trip with appropriate training and monitoring measures in place for all travellers. Grants are given based on the funds available in the bank and no project applications are fully approved unless the Foundation has sufficient funds to cover the entire budget required for that project. The Foundation purchases any required currency once a project has been approved to mitigate any risk of unaffordability as a result of currency fluctuations.

## **Objectives and activities**

The Foundation's Articles state the charity's purpose is: Prevention or relief of poverty; Advancement of education, including the establishment & operation of schools & other educational establishments; Advancement of health or the saving of lives; and Advancement of environmental protection or environmental improvement, in all cases anywhere in the world, in particular (without limitation) within coffee growing communities and surrounding areas.

The charity's vision is to eradicate poverty in coffee growing communities and its mission is to improve the life chances of children and young people in coffee growing communities by providing the opportunity of a safe, quality education.

In the consideration of projects, the Trustees have due regard to the Charity Commission's guidance on public benefit. The Trustees always ensure that the projects undertaken are in line with the aims and objectives of the Foundation and use its Theory of Change to guide their decisions.

All projects continue to be implemented via delivery partners based in the countries where the projects are undertaken. The delivery partners range from charitable non-governmental organisations to the sustainability teams of coffee companies.

Most grants awarded by the Foundation fund schools that provide access to a safe, quality education for children and young people within coffee growing communities. All new school construction projects are required to have fresh water and separate sanitation facilities for boys and girls. Depending upon local needs, the Foundation also funds child nutrition programmes, electricity installations, boarding accommodation, teachers' accommodation, libraries, science labs, computer labs, sports pitches and safety infrastructure such as perimeter fencing, safety lighting and flood barriers. The Foundation also awards grants to expand schools previously built with Foundation funds.

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The Foundation works with communities and local authorities where its school projects are located via its delivery partners but does not employ teaching staff or fund school places. The schools funded in Uganda and Zambia are operated by a charity called Promoting Equality in African Schools ("PEAS") where the teachers are employed and paid by PEAS. More information is on the PEAS website at [www.peas.org.uk](http://www.peas.org.uk). All other Foundation funded schools are run by teachers trained and funded by the local education authorities or other NGOs. This system ensures the sustainability of the schools as they are not reliant upon continued funding from the Foundation in order to operate.

The Foundation does award grants to fund training for teachers and school leaders to improve the quality and safety of education. It also funds equipment to enhance education, such as for extra curricula activities.

The Foundation also recognises the opportunity to enhance the quality of education by funding programmes to improve the quality and accessibility (especially for girls) of education, wellbeing and safety.

## **Achievements and performance**

Projects Funded from 1 January 2024 to 31 December 2024

During the year ended 31 December 2024, 15 projects funded by the Foundation were completed by our partners, supporting over 8,000 children and young people in coffee growing countries. The global inflation and geopolitical challenges, impact of the climate crisis causing delays due to adverse weather conditions, and local administrative delays continue to challenge our partners, and mean projects are higher cost. Thanks to exceptional fundraising from the teams across Costa Coffee and our partners, we've been able to fund 17 projects in 2024, including eight school constructions and three programmes. These include funding Cycling for Success in Uganda, after a successful pilot in Zambia and Teaching at the Right Level (TaRL) in Ethiopia to address the severe learning poverty in the country. This is the first time this accelerated learning programme has been piloted in Ethiopia.

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The new projects awarded funding in 2024 are as follows:

Project	Description	Country & Project Partner	Grant amount	Term
El Remolino School perimeter fence, Taminango, Narino	Perimeter fence for existing school funded by the Foundation to ensure the safety of students.	Colombia - Carcafe	£67,670	2024
Sanitation upgrades PEAS Noble Secondary School, Ibanda District, Western Uganda	Construction of a 7-stance sanitary block plus a 2-stance block for adults, including staff and visitors. An incinerator was installed for safe menstrual waste disposal, which was transferred from PEAS Noble to PEAS Bwesumbu, a neighbouring Costa Foundation school in Kasese District.	Uganda - PEAS	£19,700	2024
Sanitation upgrades at PEAS Aspire, Ibanda District, Western Uganda	Construction of a 7-stance sanitary block plus a 2-stance block for adults, including staff and visitors. An incinerator was installed for safe menstrual waste disposal.	Uganda - PEAS	£19,700	2024
Rural education and child labour prevention programme, El Zapotal, Esquipulas, Chiquimula	Provision of education for children during coffee harvest, including provision of food, sensitisation work with parents & carers on child labour and nutrition.	Guatemala - Seeds for Progress	£43,023	2024-2026
Conversion of rural government school in El Zapotal, Esquipulas, Chiquimula	Construction of a new classroom, office, warehouse, sanitation facilities and remodel of existing classrooms of government school. Complemented with teacher training, technical assistance, educational materials to enhance access to education.	Guatemala - Seeds for Progress	£98,203	2024-2025

# The Costa Foundation

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### Trustees' Annual Report (Incorporating the Director's Report)

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Building a better future for Honduras	Infrastructure projects on three schools and training sessions for families on identification of protection risks, gender equality and inclusion in La Paz.	Honduras - Plan International UK	£180,000	2024-2025
Building a safe, holistic learning environment – PEAS Kabuta Secondary School	Multi-purpose sports pitch	Zambia - PEAS	£10,561	2024-2025
Building a safe, holistic learning environment – PEAS Aspire Secondary School	Multi-purpose sports pitch, purchase of land, solar power & rainwater harvesting, girls' dormitory, girls' sanitation block, 4 classroom block & furniture	Uganda - PEAS	£69,224	2024-2025
Building a safe, holistic learning environment – PEAS Hibiscus Secondary School	Multi-purpose sports pitch	Uganda - PEAS	£10,561	2024-2025
Building a safe, holistic learning environment – PEAS Pioneer Secondary School	Multi-purpose sports pitch	Uganda - PEAS	£10,561	2024-2025
Monitoring, Evaluation, Reporting & Learning & technical support	Support to cover the monitoring of 38 schools in Ethiopia	Ethiopia - Imagine1Day	£10,743	2024
Teaching at the Right Level (TaRL)	Accelerated learning programme in 5 Costa Foundation funded primary schools in Gedeo Zone focusing on literacy and numeracy.	Ethiopia - Imagine1Day	£180,106	2024-2027

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Computer labs at Arda Qalu Secondary School	Provision of 20 computers, networking cables, adaptors, 20 chairs and tables & a whiteboard	Ethiopia - Imagine1Day	£3,550	2024
A brilliant future for Guatemala's rural children in coffee growing communities	Infrastructure projects on two schools and training sessions for families on identification of protection risks, gender equality and inclusion in San Pedro Carcha, Alta Verapaz	Guatemala - Plan International UK	£180,000	2025-2026
Cycling for Success	Programme to loan bicycles to 291 students at 4 Costa Foundation funded schools in Uganda.	Uganda - PEAS	£81,964	2024-2025
Chekata Secondary School	Construction of secondary school of two blocks of 4 classrooms, library, science block with 4 classrooms, sanitation facilities for students & teachers, clean water and menstrual hygiene management facility.	Ethiopia - Imagine1Day	£294,562	2025
la Pet nursery school, Dak Doa District, Gia Lai Province	Construction of nursery school, including upgrade of existing classrooms and building of 4 new ones, PE hall, medical room, sanitation facilities for children and staff and water supply.	Vietnam - ACOM Vietnam	£209,655	2025

	Completed 2024	Funded 2024
New schools	10	8
School projects	1	2
Expansions	4	7
Programmes	1	3
Total all projects	15*	17**
Total grant value of projects	£1,730,018	£1,489,783
Total # children and young people supported via grants	8,428	10,674

\*One project included the construction of two schools

\*\* One project includes the construction of two schools and another the construction of three schools.

# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report)

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What some of the children and young people from the communities we have supported say:

*"The school before was 'rustic', had cracks, was dangerous, I didn't want to come to school...Having a beautiful school with good teachers makes children want to come to school and learn."* 17-year-old student at La Jaiquilla School, Peru.

*"If it wasn't for the high school built by Costa Foundation and Imagine1day, I wouldn't have had the chance to continue my education. The school is very close to where I live, and without it, my mother could never have afforded to send me to a school far away"* 21-year-old, Grade 12 student at Adame High School in South Ethiopia

*"The facilities here are amazing. We have everything we need to learn. The laboratories help me understand biology better, and the library has opened my eyes to so many new things,"* Markos says. *"It's more than I ever imagined a school could be."* 28-year-old Grade 12 student at Adame High School, Ethiopia

*"The new school is amazing."* says Mintesnot, *"We have desks, gender segregated latrine, clean water, a library with lots of books, and the classrooms are bright and beautiful. I feel like we can really learn here"* 14-year-old, Grade 5 student at Wote Primary School, Ethiopia

We would like to take this opportunity to thank all at Costa Coffee, their partners who have supported the Foundation and other donors for their partnership and support. This includes the Moto Foundation, Roadchef, Odeon and Jim's Organic Coffee. We would also like to give special thanks to our delivery partners who work so effectively with local communities and other key stakeholders, often in challenging circumstances. We are delighted that we've been able to report continued activity at the levels shown above and truly appreciate their hard work, resilience, commitment and absolute focus on providing the opportunities to positively change the life story of so many children and young people in coffee growing communities.

#### Communication

Our website contains videos, case studies and stories from around the world. For more information visit [www.costafoundation.com](http://www.costafoundation.com). In addition, our Instagram page (@costafoundation) and LinkedIn page (<https://www.linkedin.com/company/costafoundation>) are regularly updated with images from coffee-growing communities around the world that have benefited from a Costa Foundation funded project plus many stories and images from our inspirational fundraisers in Costa Coffee stores and beyond.

#### Financial review

Total income for the year ended 31 December 2024 was £1,912,360 (2023: £1,589,574 & 2022: £1,287,715). The increase in income is predominantly due to brilliant fundraising in Costa Coffee stores in the UK and Ireland, a fantastic year of merchandise sales where £1 is donated to the Foundation for specific reusable cups and from events such as the annual bike ride organised by Costa Coffee teams and Costa Golf Day.

£1,769,656 was paid out or formally committed to in the year 1 January 2024 to 31 December 2024 and a further \$712,745.16 and £172,561 in 2024 or prior years but not accrued for as the relevant milestones were subject to conditions being met. Other expenditure of £196,639 was made in respect of management of the projects and costs relating to the running of the Foundation. Reserves at 31 December 2024 amounted to £1,476,726 (31 December 2023: £1,094,488 & 31 December 2022: £1,173,586).

#### Reserves and Investment Policy

The Reserves at the year-end of £1,476,726 comprising £1,369,930 of cash are held mainly by the Foundation and partly by Charities Trust. The Trustees monitor reserve levels regularly to ensure that

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all commitments are met and that future project requests are reviewed on a timely basis. Funds are only committed to new projects once the income has been received. As a result, there is a delay of some months between the receipt of funds, the approval of projects and the subsequent expenditure of funds to complete those projects. Those funds identified for future projects are held in cash balances for safekeeping pending their expenditure.

The reserves policy was changed in the year to increase from £75,000 to £200,000 in order to provide for a close down of the Foundation. This is calculated based on the costs of (i) keeping currently employed staff in position for one year (ii) Board Secretarial and accounting for one year and (iii) an allowance for ad hoc additional costs such as travel. As projects are not signed off until funds are received, reserved funds are not required for uncertainty of future income, or "troughs" in the cash budget.

## Investment Policy

During the year an investment policy was agreed to state that £200,000 reserves are to be invested in interest bearing savings accounts. All savings are to be invested in Financial Services Compensation Scheme (FSCS) protected institutions, with no more than the protected £85,000 invested in a single institution. Savings accounts are to be GBP denominated and may be 'notice deposits' requiring advance notice of withdrawals. Investment may be made through a trusted investment portal such as that provided by the Charities Aid Foundation.

## Trustees' responsibilities statement

The trustees, who are also directors 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the 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 in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

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## Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware: and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

## Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 24<sup>th</sup> July 2025 and signed on behalf of the board of trustees by:



R Swyer  
Trustee

# The Costa Foundation

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## Independent Auditor's Report to the Members of The Costa Foundation

Year ended 31 December 2024

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### Opinion

We have audited the financial statements of The Costa Foundation (the 'charitable company') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its result, 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.
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

# The Costa Foundation

## Company Limited by Guarantee

### Independent Auditor's Report to the Members of The Costa Foundation

Year ended 31 December 2024

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#### **Opinions 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the 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 Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues and management override concerning the size of the organisation.

# The Costa Foundation

Company Limited by Guarantee

## Independent Auditor's Report to the Members of The Costa Foundation

Year ended 31 December 2024

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We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and performing walkthrough tests. The walkthrough testing confirmed documented systems which have been designed to act as a preventative measure against fraud and error which appear to be operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

### 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. 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Stuart Mackie (Senior Statutory Auditor)  
for and on behalf of MC Audit Limited  
Statutory Auditors  
Station House  
North Street  
Havant  
Hampshire  
PO9 1QU

Date: 1<sup>st</sup> August 2025

**The Costa Foundation**  
**Company Limited by Guarantee**  
**Statement of Financial Activities**  
**(Including income and expenditure account)**  
**Year ended 31 December 2024**

		Unrestricted funds	2024 Restricted funds	Total funds	Restated 2023 Total funds
	Note	£	£	£	£
<b>Income</b>					
Income and endowments	5				
Donations and legacies		<u>1,712,360</u>	<u>200,000</u>	<u>1,912,360</u>	<u>1,589,574</u>
Total income		<u>1,712,360</u>	<u>200,000</u>	<u>1,912,360</u>	<u>1,589,574</u>
<b>Expenditure</b>					
Expenditure on charitable activities	6, 8	<u>1,615,946</u>	<u>192,449</u>	<u>1,808,395</u>	<u>1,382,848</u>
Total expenditure		<u>1,615,946</u>	<u>192,449</u>	<u>1,808,395</u>	<u>1,382,848</u>
Net (expenditure)/income and net movement in funds		<u>96,414</u>	<u>7,551</u>	<u>103,965</u>	<u>206,726</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>1,380,312</u>	<u>-</u>	<u>1,380,312</u>	<u>1,173,586</u>
Total funds carried forward		<u>1,476,726</u>	<u>7,551</u>	<u>1,484,277</u>	<u>1,380,312</u>

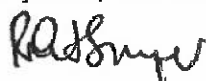
The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

**The Costa Foundation**  
**Company Limited by Guarantee**  
**Statement of Financial Position**  
**Year ended 31 December 2024**

	Note	2024 £	Restated 2023 £
<b>Current assets</b>			
Debtors	14	324,600	366,995
Cash at bank and in hand		1,369,930	1,224,200
		1,694,531	1,591,195
<b>Creditors: amounts falling due within one year</b>	15	210,253	210,883
<b>Net current assets</b>		1,484,277	1,380,312
<b>Total assets less current liabilities</b>		1,484,277	1,380,312
<b>Funds of the charity</b>			
Restricted funds		7,551	-
Unrestricted funds		1,476,726	1,380,312
<b>Total charity funds</b>	17	1,484,277	1,380,312

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

These financial statements were approved by the board of trustees and authorised for issue on 24<sup>th</sup> July 2025, and are signed on behalf of the board by:



R Swyer  
Trustee

The Costa Foundation is a Company limited by guarantee registered in England and Wales. Company number 08064488. Charity number 1147400. Scottish charity number SC043414.

**The Costa Foundation**  
**Company Limited by Guarantee**  
**Statement of Cash Flows**  
**Year ended 31 December 2024**

	2024	Restated 2023
	£	£
<b>Cash flows from operating activities</b>		
Net (expenditure)/income	103,965	206,726
<i>Adjustments for:</i>		
Interest payable and similar charges	-	272
<i>Changes in:</i>		
Trade and other debtors	42,395	(346,418)
Trade and other creditors	<u>(630)</u>	<u>(127,657)</u>
Cash generated from operations	145,730	(267,077)
Interest paid	<u>-</u>	<u>(272)</u>
Net cash (used in) From operating activities	<u>145,730</u>	<u>(267,349)</u>
Net (decrease)/Increase in cash and cash equivalents	<u>145,730</u>	<u>(267,349)</u>
Cash and cash equivalents at beginning of year	<u>1,224,200</u>	<u>1,491,549</u>
Cash and cash equivalents at end of year	<u>1,369,930</u>	<u>1,224,200</u>

# The Costa Foundation

## Company Limited by Guarantee

### Notes to the Financial Statements

Year ended 31 December 2024

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#### 1. General information

The Costa Foundation is a company limited by guarantee, incorporated in England and Wales. The address of its registered office, its registered numbers and principal place of business is disclosed in the Trustee's Annual Report.

The principal activity of the charity is the advancement of education, the relief of poverty and the advancement of health and environment of coffee-growing communities around the world. The financial statements are prepared in sterling, and this is the functional currency of the Charity.

#### 2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

#### 3. Accounting policies

Basis of preparation:

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in Sterling, which is the functional currency of the entity.

Going concern:

These financial statements have been prepared on the going concern basis. This is based on the charity reserves policy, plus the fact the charity only commits to projects once income has been raised, committed project expenditure is already secure. Therefore, we do not view any going concern risk for the charity.

Judgements and key sources of estimation uncertainty:

In applying the company's accounting policies, the trustees are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The trustees' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in the making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The trustees do not consider there to be any significant judgements, estimates or assumptions in these financial statements.

Foreign exchange:

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

# The Costa Foundation

## Company Limited by Guarantee

### Notes to the Financial Statements

#### Year ended 31 December 2024

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##### Fund accounting:

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal and fall into one of two sub-classes: restricted income funds or endowment funds.

##### Incoming resources:

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured.

##### Resources expended:

All support costs incurred have been allocated between charitable expenditure and governance as appropriate. There are no costs relating to more than one functional cost category. All expenditure and liabilities are included on an accruals basis and recognised when there is a legal or constructive obligation to pay out resources.

##### Financial instruments:

The Costa Foundation has only financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction values and subsequently measured at their settlement value.

##### Defined contribution plans:

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

#### **4. Limited by guarantee**

The Foundation is incorporated as a private company limited by guarantee. The Articles of Association of the Foundation established the objects and powers of the Foundation. In the event of the Foundation being wound up, members are required to contribute an amount not exceeding £1 each.

**The Costa Foundation**  
**Company Limited by Guarantee**  
**Notes to the Financial Statements**  
**Year ended 31 December 2024**

**5. Donations and legacies**

	Unrestricted Funds	Restricted Funds	Total Funds 2024
	£	£	£
<b>Donations 2024</b>			
Donations from sales of products in Costa stores	262,560	200,000	462,560
Store Fundraising	1,010,387	-	1,010,387
Matched Giving	200,000	-	200,000
Donations from Costa	-	-	-
Donations from fundraising	149,997	-	149,997
General and gift aid donations	89,416	-	89,416
Payroll Giving	-	-	-
	<u>1,712,360</u>	<u>200,000</u>	<u>1,912,360</u>

	Unrestricted Funds	Restricted Funds	Total Funds 2023
	£	£	£
<b>Donations 2023</b>			
Donations from sales of products in Costa stores	390,869	-	390,869
Store Fundraising	861,125	-	861,125
Matched Giving	179,129	-	179,129
Donations from Costa	20,000	-	20,000
Donations from fundraising	94,394	-	94,394
General and gift aid donations	33,274	-	33,274
Payroll Giving	10,783	-	10,783
	<u>1,589,574</u>	<u>-</u>	<u>1,589,574</u>

**The Costa Foundation**  
**Company Limited by Guarantee**  
**Notes to the Financial Statements**  
**Year ended 31 December 2024**

**6. Expenditure on charitable activities by fund type**

	Unrestricted Funds	Restricted Funds	Total Funds 2024
	£	£	£
Project Expenditure (note 9)	1,418,826	192,930	1,611,756
Project management costs	28,721	-	28,721
Costs of raising funds	39,101	-	39,101
Support costs	129,298	(481)	128,817
	<u>1,615,946</u>	<u>192,449</u>	<u>1,808,395</u>

	Unrestricted Funds	Restricted Funds	Total Funds 2023
	£	£	£
Project Expenditure (note 9)	1,163,334	34,169	1,197,503
Project management costs	115,251	-	115,251
Costs of raising funds	3,836	-	3,836
Support costs	66,258	-	66,258
	<u>1,348,679</u>	<u>34,169</u>	<u>1,382,848</u>

**7. Support costs**

	Unrestricted Funds	Restricted Funds	Total Funds 2024
	£	£	£
Governance costs	8,822	-	8,822
Other support costs	120,476	(481)	119,995
	<u>129,298</u>	<u>(481)</u>	<u>128,817</u>

	Unrestricted Funds	Restricted Funds	Total Funds 2023
	£	£	£
Governance costs	16,685	-	16,685
Other support costs	49,573	-	49,573
	<u>66,258</u>	<u>-</u>	<u>66,258</u>

**The Costa Foundation**  
**Company Limited by Guarantee**  
**Notes to the Financial Statements**  
**Year ended 31 December 2024**

**8. Expenditure on charitable activities by activity type**

	Activities undertaken directly £	Grant funding of activities £	Support Costs £	Total Funds 2024 £	Restated Total Funds 2023 £
Project Expenditure (note 9)	1,611,756	-	-	1,611,756	1,197,503
Project management costs	28,721	-	-	28,721	115,251
Costs of raising funds	39,101	-	-	39,101	3,836
Other support	-	-	119,995	119,995	49,573
Governance costs	-	-	8,822	8,822	16,685
	<u>1,679,577</u>	<u>-</u>	<u>128,817</u>	<u>1,808,395</u>	<u>1,382,848</u>

**9. Project Expenditure**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £	Restated Total Funds 2023 £
<b>Included in project expenditure is:</b>				
FX adjustment on US projects	-	-	-	23,080
Prog 3 Mental Health	-	-	-	34,122
Prog 4 Guatemala Food	-	-	-	38,785
P de Julio	-	-	-	104,772
Lien Son Nursery School	105,188	-	105,188	105,201
Tan Chau Nursery School	106,071	-	106,071	106,084
Dina's Primary	-	-	-	145,298
Bekkaye water expansion	-	-	-	35,162
Angetu	-	-	-	17,060
Melka	-	-	-	17,060
Gabicho Primary	-	-	-	145,298
Madriz Nicuaragua Jinotega	-	-	-	8,732
San Jose de Lourdes	-	-	-	102,563
La JaJquilla Primary	-	-	-	18,383
San Pedro Carcha 2	-	-	-	1
Aspire High School	-	-	-	109,257
Bridge High school - dormitory	34,777	-	34,777	-

# The Costa Foundation

## Company Limited by Guarantee

### Notes to the Financial Statements

#### Year ended 31 December 2024

Dimtu High Science Lab San Carlos	-	-	-	(38,852)
Adeyi Primary School	-	-	-	1
Garbi Galo Primary School	-	-	-	1
Harawa Kale Primary School	-	-	-	14,156
Bwesumbu High School Expansion	-	-	-	12,661
El Remolino Perimeter Fence	55,093	-	55,093	-
Rural Government School - Zapotal Community	71,069	29,097	100,166	-
Germán Pomares Ordóñez and Azarías H. Pallais primary school	113,506	73,832	187,338	-
Chekata Secondary School	134,278	-	134,278	-
Land Expansion at PEAS Bridge	13,437	-	13,437	-
PEAS Aspire Construction of Sanitary Block with incinerator at PEAS Aspire	19,700	-	19,700	-
Aspire, 13E3 – Hibiscus, 20E3 – Pioneer	79,785	-	79,785	-
PEAS Noble Construction of Sanitary Block with incinerator at PEAS Noble	19,700	-	19,700	-
Building a Better Future for Honduras 4	90,000	-	90,000	-
Rural education and child labour project in the Zapotal Community	21,546	-	21,546	-
Monitoring, Evaluation, Reporting, and Learning (MERL) and technical support for Costa Foundation funded Schools in Ethiopia.	10,973	-	10,973	-
Computer Lab at Arda Qalu school	3,696	-	3,696	-
Brighter Future - Guatemala	-	90,000	90,000	-
Kabuta “Building a Safe, Holistic Learning Environment” Construction of a multi-purpose football pitch at PEAS Kabuta	10,561	-	10,561	-
Arda Qalu Secondary School Project	128,019	-	128,019	-
Monitoring & Evaluation for project CF60 Mario	1,829	-	1,829	-
Teaching at The Right Level (TaRL) for Children in Costa Foundation	121,571	-	121,571	-
Cycling for Success Uganda	81,964	-	81,964	-
			-	
Repayment of surplus	(3,000)	-	(3,000)	-
Other project related	-	-	-	7,485
<b>Committed, not paid:</b>				
Arda Qalu Secondary School Project	-	-	-	123,123
Dina's Primary	-	-	-	16,647
Gabicho	-	-	-	16,647
La Pet Nursery School	106,462	-	106,462	-
Aspire, 13E3 – Hibiscus, 20E3 – Pioneer	10,561	-	10,561	-
San Jose de Lourdes	82,040	-	82,040	-
Bridge High school - dormitory	-	-	-	34,777

# The Costa Foundation

Company Limited by Guarantee

## Notes to the Financial Statements

Year ended 31 December 2024

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1,418,826      192,929      1,611,756      1,197,503

### 10. Taxation

The charity's activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 2010. Accordingly, there is no taxation charge in these accounts.

### 11. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2024	2023
	£	£
Fees payable for the audit of the financial statements	7,680	7,038

### 12. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2024	2023
	£	£
Wages and salaries:	87,567	38,289
Employer national insurance costs	9,888	-
Employer contributions to pension plans	2,627	2,848
	<u>100,082</u>	<u>41,137</u>

The average head count of employees during the year was 2 (2023: 1). The average number of full-time equivalent employees during the year is analysed as follows:

	2024	2023
	No.	No.
Number of staff:	<u>2</u>	<u>1</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2024	2023
	No.	No.
£60,000 to £69,999	<u>1</u>	<u>1</u>

#### Key Management Personnel:

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £80,374 (2023: £41,137).

**The Costa Foundation**  
**Company Limited by Guarantee**  
**Notes to the Financial Statements**  
**Year ended 31 December 2024**

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**13. Trustee remuneration and expenses**

No trustee received remuneration in the period to 31 December 2024 (31 December 2023: £NIL). Included in the above is £5,277 of reimbursed expenses to 3 trustees (31 December 2023: £1,957 to three trustees). Trustee Indemnity Insurance was also in place during the period.

**14. Debtors**

	2024	Restated 2023
	£	£
Amounts due from Costa Limited	257,701	284,225
Prepayments and accrued income	15,669	32,365
Other debtors	51,230	50,405
	<u>324,600</u>	<u>366,995</u>

**15. Creditors: amounts falling due within one year**

	2024	Restated 2023
	£	£
Project expenditure committed, not paid	199,064	191,193
Other creditors	11,190	19,690
	<u>210,253</u>	<u>210,883</u>

**16. Pensions and other post-retirement benefits**

Defined contribution plans:

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £2,627 (2023: £2,848).

**The Costa Foundation**  
**Company Limited by Guarantee**  
**Notes to the Financial Statements**  
**Year ended 31 December 2024**

**17. Analysis of charitable funds**

	At 1 Jan 2024	Income	Expenditure	At 31 Dec 2024
General funds	<u>1,380,312</u>	<u>1,712,360</u>	<u>(1,615,946)</u>	<u>1,476,726</u>
	At 1 Jan 2023	Income	Expenditure	At 31 Dec 2023
General funds	<u>1,139,417</u>	<u>1,589,574</u>	<u>(1,348,679)</u>	<u>1,308,312</u>
	At 1 Jan 2024	Income	Expenditure	At 31 Dec 2024
Restricted Fund	<u>-</u>	<u>200,000</u>	<u>(192,449)</u>	<u>7,551</u>
	At 1 Jan 2023	Income	Expenditure	At 31 Dec 2023
Restricted Fund	<u>34,169</u>	<u>-</u>	<u>(34,169)</u>	<u>-</u>

During the year the Foundation received £200,000 from Costa Coffee. This was spent as follows: £90,000 was used for the first instalment of the Project 60PC - Guatemala. \$92,089 (£73,832) was used for the final instalment of the Project 142 - Nicaragua. \$36,128 (£29,097.47) was used for was used for the final instalment of the Project 1C – Guatemala. £480.90 was treated as a currency exchange gain. This leaves a balance of £7,551 of restricted funds to be carried forward to 2025.

**18. Analysis of net assets between funds**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Current assets	1,686,980	7,551	1,694,531
Creditors less than 1 year	<u>(210,253)</u>	<u>-</u>	<u>(210,253)</u>
Net assets	<u>1,476,726</u>	<u>7,551</u>	<u>1,484,277</u>
	Restated Unrestricted Funds £	Restricted Funds £	Restated Total Funds 2023 £
Current assets	1,591,195	-	1,591,195
Creditors less than 1 year	<u>(210,253)</u>	<u>-</u>	<u>(210,883)</u>

# The Costa Foundation

## Company Limited by Guarantee

### Notes to the Financial Statements

#### Year ended 31 December 2024

Net assets	1,380,312	-	1,380,312
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#### 19. Analysis of changes in net debt

	At 1 Jan 2024	Cashflows	At 31 Dec 2024
	£	£	£
Cash at bank and in hand	1,224,200	145,730	1,369,930

#### 20. Commitments

The Costa Foundation had commitments of £563,644 (31 December 2023 Restated £525,129) at the year end. These have not been provided for in the financial statements as they are subject to conditions being met before payment.

#### 21. Related parties

All unrestricted income received originated from Costa Limited and their employees, apart from donations received via the Costa and Costa Foundation websites and third parties.

During the year, Costa Foundation Trustee, Nick Orrin was named as directors/officers on Companies House of Costa Ltd, and they were members of the Costa Ltd Executive Team. In addition, Costa Foundation Trustees Charlotte Clusker and Cecile Angrand were members of the Costa Ltd Executive Team and Hayley Finn a senior employee of Costa Ltd.

#### 22. Restated 2023 figures

Some of the figures as at 31 December 2023 have been restated due to an error discovered after the accounts were prepared. Project expenditure committed, not paid accrual was overstated by £251,047. This is made up of the following figures: £84,150 for the second instalment of the Lien Son Nursery School Project (138) was accrued at 31 December 2023 but was not due until 28 February 2024. £84,857 for the second instalment of the Tan Chau Nursery School (139) was accrued at 31 December 2023 but was not due until 01 February 2024. £82,040 for the second instalment of the San Jose de Lourdes Student Residence Project (140) was accrued at 31 December 2023 but was not due until 01 August 2024.

Additionally, £34,777 was duplicated in the 2023 year end accounts. This is in relation to the first instalment of the Bridge High school - dormitory project (33E6). An invoice was created for this project expenditure on the 21 December 2023 but an additional accrual journal was also included so the expense was double counted.

**THE COSTA FOUNDATION**

England & Wales - Charity number 1147400

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# Accounts

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COMPANY REGISTRATION NUMBER: 08064488  
CHARITY REGISTRATION NUMBER: 1147400

**The Costa Foundation**  
**Company Limited by Guarantee**  
**Financial Statements**  
**31 December 2023**

**MORRIS CROCKER LIMITED**

Chartered accountants & statutory auditor  
Station House  
North Street  
Havant  
Hampshire  
PO9 1QU

**The Costa Foundation**  
**Company Limited by Guarantee**  
**Financial Statements**  
**Year ended 31 December 2023**

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# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report)

#### Year ended 31 December 2023

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The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 December 2023.

#### Chair's report

2023 has been a year of significant change for the Costa Foundation. After 16 years of dedicated service the charity's founder, Piers Blake, retired. On behalf of the whole board, and the many tens of thousands of children around the world who his work has benefited, I would like to thank him and wish him a very happy retirement.

During the year Russell Fairhurst stepped down as Chair. Like Piers, Russell has been involved with the Foundation since its inception, and we too thank Russell for his many years of service. I am thrilled to have been appointed as Russell's successor.

I am delighted that Kate O'Brien has been recruited to replace Piers as the first directly employed Executive Director of the Costa Foundation. Kate has had a career working in organisations enabling children and young people to thrive and has already made a significant contribution to our work.

Given the level of change in key personnel I'm proud that the charity has increased its expenditure on vital, life-changing work, to £1.7m in 2023.

It is very pleasing to see our charitable income rise in 2023. We have worked hard in the year to strengthen our relationship with Costa Coffee, and the £1.6m of income raised is a 21% increase year on year. This has been driven by record levels of fundraising by the teams who work in Costa Coffee stores. Thank you for everything that you do to support the Foundation, and to the customers who continue to help fund our work.

I would like to thank existing trustee Laura Camfield who has become Chair of the Projects Committee, which works so hard to scrutinise and approve the projects that we fund. Thanks also to all other trustees and volunteers, each of whom voluntarily dedicates their time to support the Foundation. I'd also like to acknowledge the many valued partners that we work with around the world. Without you we would not be able to support so many children and young people....thank you!

There have been a number of other board changes since our last report. I would like to recognise and thank Gordon Mowat, who has stepped down from the board in 2024 having left Costa Coffee, and welcome three new independent trustees: Hannah Bellamy, Charlotte Balfour-Poole - who are both members of the Projects Committee - and Rory Blyth, who has taken on the role of Treasurer. I am also very pleased to welcome a long-term supporter of the Foundation Nick Orrin, Managing Director of Costa Coffee UK and Ireland, to the board in 2024.

  
Rob Swyer (Aug 23, 2024 14:55 GMT+1)

Rob Swyer - Chair, The Costa Foundation

# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2023

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#### Reference and administrative details

<b>Registered charity name</b>	The Costa Foundation
<b>Charity registration number</b>	1147400
<b>Company registration number</b>	08064488
<b>Principal office and registered office</b>	3 Knaves Beech Business Park Davies Way Loudwater High Wycombe Bedfordshire HP10 9QR UK

#### The trustees

A Aggarwal	
K Brunton	(Resigned 10 March 2023)
L Camfield	
K Cooke	(Resigned 29 March 2023)
R Fairhurst	(Resigned 31 July 2023)
N Lake	(Resigned 31 January 2023)
G Mowat	(Resigned 29 February 2024)
H Finn	(Appointed 16 March 2023)
P Cumming	(Resigned 16 June 2023)
C Clusker	(Appointed 16 March 2023)
R Swyer	(Appointed 20 June 2023)
H Bellamy	(Appointed 20 July 2023)
Mr R Blyth	(Appointed 15 November 2023)
Mr N Orrin	(Appointed 13 May 2024)
C Poole	(Appointed 20 July 2023)

The trustee resignations (with the exception of Kay Brunton, Russell Fairhurst and Kieran Cooke) reflect turnover within Costa Coffee, where trustees have stepped down from their position at the Foundation as a result of leaving their corporate roles at Costa Coffee.

The Foundation was incorporated at Companies House on 10 May 2012, registered as a charity with the Charity Commission on 23 May 2012 and with the Office of the Scottish Charity Regulator on 17 September 2012.

Prior to the incorporation of the Foundation, donations were collected in an account maintained by Charities Trust, an independent registered charity, pursuant to an agreement with Costa Limited and with the intent that the monies in the account would be used for similar charitable purposes to those adopted by the Foundation. Following incorporation, Charities Trust transferred the funds then held by them to the Foundation.

The Articles of Association of the Foundation established the objects and powers of the Foundation. In the event of the Foundation being wound up, members are required to contribute an amount not exceeding £1 each.

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# The Costa Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2023

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<b>Company secretary</b>	G Long
<b>Auditor</b>	Morris Crocker Limited Chartered accountants & statutory auditor Station House North Street Havant Hampshire PO9 1QU
<b>Bankers</b>	National Westminster Bank Plc PO Box 12263 1 Princes Street London EC2R 8PH

# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 December 2023

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#### Structure, governance and management

##### Relationship with Costa Limited

Under the Articles of Association of the Foundation, Costa Limited ("Costa") has the power to appoint Trustees of the Foundation provided at least two Trustees are appointed by the Board of Trustees. Costa is party to a Commercial Participation Agreement with the Foundation to enable Costa to raise funds through the sale of certain products from which it has agreed to donate certain proceeds to the Foundation. Funds were also raised via fundraising from Costa's employees and members of the public. In addition to the other fundraising activities described below, Costa is also party to a Grant Funding Agreement pursuant to which Costa committed to donate the sum of £20,000 for 2023.

##### Fundraising Approach

The Foundation's approach to fundraising is to predominantly use the relationship with Costa, its employees, customers and partners to raise funds through fundraising activities and the sale of products. We do not carry out street fundraising, nor do we undertake fundraising mail shots or telephone canvassing.

We work with Costa to ensure any fundraising they do for the Foundation complies with recognised standards. The fundraising practice is monitored by the trustees of the charity and we monitor any fundraising complaints (none were received during 2023) and always seek to protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches and undue pressure to donate.

##### Governing Document

The Foundation is incorporated as a private company limited by guarantee No.08064488.

The Costa Foundation is a registered charity in England and Wales No. 1147400, a registered charity in Scotland No.SC043414.

The Articles of Association of the Foundation established the objects and powers of the Foundation.

# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 December 2023

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##### Structure, governance and management *(continued)*

###### Organisational Structure

The Board of Trustees meet at least four times a year and oversee finance, current project work and the future strategy of the Foundation.

The Foundation also has one sub-committee: the Projects Committee. The purpose and duties of this committee is set out in the terms of reference and are broadly outlined below. The purpose of the Projects Committee is: a) To recommend to the Board the projects strategy in fulfilment of the Foundation's Theory of Change; b) To prepare annual budgets for projects and other matters within the remit of the Committee; c) To consider for approval all projects presented for funding by the Foundation; d) To develop and implement a system for the monitoring and evaluation of Foundation projects; and e) To monitor all external delivery partners for Foundation projects and to recommend new partners to the Board.

The Projects Committee uses a strategic matrix to assist in the evaluation of project proposals and collects detailed monitoring and evaluation information on Foundation schools to measure the impact and success of the projects across a number of key performance indicators. It reviews delivery partner performance and approves new delivery partners when appropriate. Trustees visit schools from time to time to improve their understanding of the educational needs in coffee growing communities in those countries and to satisfy themselves that the funds given to projects are being used appropriately and on a timely basis.

The Foundation held Trustee Indemnity Insurance during the period.

In June 2023, following the retirement of Piers Blake, the founder and Director of the Foundation since its inception in 2007, the Foundation recruited its first directly employed Executive Director, Kate O'Brien. Faye Southey was also recruited as Project Officer in April 2024 to provide additional support.

###### Principal risks and uncertainties

The Trustees have examined the major strategic, financial, operational and reputational risks which the charity faces and regularly review what actions can be taken to mitigate these risks. The five risks that would have the highest impact are: a significant decrease in income, especially given reliance on a single supporter (Costa Foundation and related entities); a reduction in purchasing power due to inflation or currency movements; a safety or security incident on a monitoring visit to one of the countries the Foundation funds; reliance on a small team to deliver the work of the Foundation; safeguarding issues in Foundation funded schools; and misconduct by staff of our delivery partners on or off Foundation projects.

These risks are mitigated by ongoing investment in building and maintaining the strong and positive relationship with Costa Foundation partners. In addition, the Foundation has a safeguarding policy, conducts due diligence on partners, and visits projects to mitigate against risks of misconduct or breaches of safety. A full risk assessment is conducted before any overseas trip with appropriate training and monitoring measures in place for all travellers. Grants are given based on the income generated and no project applications are fully approved unless the Foundation has sufficient reserves to fund the entire budget required for that project. The Foundation purchases any required currency once a project has been approved to mitigate any risk to affordability as a result of currency movements.

# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2023

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#### Objectives and activities

The Foundation's aims are the advancement of education, the prevention and relief of poverty and the advancement of health and the environment of coffee growing communities around the world.

In the consideration of projects, the Trustees have due regard to the Charity Commission's guidance on public benefit. The Trustees always ensure that the projects undertaken are in line with the aims and objectives of the Foundation and use its Theory of Change to guide their decisions.

All projects continue to be implemented via delivery partners based in the countries where the projects are undertaken. The delivery partners range from charitable non-governmental organisations to the sustainability teams of coffee companies.

The Foundation aims to fund schools which provide individual wellbeing and a safe, quality education for children within coffee growing communities. All new school construction projects are required to have fresh water and separate sanitation facilities for boys and girls. Depending upon local needs, the Foundation also funds electricity installations, boarding accommodation, teacher's accommodation, libraries, science labs, computer labs and safety infrastructure such as perimeter fencing, safety lighting, sports pitches and flood barriers.

The Foundation works with communities and local authorities where its school projects will be located but does not employ the teaching staff or fund school places. The schools we have funded in Uganda and Zambia are operated by a charity called Promoting Equality in African Schools ("PEAS") where the teachers are employed and paid by PEAS. You can find out more information on the PEAS website at [www.peas.org.uk](http://www.peas.org.uk). All other Costa Foundation funded schools are run by teachers trained and funded by the local education authorities or other NGOs. This system ensures the sustainability of the schools as teachers are not reliant upon continued funding from the Foundation to meet their operating costs.

We support many of our schools by funding leadership and train-the-trainer sessions and providing equipment and learning aids for extra curriculum lessons held outside of school hours.

During 2023, the Board continued to adhere to the strategic plan for the period 2021-23 which saw the charity investing in the development of new schools, expansions to existing Foundation-funded schools as well as the continuation of more programme led initiatives with our NGO partners. While our primary focus remains on funding school infrastructure; we recognise the opportunity to enhance the quality of education provided by seeking programmes from our delivery partners which will support leadership and teacher training, accessibility (especially for girls) and safety.

# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 December 2023

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#### Achievements and performance

Projects Funded from 1 January 2023 to 31 December 2023

During the year ended 31 December 2023, the Foundation completed 14 projects, supporting 13,201 children and young people in coffee growing countries. This was despite continuing global cost of living and inflation challenges, delays due to adverse weather conditions, and local administrative delays. As a result of these challenges, fewer school construction projects were funded, meaning a slight slowdown in approving projects. These are as follows:

Project	Description	Country & Project Partner	Grant amount	Term
San Carlos IEA School, Colon-Genova, Nariño	Construction of 8 new classrooms for 200 students, restrooms for boys and girls (10 toilets and 10 wash basin units), septic tank for 200 people, water and electricity supply, garden landscaping and accessing road to the new school block.	Colombia - Fundación Carcafe	£220,000	2022-2023
14 de Julio School, Rancho Grande, Matagalpa	Construction of 8 classrooms, including one for pre-school, for 311 students - kindergarten, primary and secondary, a staff room, a kitchen-dining area, equipped with school furniture, enlarged playground and perimeter fence.	Nicaragua - Fundación Nicafrance	£239,000	2022-2023
3 school projects in Santa Barbara	Project in 3 schools to improve school infrastructure and water and sanitation facilities, plus training of student, teachers and parents to support access to education.	Honduras-Plan International	£186,099	2021-2023
Building a better future - Alta Verapaz	Project in 2 schools to improve school infrastructure, water and sanitation facilities, plus training of student, teachers and parents to support access to education.	Guatemala-Plan International	£157,269	2021-2023
Alta Verapaz Food Security Programme	Food security response reaching 505 families, including 1,597 children. Targeting communities where the Costa Foundation has funded schools and school projects previously.	Guatemala-Plan International	£38,785	2021-2023

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# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 December 2023

Dormitory sanitation block, classroom and fence at Kampinda High School, Northern Province	Construction of 3 room classroom block adding 180 new learning spaces for the school community, sanitation block for boarding accommodation and wall fence to add security for the school.	Zambia-PEAS (Promoting Equality in African Schools)	£87,609	2022-2023
Dormitory block and classroom at Kabuta High School, Northern Province	Construction of 3 room classroom block adding 180 new learning spaces for the school community, boarding accommodation block, which has added 60 new boarding spaces.	Zambia-PEAS (Promoting Equality in African Schools)	£80,551	2022-2023
Dormitory block, sanitary block, dormitory extension, lab upgrade at Bridge High School, Mitooma District	Extension of dormitory block to create 120 additional boarding spaces and dormitory sanitation block, upgrade of science laboratory and construction of a shallow well has given the 889 students access to safe water.	Uganda-PEAS (Promoting Equality in African Schools)	£72,991	2022-2023
Solar lighting at Bwesumbu High School, Kasese District	Installation of solar and hydropower connection for the school and boarding accommodation	Uganda-PEAS (Promoting Equality in African Schools)	£12,661	2023
Mental health and wellbeing teacher training in 10 Costa Foundation funded PEAS schools	Programme to deliver psycho-social teacher training and training on the new curriculum at 10 Costa Foundation funded PEAS schools in response to an increase in need for psycho-social and pastoral care to be incorporated in PEAS teaching.	Uganda-PEAS (Promoting Equality in African Schools)	£34,122	2023

# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 December 2023

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Water reservoir expansion at Wote Primary School, Yirgacheffe region	Expansion of primary school water reservoir to ensure water supply.	Ethiopia-Imagine 1 day	£2,237	2022-2023
Water reservoir expansions x 2 at Adeyi Primary School, Bale Zone, Oromia	Construction includes 2 water tank (reservoirs) with a capacity of 25m3 and 5m3 constructed respectively. 5 water points, 1 spring.	Ethiopia-Imagine 1 day	£6,364	2022-2023
Water tank installation at Bekkaye Primary School, Bale Zone, Oromia	Construction includes 1 classroom roof water catchment of 5,000 litres with 1 hand wash water point.	Ethiopia-Imagine 1 day	£36,000	2023
Educate a girl programme	Programme supporting 200 high performing female students from poor and disadvantaged households in rural Ethiopia in completing a full course of secondary school education (Grades 9-12) and in developing as future leaders of Ethiopia.	Ethiopia-Imagine 1 day	£55,000	2022-2023

An overview is as follows:

New schools completed	1
School projects completed	2
Expansions completed	7
Programmes completed	3
Total all projects completed	14
Total grant value of projects completed 2023	£1,228,688
Total projects funded	16
Total children	13,201
Total value of grants approved 2023	£1,732,703

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# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 December 2023

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##### **Achievements and performance** *(continued)*

What some of the children, young people and parents from the communities we have supported say:

"We did not have a place (referring to toilets) where we could feel comfortable and where we would not be afraid of contracting diseases with regards to our personal hygiene. Now all of that has changed. We feel freer to go (to the toilets) knowing that they are clean and that we are not going to get diseases."(Elida, student, Las Vegas, Honduras).

"We feel proud and very grateful to all the organisations involved in this project. Our school used to be in a deplorable state and had many needs.

The classrooms used to be separated by curtains and we could hear the class of the other grades and this is annoying and it interrupts the class. Without a doubt what I liked most about this project is the construction of new classrooms and that now we can all be in separate (classes) and have more privacy and safety. Of course this has also improved access to our school because before (...) we could only fit 20 students per class and also because of the conditions (of the school) some parents were afraid (of sending their children to school) (...) now these fears are not longer there and there is more space for all children."(Kevin, student, San José de Colinas, Honduras).

"I am happy that Plan has supported us with the training on the topic of menstrual care. I think that it is a subject that is not discussed much here in my community because people are embarrassed to talk about it. (...)I have understood that I must take care of myself and that I am important as a person and as a teenager."(Maria, 12 year old girl, Guatemala).

"The presence of the PEAS school has brought a lot of good change in my community. PEAS have shifted the view of parents in my community to educate their girl children. This is a great achievement, as often girls would not be given the same opportunity as boys" (Byamanywoha, a 73-year-old father living in western Uganda. He works as a coffee farmer).

We would like to take this opportunity to thank all at Costa Coffee, their partners who have supported the Foundation and other donors for their partnership and support. We would also like to give special thanks to our delivery partners who yet again worked tirelessly through all of the challenges they've faced. We are delighted that we've been able to report continued activity at the levels shown above and truly appreciate their hard work, resilience, commitment and absolute focus on providing the facilities to positively change the life story of so many children and young people in coffee growing communities.

##### Communication

Our website was updated in autumn 2023 and contains current videos, case studies and including some of the latest school openings and stories from around the world. For more information visit [www.costafoundation.com](http://www.costafoundation.com). In addition, our Instagram page (@costafoundation) and LinkedIn page (<https://www.linkedin.com/company/costafoundation>) are regularly updated with images from coffee-growing communities around the world that have benefited from a Costa Foundation funded school plus many stories and images from our inspirational fundraisers in Costa Coffee stores and beyond.

# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2023

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#### Financial review

Total income for the year ended 31 December 2023 was £1,589,574 (2022: £1,287,715) The increase in income is predominantly due to brilliant fundraising in Costa Coffee stores in the UK and Ireland.

£1,483,327 was paid out or formally accrued in the year 1 January 2023 to 31 December 2023 and a further £185,885 was committed to projects subject to conditions being met. Other expenditure of £185,345 was made in respect of management of the projects and costs relating to the running of the Foundation. Reserves at 31 December 2023 amounted to £1,094,488 (31 December 2022: £1,173,586).

#### Reserves and Investment Policy

The Reserves at the year-end of £1,094,488 are held mainly by the Foundation and partly by Charities Trust. The Trustees monitor reserve levels regularly to ensure that all commitments are met and that future project requests are reviewed on a timely basis. Funds are only committed to new projects once the income has been received. As a result, there is a delay of some months between the receipt of funds, the approval of projects and the subsequent expenditure of funds to complete those projects. Those funds identified for future projects are held in cash balances for safekeeping pending their expenditure.

The reserves policy during the year was held at £75,000. This is calculated based on keeping £50,000 reserved as seed money for an emergency or unexpected need for money. A further £25,000 is reserved for unforeseen day-to-day operational costs. As projects are not signed off until funds are received, we do not require reserved funds for uncertainty of future income, or "troughs" in the cash budget.

#### Trustees' responsibilities statement

The trustees, who are also directors 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the 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 in the applicable Charities SORP;" make judgments and accounting estimates that are reasonable and prudent;" prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 December 2023

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#### Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

#### Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 23 August 2024 and signed on behalf of the board of trustees by:

RGJ Swyer  
RGJ Swyer (Aug 23, 2024 14:55 GMT+1)

R Swyer  
Trustee

# **The Costa Foundation**

## **Company Limited by Guarantee**

### **Independent Auditor's Report to the Members of The Costa Foundation**

**Year ended 31 December 2023**

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#### **Opinion**

We have audited the financial statements of The Costa Foundation (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its 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;
- have been prepared in accordance with the requirements of the Companies Act 2006.
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

# The Costa Foundation

## Company Limited by Guarantee

### Independent Auditor's Report to the Members of The Costa Foundation *(continued)*

Year ended 31 December 2023

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#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions 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; and
- 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 the knowledge and understanding of the charity 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 the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 directors' report and from the requirement to prepare a strategic report.

# The Costa Foundation

## Company Limited by Guarantee

### Independent Auditor's Report to the Members of The Costa Foundation *(continued)*

Year ended 31 December 2023

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#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

# The Costa Foundation

## Company Limited by Guarantee

### Independent Auditor's Report to the Members of The Costa Foundation *(continued)*

Year ended 31 December 2023

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#### **Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss managements assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues concerning income recognition and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and testing systems and controls. The systems and controls which have been designed to act as a preventative measure against fraud and error were operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk.

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.

# The Costa Foundation

## Company Limited by Guarantee

### Independent Auditor's Report to the Members of The Costa Foundation *(continued)*

Year ended 31 December 2023

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- 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 on the effectiveness of the 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 charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the charity 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.

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 charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Stuart Mackie*

Stuart Mackie (Senior Statutory Auditor)

For and on behalf of  
Morris Crocker Limited  
Chartered accountants & statutory auditor  
Station House  
North Street  
Havant  
Hampshire  
PO9 1QU

*27 August 2024*

# The Costa Foundation

Company Limited by Guarantee

## Statement of Financial Activities (including income and expenditure account)

Year ended 31 December 2023

		Unrestricted funds £	2023 Restricted funds £	Total funds £	2022 Total funds £
<b>Income and endowments</b>					
Donations and legacies	5	1,589,574	–	1,589,574	1,287,715
<b>Total income</b>		<u>1,589,574</u>	<u>–</u>	<u>1,589,574</u>	<u>1,287,715</u>
<b>Expenditure</b>					
Expenditure on charitable activities	6,8	1,634,503	34,169	1,668,672	1,166,923
<b>Total expenditure</b>		<u>1,634,503</u>	<u>34,169</u>	<u>1,668,672</u>	<u>1,166,923</u>
<b>Net (expenditure)/income and net movement in funds</b>		<u>(44,929)</u>	<u>(34,169)</u>	<u>(79,098)</u>	<u>120,792</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		1,139,417	34,169	1,173,586	1,052,794
<b>Total funds carried forward</b>		<u>1,094,488</u>	<u>–</u>	<u>1,094,488</u>	<u>1,173,586</u>

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

The notes on pages 21 to 29 form part of these financial statements.

**The Costa Foundation**  
**Company Limited by Guarantee**  
**Statement of Financial Position**  
**31 December 2023**

	Note	2023 £	2022 £
<b>Current assets</b>			
Debtors	14	366,995	20,577
Cash at bank and in hand		1,224,200	1,491,549
		<u>1,591,195</u>	<u>1,512,126</u>
<b>Creditors: amounts falling due within one year</b>	15	496,707	338,540
<b>Net current assets</b>		<u>1,094,488</u>	<u>1,173,586</u>
<b>Total assets less current liabilities</b>		<u>1,094,488</u>	<u>1,173,586</u>
<b>Funds of the charity</b>			
Restricted funds		—	34,169
Unrestricted funds		1,094,488	1,139,417
<b>Total charity funds</b>	17	<u>1,094,488</u>	<u>1,173,586</u>

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

These financial statements were approved by the board of trustees and authorised for issue on 23 August 2024, and are signed on behalf of the board by:

  
R.G.J Swyer (Aug 23, 2024 14:59 GMT+1)

R Swyer  
Trustee

The Costa Foundation is a Company limited by guarantee registered in England and Wales. Company number 08064488. Charity number 1147400. Scottish charity number SC043414.

The notes on pages 21 to 29 form part of these financial statements.

**The Costa Foundation**  
**Company Limited by Guarantee**  
**Statement of Cash Flows**  
**Year ended 31 December 2023**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Net (expenditure)/income	(79,098)	120,792
<i>Adjustments for:</i>		
Interest payable and similar charges	272	221
<i>Changes in:</i>		
Trade and other debtors	(346,418)	420,197
Trade and other creditors	158,167	(203,233)
Cash generated from operations	(267,077)	337,977
Interest paid	(272)	(221)
Net cash (used in)/from operating activities	(267,349)	337,756
<b>Net (decrease)/increase in cash and cash equivalents</b>	(267,349)	337,756
<b>Cash and cash equivalents at beginning of year</b>	1,491,549	1,153,793
<b>Cash and cash equivalents at end of year</b>	1,224,200	1,491,549

The notes on pages 21 to 29 form part of these financial statements.

# The Costa Foundation

## Company Limited by Guarantee

### Notes to the Financial Statements

Year ended 31 December 2023

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#### 1. General information

The Costa Foundation is a company limited by guarantee, incorporated in England and Wales. The address of its registered office, its registered numbers and principal place of business is disclosed in the Trustee's Annual Report.

The principal activity of the charity is the advancement of education, the relief of poverty and the advancement of health and environment of coffee-growing communities around the world. The financial statements are prepared in sterling and this is the functional currency of the Charity.

#### 2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

#### 3. Accounting policies

##### Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### Going concern

These financial statements have been prepared on the going concern basis. This is based on the charity reserves policy, plus the fact the charity only commits to projects once income has been raised, committed project expenditure is already secure. The charity has the security of a contractual annual donation from Costa Limited of £20k, which is not linked to fundraising. Therefore, we do not view any going concern risk for the charity.

##### Judgements and key sources of estimation uncertainty

In applying the company's accounting policies, the trustees are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The trustees' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in the making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The trustees do not consider there to be any significant judgements, estimates or assumptions in these financial statements.

# The Costa Foundation

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2023

---

#### 3. Accounting policies *(continued)*

##### Foreign exchange

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

##### Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

##### Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured.

##### Resources expended

All support costs incurred have been allocated between charitable expenditure and governance as appropriate. There are no costs relating to more than one functional cost category. All expenditure and liabilities are included on an accruals basis and recognised when there is a legal or constructive obligation to pay out resources.

##### Financial instruments

The Costa Foundation has only financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction values and subsequently measured at their settlement value.

##### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

# The Costa Foundation

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2023

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#### 4. Limited by guarantee

The Foundation is incorporated as a private company limited by guarantee. The Articles of Association of the Foundation established the objects and powers of the Foundation. In the event of the Foundation being wound up members are required to contribute an amount not exceeding £1 each.

#### 5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
<b>Donations</b>			
Donations from sales of products in Costa stores	390,869	–	390,869
Store Fundraising	861,125	–	861,125
Matched Giving	179,129	–	179,129
Donations from Costa	20,000	–	20,000
Donations from fundraising	94,394	–	94,394
General and gift aid donations	33,274	–	33,274
Payroll Giving	10,783	–	10,783
	<u>1,589,574</u>	<u>–</u>	<u>1,589,574</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
<b>Donations</b>			
Donations from sales of products in Costa stores	363,683	–	363,683
Store Fundraising	697,344	6,630	703,974
Matched Giving	–	–	–
Donations from Costa	80,000	–	80,000
Donations from fundraising	20,413	–	20,413
General and gift aid donations	47,440	40,000	87,440
Payroll Giving	24,686	7,519	32,205
	<u>1,233,566</u>	<u>54,149</u>	<u>1,287,715</u>

# The Costa Foundation

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

#### 6. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Project Expenditure (note 9)	1,449,158	34,169	1,483,327
Project management costs	115,251	–	115,251
Costs of raising funds	3,836	–	3,836
Support costs	66,258	–	66,258
	<u>1,634,503</u>	<u>34,169</u>	<u>1,668,672</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Project Expenditure (note 9)	1,031,553	21,465	1,053,018
Project management costs	75,736	–	75,736
Costs of raising funds	3,761	–	3,761
Support costs	34,408	–	34,408
	<u>1,145,458</u>	<u>21,465</u>	<u>1,166,923</u>

#### 7. Support costs

	Unrestricted funds £	Restricted funds £	Year ended 31/12/2023 £	Year ended 31/12/2022 £
Governance costs	16,685	–	16,685	8,772
Other support costs	49,573	–	49,573	25,636
	<u>66,258</u>	<u>–</u>	<u>66,258</u>	<u>34,408</u>

#### 8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total funds 2023 £	Total fund 2022 £
Project Expenditure (note 9)	1,483,327	–	–	1,483,327	1,053,018
Project management costs	115,251	–	–	115,251	75,736
Costs of raising funds	–	3,836	–	3,836	3,761
Other support	–	–	49,573	49,573	25,636
Governance costs	–	–	16,685	16,685	8,772
	<u>1,598,578</u>	<u>3,836</u>	<u>66,258</u>	<u>1,668,672</u>	<u>1,166,923</u>

# The Costa Foundation

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2023

9.

Included in project expenditure is:

	2023	2022
	£	£
FX adjustment on US projects	23,080	16,531
Prog 3 Mental Health	34,122	–
Prog 4 Guatemala Food	38,785	–
P de Julio	104,772	–
Lien Son Nursery School	105,201	–
Tan Chau Nursery School	106,084	–
Dina's Primary	145,298	–
Bekkaye water expansion	35,162	–
Angetu	17,060	–
Melka	17,060	–
Gabicho Primary	145,298	–
Madriz Nicuaragua	8,732	–
Jinotega	–	(8,081)
San Jose de Lourdes	102,563	–
Malka Arba	–	720
Santa Barbara 3	–	18,560
Angeto Primary	–	10,644
La Esperanza	–	144
La Jalquilla Primary	18,383	(50,985)
Wote Primary	–	21,210
San Pedro Carcha 2	1	(2,093)
Aspire High School	109,257	–
Bridge High School	34,777	72,991
Basura High School	–	(522)
Haru High School	–	(521)
Kampinda Girls	–	87,609
E1 Kabuta Girls	–	80,551
Dimtu High Science Lab	–	(521)
San Carlos	(38,852)	–
Adeyi Primary School	1	89,166
Garbi Galo Primary School	1	89,154
Harawa Kale Primary School	14,156	47,600
Bwesumbu High School	–	–
Expansion	12,661	43,796
Adeyi Primary School Water	–	–
Reservoir	–	5,569
Educate a Girl	–	47,733
Cycling for Success	–	50,381
Wote Primary School Water	–	–
Reservoir	–	1,958
Other project related	7,485	1,984
Committed, not paid:	–	–
San Pedro Carcha	–	15,727
14 de Julio School	–	108,241
La Jaquilla	–	51,011
Adeyi Primary School	–	10,383

# The Costa Foundation

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2023

Garbi Galo	–	10,383
Harawa Kale	–	41,527
San Carlos IEA	–	93,618
Tan Chau Nursery	84,857	–
San Jose de Lourdes	82,040	–
Arda Qalu	123,123	–
Lien Son Nursery	84,150	–
Dina's Primary	16,647	–
Gabicho	16,647	–
Bridge High school	34,777	–
	<u>1,483,327</u>	<u>1,053,018</u>

#### 10. Taxation

The charity's activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 2010. Accordingly, there is no taxation charge in these accounts.

#### 11. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2023	2022
	£	£
Fees payable for the audit of the financial statements	<u>7,308</u>	<u>5,725</u>

#### 12. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2023	2022
	£	£
Wages and salaries	38,289	–
Employer contributions to pension plans	2,848	–
	<u>41,137</u>	<u>–</u>

The average head count of employees during the year was 1 (2022: Nil). The average number of full-time equivalent employees during the year is analysed as follows:

	2023	2022
	No.	No.
Number of staff	<u>1</u>	<u>–</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2023	2022
	No.	No.
£60,000 to £69,999	<u>1</u>	<u>–</u>

#### Key Management Personnel

# The Costa Foundation

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2023

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#### 12. Staff costs *(continued)*

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £41,137 (2022:£-).

#### 13. Trustee remuneration and expenses

No trustee received remuneration in the period to 31 December 2023 (31 December 2022: £NIL). Included in the above is £1,957 of reimbursed expenses to three trustees (31 December 2022: £476 to two trustees). Trustee Indemnity Insurance was also in place during the period.

#### 14. Debtors

	2023	2022
	£	£
Amounts due from Costa Limited	284,225	17,175
Prepayments and accrued income	32,365	330
Other debtors	50,405	3,072
	<u>366,995</u>	<u>20,577</u>

#### 15. Creditors: amounts falling due within one year

	2023	2022
	£	£
Project expenditure committed, not paid	442,240	330,860
Other creditors	54,467	7,680
	<u>496,707</u>	<u>338,540</u>

#### 16. Pensions and other post retirement benefits

##### Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £2,848 (2022: £Nil).

# The Costa Foundation

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2023

#### 17. Analysis of charitable funds

##### Unrestricted funds

	At 1 Jan 2023	Income	Expenditure	At 31 Dec 2023
	£	£	£	£
General funds	<u>1,139,417</u>	<u>1,589,574</u>	<u>(1,634,503)</u>	<u>1,094,488</u>

	At 1 Jan 2022	Income	Expenditure	At 31 Dec 2022
	£	£	£	£
General funds	<u>1,051,309</u>	<u>1,233,566</u>	<u>(1,145,458)</u>	<u>1,139,417</u>

##### Restricted funds

	At 1 Jan 2023	Income	Expenditure	At 31 Dec 2023
	£	£	£	£
Restricted Fund	<u>34,169</u>	<u>–</u>	<u>(34,169)</u>	<u>–</u>

	At 1 Jan 2022	Income	Expenditure	At 31 Dec 2022
	£	£	£	£
Restricted Fund	<u>1,485</u>	<u>54,149</u>	<u>(21,465)</u>	<u>34,169</u>

During the year the Foundation incurred expenditure on the following restricted projects:

\$8,000 from Jim's Organic Coffee. This had been carried forward from a 2022 donation. £40,000 from Allegra/Project Waterfall. This was to be spent on two projects. A sanitation block at PEAS school in Uganda. This was completed in 2022. A water and sanitation project was also requested at La Jacquilla School, Peru. This was completed in 2023.

#### 18. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Current assets	1,591,195	–	1,591,195
Creditors less than 1 year	<u>(496,707)</u>	<u>–</u>	<u>(496,707)</u>
<b>Net assets</b>	<u>1,094,488</u>	<u>–</u>	<u>1,094,488</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Current assets	1,477,957	34,169	1,512,126
Creditors less than 1 year	<u>(338,540)</u>	<u>–</u>	<u>(338,540)</u>
<b>Net assets</b>	<u>1,139,417</u>	<u>34,169</u>	<u>1,173,586</u>

# The Costa Foundation

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2023

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#### 19. Analysis of changes in net debt

	At 1 Jan 2023	Cash flows	At 31 Dec 2023
	£	£	£
Cash at bank and in hand	<u>1,491,549</u>	<u>(267,349)</u>	<u>1,224,200</u>

#### 20. Commitments

The Costa Foundation had commitments of £185,885 (31 December 2022 £154,781) at the year end. These have not been provided for in the financial statements as they are subject to conditions being met before payment.

#### 21. Related parties

All unrestricted income received originated from Costa Limited and their employees, apart from donations received via the Costa and Costa Foundation websites and third parties.

During the year, Costa Foundation Trustees, Neil Lake, Nick Orrin and Gordon Mowat were named as directors/officers on companies house of Costa Ltd and they were members of the Costa Ltd Executive Team. In addition, Costa Foundation Trustee Charlotte Clusker was a member of the Costa Ltd Executive Team.

**THE COSTA FOUNDATION**

England & Wales - Charity number 1147400

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# Accounts

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**COMPANY REGISTRATION NUMBER: 08064488**  
**CHARITY REGISTRATION NUMBER: 1147400**  
**SCOTTISH CHARITY REGISTRATION NUMBER: SC043414**

**The Costa Foundation**  
**Company Limited by Guarantee**  
**Financial Statements**  
**31 December 2022**

**MORRIS CROCKER LIMITED**

Chartered accountants & statutory auditor  
Station House  
North Street  
Havant  
Hampshire  
PO9 1QU

**The Costa Foundation**  
**Company Limited by Guarantee**  
**Financial Statements**  
**Year ended 31 December 2022**

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# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report)

#### Year ended 31 December 2022

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The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 December 2022.

#### Chair's report

Following two years of global COVID19 turmoil, we hoped that 2022 would be a less stressful year in terms of raising funds and changing a child's life story as we continue to construct safe, quality school environments for marginalised children in coffee-growing communities.

Whilst I'm delighted to announce that we opened six new schools and two school projects in five countries as well as expanding nine existing Foundation schools, on reflection 2022 was a challenging year for the Foundation on many levels, as it was for Costa, our corporate sponsor, our other funders and the organisations with whom we partner to help implement our projects.

2022 was a difficult year for the Foundation with our income dropping by 37% year on year as consumers struggled with less disposable income to donate to charities, the cost of building materials increasing globally by over 30% and the poor performance of sterling against the dollar (most of our projects are funded in \$USD).

Given all of the above, it's good to stop and reflect and to look back at exactly what the Foundation achieved in 2022. We are happy to celebrate with you .....

" Six brand new schools in Colombia, Ethiopia, Peru and Vietnam providing safe, quality education spaces for over 3,400 children " Two new school projects in Guatemala (enhancing existing government schools) providing new facilities and educational programmes for 498 children " Nine expansions of Foundation schools in Ethiopia, Uganda and Zambia saw additional classrooms, dormitory & sanitation blocks and science labs added which benefitted over 6,000 students

I am sure that if we asked any one of the 10,000 or so children benefitting from our work for the first time in 2022, they would be quick to join me in thanking our donors at Costa Coffee; from the Costa Foundation Champions in-store to every barista and team member across the UK and beyond, who raised over £700,000 for our charity; despite all the challenges the year threw at them. Thank you so much; you have helped us change a child's life story yet again! Our highlight of the year was the opening of the Costa Foundation's 100th new school which was inaugurated in November 2022 in Ethiopia. Adame Yirgachefe High School is an eight classroom school built in the grounds of Adame Yirgachefe Primary School, funded by the Foundation initially in 2011 (with 6 classrooms and a library) with an additional 12 classrooms and extra sanitation and water added in 2019. We are immensely proud of this landmark. One hundred new schools in coffee-growing communities all "Changing a Child's Life Story" one classroom at a time. Finally, I should like to thank Connie Emerson, Stephan Wade, Victoria Moorhouse, Kay Brunton, Phil Cumming and Neil Lake, all of whom have stepped down from the board since our last annual report. Phil Cumming also served on the board during the year. On behalf of the board I thank them all for their service and commitment to the Foundation. I am delighted that Hayley Finn has joined the board from Costa.

Russell Fairhurst - Chair, The Costa Foundation

DocuSigned by:  
  
4743283D67FC4F7...

# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 December 2022

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#### Reference and administrative details

<b>Registered charity name</b>	The Costa Foundation
<b>Charity registration number</b>	1147400
<b>Company registration number</b>	08064488
<b>Principal office and registered office</b>	3 Knaves Beech Business Park Davies Way Loudwater High Wycombe Bedfordshire HP10 9QR UK

#### The trustees

A Aggarwal	
K Brunton	(Resigned 10 March 2023)
L Camfield	
K Cooke	(Resigned 29 March 2023)
R Fairhurst	
N Lake	(Resigned 31 January 2023)
G Mowat	
H Finn	(Appointed 16 March 2023)
C Emerson	(Resigned 21 April 2022)
	(Served from 16 June 2022 to 16 June 2023)
P Cumming	
S Wade	(Resigned 6 May 2022)
V Moorhouse	(Resigned 21 April 2022)
C Clusker	(Appointed 16 March 2023)

The trustee resignations (with the exception of Kay Brunton and Kieran Cooke) reflect turnover within Costa Coffee, where trustees have stepped down from their position at the Foundation as a result of leaving their corporate roles at Costa Coffee.

The Foundation was incorporated at Companies House on 10 May 2012, registered as a charity with the Charity Commission on 23 May 2012 and with the Office of the Scottish Charity Regulator on 17 September 2012.

Prior to the incorporation of the Foundation, donations were collected in an account maintained by Charities Trust, an independent registered charity, pursuant to an agreement with Costa Limited and with the intent that the monies in the account would be used for similar charitable purposes to those adopted by the Foundation. Following incorporation, Charities Trust transferred the funds then held by them to the Foundation.

The Articles of Association of the Foundation established the objects and powers of the Foundation. In the event of the Foundation being wound up, members are required to contribute an amount not exceeding £1 each.

# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 December 2022

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<b>Company secretary</b>	C Bushay
<b>Auditor</b>	Morris Crocker Limited Chartered accountants & statutory auditor Station House North Street Havant Hampshire PO9 1QU
<b>Bankers</b>	National Westminster Bank Plc PO Box 12263 1 Princes Street London EC2R 8PH

#### Structure, governance and management

##### Relationship with Costa Limited

Under the Articles of Association of the Foundation, Costa Limited ("Costa") has the power to appoint Trustees of the Foundation provided at least two Trustees are appointed by the Board of Trustees.

Costa is party to a Commercial Participation Agreement with the Foundation to enable Costa to raise funds through the sale of certain products from which it has agreed to donate certain proceeds to the Foundation. Funds were also raised via fundraising from Costa's employees and members of the public. In addition to the other fundraising activities described below, Costa is also party to a Grant Funding Agreement pursuant to which Costa donated the sum of £20,000 in the year.

##### Fundraising Approach

The Foundation's approach to fundraising is to predominantly use the relationship with Costa, its employees and customers to raise funds through fundraising activities and the sale of products. We do not carry out street fundraising, nor do we undertake fundraising mail shots or telephone canvassing. We work with Costa to ensure any fundraising they do for the Foundation complies with recognised standards. The fundraising practice is monitored by the trustees of the charity through the Fundraising and Engagement Committee and we monitor any fundraising complaints (none were received during 2022) and always seek to protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches and undue pressure to donate.

##### Governing Document

The Foundation is incorporated as a private company limited by guarantee No.08064488.

The COSTA Foundation is a registered charity in England and Wales No. 1147400, a registered charity in Scotland No.SC043414.

The Articles of Association of the Foundation established the objects and powers of the Foundation. In the event of the Foundation being wound up, members are required to contribute an amount not exceeding £1 each.

# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 December 2022

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##### Structure, governance and management *(continued)*

###### Organisational Structure

The Board of Trustees meet at least four times a year and oversees finance, current project work and the future strategy of the Foundation.

The Foundation also has two Trustee sub committees: The Projects Committee and the Fundraising and Engagement Committee. The purpose and duties of these committees are set out in their respective terms of reference and are broadly outlined below. The purpose of the Projects Committee is: a) To recommend to the Board the Projects strategy in fulfilment of the Foundation's Theory of Change; b) To prepare annual budgets for projects and other matters within the remit of the Committee; c) To consider for approval all projects presented for funding by the Foundation; d) To develop and implement a system for the monitoring and evaluation of Foundation projects; and e) To monitor all external delivery partners for Foundation projects and to recommend new partners to the Board.

The Projects Committee uses a strategic matrix to assist in the evaluation of project proposals and collects detailed monitoring and evaluation information on Foundation schools to measure the impact and success of the projects across a number of key performance indicators. It reviews delivery partner performance and approves new delivery partners when appropriate.

The purpose of the Fundraising and Engagement Committee is as follows:

a) To recommend the fundraising strategy for the Foundation to the Board; b) To oversee the planning, coordination and implementation of all fundraising activities in relation to the Foundation; c) To develop annual plans for engagement with Costa; and d) To act as the key link between the Foundation and Costa and any other fundraisers, to ensure joined up and co-ordinated working.

Trustees visit schools from time to time to improve their understanding of the educational needs in coffee growing communities in those countries and to satisfy themselves that the funds given to projects are being used appropriately and on a timely basis.

The Foundation held Trustee Indemnity Insurance during the period.

###### Principal risks and uncertainties

The Trustees have examined the major strategic, financial, operational and reputational risks which the charity faces and regularly review what actions can be taken to mitigate these risks. The four risks that would have the highest impact are a decrease in income, a reduction in the quality of the delivery of projects with project partners, safeguarding issues in Foundation funded schools, and the devaluation of the Great British Pound (GBP) against the United States Dollar (USD) which would reduce the Foundation's ability to fund USD denominated projects. While the Foundation does not build or operate any of the schools which it has funded, cases of misconduct by staff of our delivery partners on or off Foundation projects could result in reputational harm for the Foundation. The Foundation has a safeguarding policy to mitigate against this risk. Grants are given based on the income generated and no project applications are fully approved unless the Foundation has sufficient reserves to fund the entire budget required for that project. The Foundation purchases any required currency once a project has been approved to mitigate any risk to affordability as a result of currency movements.

# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 December 2022

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##### Objectives and activities

The Foundation's aims are the advancement of education, the prevention and relief of poverty and the advancement of health and the environment of coffee-growing communities around the world.

In the consideration of projects, the Trustees have due regard to the Charity Commission's guidance on public benefit. The Trustees always ensure that the projects undertaken are in line with the aims and objectives of the Foundation and use its Theory of Change to guide their decisions.

All projects continue to be implemented via delivery partners based in the countries where the projects are undertaken. The delivery partners range from charitable non-governmental organisations to the sustainability teams of coffee companies.

The Foundation aims to fund schools which provide individual wellbeing and a safe, quality education for children within coffee growing communities. All projects are required to have fresh water and separate sanitation facilities for boys and girls. Depending upon local needs the Foundation also funds child nutrition programmes, electricity installations, boarding accommodation, teacher's accommodation, libraries, science labs, computer labs and safety infrastructure such as perimeter fencing, safety lighting and flood barriers.

The Foundation also invests additional capital into expanding schools previously built with our funds. This can be through the provision of extra classrooms, sanitation, boarding accommodation, teacher's accommodation, science and computer labs. Expansion funds have been focused in Ethiopia, Uganda and Zambia during the year where the success of the schools has warranted extra facilities. The Foundation works with communities and local authorities where its school projects will be located but does not employ the teaching staff or influence the curriculum. The schools we have funded in Uganda and Zambia are operated by a charity called Promoting Equality in African Schools ("PEAS") where the teachers are employed and paid by PEAS. You can find out more information on the PEAS website at [www.peas.org.uk](http://www.peas.org.uk). All other Costa Foundation funded schools are run by teachers trained and funded by the local education authorities or other NGOs. This system ensures the sustainability of the schools as teachers are not reliant upon continued funding from the Foundation to meet their operating costs.

We support many of our schools by funding leadership and train-the-trainer sessions and providing equipment and learning aids for extra curriculum "Citizenship" lessons held outside of school hours. These sessions are run by students and often attended by the parents within the community. Citizenship lessons are in subjects such as Health; particularly AIDS/HIV awareness, Gender Equality, Environment and Sport and Student Leadership through the provision of Girl's and Boy's Clubs.

During 2022, the Board continued to adhere to the strategic plan for the period 2021-23 which saw the charity investing more in expansions to existing Foundation-funded schools as well as more programme led initiatives with our NGO partners. While our primary focus remains on funding school infrastructure; we recognise the opportunity to enhance the quality of education provided by seeking programmes from our delivery partners which will support leadership and teacher training, accessibility (especially for girls) and safety. As a result, during 2022 the Foundation invested in two new programmes, one in Ethiopia and the other in Zambia.

Firstly, the "Educate a Girl" programme in Ethiopia which we funded in collaboration with The Coca-Cola Foundation will see 200 "high achieving" girl students from particularly impoverished families attend high school through an innovative micro-finance programme with the girl's mothers, mentoring them in setting up and running a new business. The girls are guaranteed their full education at high school until graduation as a result of this programme. Our thanks to The Coca-Cola

# **The Costa Foundation**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

#### **Year ended 31 December 2022**

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Foundation for their support with this exciting programme and I look forward to reporting the impacts to you in the future. Secondly, the "Cycling for Success" programme in our two high schools in Zambia is collaboration with PEAS Zambia and World Bicycle Relief which will see 200 girls being provided with robust "Buffalo Bicycles" enabling them to travel safely to school from much further distances than walking alone will allow. This is an exciting community based programme and again, I look forward to telling you more about this programme once the impact reporting has been completed.

In last year's report we stated that the Foundation hoped that the quality of schools we have provided over the years would result in enrolment numbers in the schools we've funded getting back to pre-COVID levels quite quickly compared with other schools. I'm delighted to say that this has proved to be the case in Uganda and Zambia as more than 70% of students in the schools there where we funded teacher salaries while the schools were closed over the pandemic re-enrolled when the schools reopened. As a result the schools in Uganda re-opened at 95% of their capacity while the schools in Zambia were so full we have funded the construction of additional classrooms.

# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 December 2022

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##### Achievements and performance

Projects Funded from 1 January 2022 to 31 December 2022

Despite global cost of living and inflation challenges; during the year ended 31 December 2022, the Foundation opened six new schools in Colombia, Ethiopia, Peru and Vietnam providing a total of 40 new classrooms, five libraries and all required supporting facilities for over 3,400 children. In addition, two school projects were completed with Plan Guatemala whereby existing government schools were enhanced with new classrooms, sanitation and programmes to support the children (and parents) education.

We also opened nine new expansion projects in Ethiopia, Uganda and Zambia adding classrooms, dormitory & sanitation blocks and science labs in schools previously funded by the Foundation where student enrolment had increased inexorably and new facilities became vital to ensure a safe, quality education. These new facilities have benefited over 6,200 children.

Signed off during 2021 and 2022; construction continued within five new schools and two new school projects in 2022; all of which are due to open during 2023. These are in Colombia, Ethiopia, Honduras, Nicaragua and Peru. We also had a further six expansion projects signed off and under construction during the year adding new classrooms, dormitory and sanitation blocks, teacher's housing, solar panels and water tanks. Again these are all due to open in 2023 and are in Ethiopia, Uganda and Zambia.

Finally, there were two support programmes signed off by the Board in 2022 (Educate a Girl, Ethiopia and Cycling for Success, Zambia). The Educate a Girl programme commenced during 2022 but the Cycling for Success programme is due to start in the spring of 2023.

This year; as with last year we were fortunate enough to have received a number of match-funding donations for our projects from other non-governmental organisations, with the donations being made either direct to the Foundation or to our in-country partners:

" The Coca-Cola Foundation - \$150,000 towards the Educate a Girl programme in Ethiopia" Educate a Child - \$300,000 towards three Costa Foundation funded primary schools in Ethiopia" Run 4 Water - \$74,229 towards water and sanitation in three Costa Foundation funded primary schools in Ethiopia. " Costa Malta and SIGMA Foundation - \$9,461 towards water tanks in two schools in Ethiopia.

We would like to take this opportunity to thank these generous donors for their partnership and support. We would also like to give special thanks to our delivery partners who yet again worked tirelessly through all of the difficulties the pandemic and cost of living / inflation threw at them. We are delighted that we've been able to report continued activity at the levels shown above and truly appreciate their hard work, resilience, commitment and absolute focus on providing the facilities to to positively change the life story of so many children.

##### Opened and Now Educating Children - 2022

New schools - Defined as the construction of a school that didn't previously exist.

1. Hoa Trung Nursery School, Vietnam - opened May 2022 for 240 children. A six classroom fully-furnished school with multi-function room, sick bay, admin block, kitchen, canteen, guard room, perimeter fence, playground and provision of fresh water and sanitation throughout.

# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 December 2022

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2. El Huabo Primary and Secondary School, Peru - opened in April 2022 for 137 children. A five classroom fully-furnished school with multi-function room, admin block, kitchen, canteen storage rooms, perimeter fence, playground and provision of fresh water and sanitation throughout.

3. Wote Primary School, Ethiopia - opened November 2022 for 850 children. A twelve classroom fully-furnished primary school including one kindergarten" room. This is a double-shift lessons school providing 2nd Cycle primary school education within the compound of the 1st Cycle school funded and built by the Costa Foundation in 2013 and including adequate water and sanitation for all students currently using these facilities.

4. Melka Arba Primary School, Ethiopia - opened in November 2022 for 960 children. An eight-classroom fully-furnished school with one kindergarten" room, a fully stocked library, new sanitation including showers, electricity and water. This is a double-shift lessons school.

5. Angetu Primary School, Ethiopia - opened in December 2022 for 960 children. An eight-classroom fully-furnished school including one kindergarten" room, a fully stocked library, new sanitation including showers, electricity and water. This is a double-shift lessons school.

6. Santa Teresa Middle School, Colombia - opened October 2022 for 255 children. A five classroom school with three science labs, kitchen, canteen, library, Principal's office, storage room, sanitation, water and electricity.

School projects - Defined as pre-existing government school structures that have been improved with additional facilities or programmes funded by the Costa Foundation.

1. San Vicente Ulpan School, Guatemala - completed in December 2022 1146 children. This project provided three new classrooms, kitchen, canteen, perimeter fencing, water supply and storage as well as refurbishment to the existing school infrastructure to bring them in line with the new facilities. The Foundation also invested in WASH, Gender Equality, Girl's Empowerment, Food Security and the Importance of Girl's Education programmes within the school and wider community.

2. San Vicente Campur School, Guatemala - completed in December 2022 for 550 children. As with the above school; this project provided three new classrooms, kitchen, canteen, perimeter fencing, water supply and storage as well as refurbishment to the existing school infrastructure to bring them in line with the new facilities. The Foundation also invested in WASH, Gender Equality, Girl's Empowerment, Food Security and the Importance of Girl's Education programmes within the school and wider community.

# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 December 2022

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##### **Achievements and performance** *(continued)*

Expansions completed in schools previously funded by the Costa Foundation

1. PEAS Pioneer High School, Uganda - new sanitation block opened February 2022.
2. PEAS Kampinda High School, Zambia - new girl's dormitory and classroom - opened February 2022.
3. PEAS Kabuta High School, Zambia - new girl's dormitory and teacher's housing - opened February 2022.
4. PEAS Bridge High School, Uganda - new A Level classroom - opened April 2022.
5. PEAS Aspire High School, Uganda - two new science labs - opened April 2022.
6. PEAS Noble High School, Uganda - new four classroom block - opened April 2022.
7. Basura High School, Ethiopia - three new science labs - opened July 2022.
8. Haru High School, Ethiopia - three new science labs - opened July 2022.
9. Dimtu High School, Ethiopia - three new science labs - opened July 2022.

Under construction; not yet completed

Signed off by the Board in 2021 and construction commenced during 2022. There were two school projects under construction which were signed off in 2021, commenced during 2022 but had not been completed by the end of the year. These include a multi-school project across three schools in Honduras. The projects are:

1. Santa Barbara 3 school projects, Honduras - Three school projects (expanding/improving existing government schools)
2. La Jalquilla Primary and Secondary School, Peru - New school

Signed off by the Board in 2022 and construction started in 2022.

There are eleven projects that were signed off by the Board during 2022 where construction commenced during the year but the projects were not completed by year-end. These projects were:

- 4 new schools
- 1 new school project
- 6 new school expansions

The details are as follows:

1. Adeyi Primary School, Ethiopia - new school signed off in May 2022
  2. Gerbi Gallo Primary School, Ethiopia - new school signed off in May 2022
  3. Harawa Kale Primary School, Ethiopia - new school signed off in May 2022
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# **The Costa Foundation**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

#### **Year ended 31 December 2022**

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##### **Achievements and performance *(continued)***

4. San Carlos IEA School, Colombia - new school signed off in June 2022
5. 14 de Julio School, Nicaragua - new school signed off in October 2022
6. PEAS Kampinda High School, Zambia - expansion - new dormitory, classroom and fence signed off in May 2022
7. PEAS Kabuta High School, Zambia - expansion - new dormitory and classroom signed off in May 2022
8. PEAS Bwesumbu High School, Uganda - expansion - new teacher's housing & sanitary block plus solar panels - signed off in May 2022
9. PEAS Bridge High School, Uganda - expansion - two new dormitory & sanitation blocks plus science lab upgrade - signed off in May 2022
10. Wote Primary School, Ethiopia - expansion - new water reservoir
11. Adeyi Primary School, Ethiopia - expansion - two new water reservoirs

##### **Investments in Education Support Programmes**

As identified within our Strategic Plan for 2021-23, the Foundation has been seeking programmes to invest in with our delivery partners that will support the students using existing Costa Foundation funded schools and ensure a safe, quality education within the facilities we have already provided. Now that we have funded 103 new schools in ten countries around the world and given that we have provided in excess of 43,000 school places within those schools, it seems wise to find ways to improve the quality of the experiences the students are having whilst at school and to find ways to improve accessibility and safety for girls and boys.

# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 December 2022

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#### Achievements and performance *(continued)*

As a result, the Board signed off two new programmes during 2022,

1. Educate a Girl programme in Ethiopia with imagine1day - signed off in October 2022
2. Cycling for Success programme in Zambia with PEAS Zambia

As these programmes differ from our normal infrastructure investments, we have taken the opportunity to outline the programme details below. The "Educate a Girl" programme which we funded in collaboration with The Coca-Cola Foundation will see 200 "high achieving" girl students from particularly impoverished families attend Costa Foundation funded high schools through an innovative micro-finance programme with the girl's mothers, mentoring them in setting up and running a new business. The girls are guaranteed their full education at high school until graduation as a result of this programme.

The "Cycling for Success" programme in our two high schools in Zambia is collaboration with PEAS Zambia and World Bicycle Relief which will see 200 girls being provided with robust "Buffalo Bicycles" enabling them to travel safely to school from much further distances than walking alone will allow.

#### Maintenance Programmes

We endeavour to set up all of the schools we've funded to be self-sustaining and therefore not dependent on funding from the UK. This year and following our annual quality audits, none of the schools were identified for maintenance investment.

#### Infrastructure Quality Audits

Our delivery partners audited the quality of infrastructure and learning resources in Costa Foundation funded schools enabling us to identify what extra facilities were needed and any schools where urgent maintenance or infrastructure was required. As a result of these audits we were able to prioritise those needs and invest in additional facilities for some of our previously funded schools in Ethiopia, Uganda and Zambia as outlined above.

#### Monitoring, Evaluation & Impact

Given that the year continued to be disrupted by the Covid-19 pandemic with more than a billion children missing out on their education globally and all schools in Uganda shut for the entire year, the Foundation Board took the decision not to gather our usual monitoring & evaluation data for 2021 as the information would not have been useful when comparing it with previous "uninterrupted" school years. We will be applying our monitoring & evaluation processes to all of the schools in 2023 for the 2022 school year as this will enable us to evaluate a full year of education for the first time since the beginning of the pandemic. However, thanks to our delivery partners around the world, we have been able to identify some impact highlights and quotes from some of the schools, as outlined below:

#### HONDURAS

" Two out of three Costa Foundation funded schools were completed in San Nicolas and Las Vegas and the final school in San José is 80% completed. " We have completed training across all three schools on a number of different issues: around 1,100 participants (children, parents and teachers) have been trained on cyberbullying, prevention of teen pregnancy and prevention of violence. " For one of the trainings in the school we recorded a 100% commitment rate from participants to be replicated and scaled beyond the project through youth promoters. " This project has seen the success of radio campaigning, which has been a great way to engage large numbers of young people in the community particularly due to periods of covid restrictions still being in place. The 'Don't Spread

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# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 December 2022

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##### **Achievements and performance** *(continued)*

Cyberbullying' radio campaign in the department of Santa Barbara led to the registering of between 1,000 and 1,500 daily WhatsApp messages or telephone communications.

"Thanks for the commitment with the school and especially with our young people, since we really have many of the problems that we have identified today (in the workshop with parents and teachers) which will help us to develop actions and counteract this problem (of violence)..."

Juan Blandin, Head of school

##### GUATEMALA

" In 2022 we have seen the completion of safe and secure learning spaces for two schools including 6 classrooms, 2 sanitary modules with full water supply and 2 dining halls. " Children and parents have told us that the new school facilities have enabled the impacted children to attend school every day - a jump from 2 days a week previously due to inadequate learning facilities. " 126 parents and 14 teachers have participated in training on the prevention of forced union and teen pregnancies. This includes increased engagement particularly with fathers (which had previously been very low) in the importance of education for girls and the role they play. " A highly successful inauguration event, organised by community members has ensured engagement from the wider community and municipal authorities.

"My parents received training in responsible parenthood and how to give me a better future. Beforehand, my father did not buy food for the house and after the training he brings it and no longer asks my mother."

(Alicia, 12) - As a result of training for fathers on safe food handling and nutrition.

"Now our young women and men have the opportunity to continue their studies and be able to excel. A couple of years ago, the reality of the community of San Vicente Campur was totally different. There were no opportunities for young people to continue the studies."

(Mother, 50)

# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 December 2022

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#### Achievements and performance *(continued)*

##### PERU

The Ministry of Education has promoted the internet connection in rural communities. The schools of Los Angeles de Eden (Kindergarten), Chuquibambilla (Secondary), S. Elena (Secondary), have applied to this service thanks to a coordinated management with the local Ministry of Education (UGEL PANGO). In addition, the Ministry of Education donated tablets to primary (4th, 5th & 6th grade) and secondary school students (one for each family). In the case of the secondary school in Santa Elena, there was a strong increase in the number of students enrolled, with more than 150 students and teachers. Due to the high demand, the school has received support from the Italian cooperation through Semillas, building a student residence and since 2021 the school has been part of the programme "Secondary school with student residence" receiving support from 13 educational supervisors who guaranteed continuous accompaniment to all students throughout 2022, strengthening values in hygiene, gender, care and nutrition. A large school garden was implemented, and all students have been fed with produce from this garden. In the Los Angeles de Eden nursery school, parents continue to improve the school infrastructure. In 2022 they have expanded by self-building a psychomotor classroom for the children and implementing playgrounds. In the secondary school of Chuquibambilla, the institution has accessed the programme of "education for work", strengthening the skills of young students in carpentry by receiving the donation of machinery from the municipality. The parents have set up a small roof for the development of these activities. In the school of Jerusalem de Miñaro, trees have grown and environmental education and knowledge of the ancestral forest and the planting of fruit trees has been promoted. "We are very pleased with this school, every day we are extremely grateful to the Costa Foundation for this opportunity, for the school garden, its spaces, its playground built in bamboo. Children feel happy. This school used to represent an issue for the community; every day there was a problem and something to be fixed. Now we have no more worries. Our children tell us they feel comfortable, happy and safe. Children are aware of the different construction technologies used and they are fascinated by them. Thanks to Semillas' work, now we understand how it is possible to build efficiently using innovative materials.

Jhonny Camasca - Vice President APAFA - Jerusalem de Minaro

"I am very grateful to the Costa Foundation and the entire Semillas team for their support and work to achieve together the construction of this school, as it is today. All the parents remember your commitment and work, and they have always supported this project with great strength and determination from day one. Now we are here, with a lot of children, with many projects and many ideas to improve the educational quality of this school, and to help them in their professional development."

Antonio Mauro Torres Salinas - Director - Santa Elena School

##### ETHIOPIA

The fact that Costa Foundation has been creating access to safe, quality education for children in coffee-growing communities during 2022 has resulted in:-

" Enrolment increasing by 54% (from 22,633 in 2020 to 34,873 in 2022). This increment is a remarkable achievement given the significant increase in the number of out of school children nationally over the same period of time due to the pandemic, internal conflict and drought. " Dropout rate decreased from the baseline of 6.6% to 3% " The gender parity index increased from 0.75 to 0.80

Girls' enrolment in Costa Foundation funded schools has increased substantially as in conjunction with imagine1day; the schools are now girl-friendly environments with WASH facilities, sanitary pad provision and the strengthening of gender clubs involving reusable sanitary pad production and training. The innovative investment in the "Educate a Girl" programme co-funded by the Coca-Cola

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# **The Costa Foundation**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

#### **Year ended 31 December 2022**

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##### **Achievements and performance *(continued)***

Foundation has also supported by giving 200 high achieving girl students access to a high school education that would otherwise have been impossible for them to achieve.

"Our children are happily learning in comfortable classrooms constructed and furnished by Costa Foundation and imagine1day. Previous classrooms were made of sticks and mud exposing our children to various diseases and to rain and mud in the wet season. I could not be more grateful to Costa Foundation for liberating all of us parents from this worry"

Parent of student at Wote Primary School

"To tell you the truth; I have always had a strong interest in science. Since our high school had no science labs I was planning to sign up to social science when I moved on to preparatory school. Thanks to Costa Foundation who have constructed and furnished three new science labs for us, I am able to live my dream here in my home town".

Grade 10 student at Basura High School

# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 December 2022

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#### Achievements and performance *(continued)*

##### VIETNAM

Vietnamese legislation states that children cannot attend primary schools unless they can speak, Vietnam's national language - "Kinh". There are 54 ethnic tribes in the Central Highlands (where the coffee's grown) that do not speak Kinh. The Costa Foundation funds nursery schools here that provide teachers that speak both the local language and Kinh, the aim being to ensure all children attending the schools learn the national language and are therefore able to attend primary school in the future. In Vietnam in 2022, education for children returned to normal term times following the pandemic disruption of the previous two years. In the 24 Foundation nursery schools educating over 4,700 three to six year old children each year, 100% of the six year old's graduated successfully to primary school thanks to the early learning education the children received. "I have lived in this commune since birth. The pandemic situation in recent years has greatly affected the education of all pupils with many having to attend on-line learning rather than face to face teaching. Since the Costa Foundation constructed this school; the local children have been able to study in a clean, beautiful, fully equipped school. I am so pleased to invite our children to study in such a good environment. I would like to thank Costa Foundation for building such a spacious, clean and well equipped school for the community so that our children have such a good learning environment."

H Cuen Hwing, Teacher, Son Ca Nursery School

"My family is very poor with many children so we face a lot of difficulties. Our main income comes from farming but our crop has failed again this year. The pandemic also affects our income because nobody was able to hire us to work part time. Now we have a new nursery school in our commune and I am so happy that my child can study there. In my dreams; I never imagined that my child could study in such a wonderful school. I don't know what to say other than thank you".

Mother - M' Nong ethnic people, Hoa Mai Nursery School

##### NICARAGUA

Eight years of work in Nicaragua shows a strengthened partnership between coffee industry actors (ECOM, Cafetalera Nicafrance and Peerless Coffee Co). Together we have created and expanded physical capacities so that children and young people have access to more and better quality education services.

- 1762 children attend the nine schools built by Costa Foundation.
- Two schools after expansion started secondary education provision.
- In 2022, 1,327 children continued to receive protein in school snacks.

- 72% of teachers in the schools were trained and coached in the development of teaching skills for mathematics.

"My generation had to pay to study secondary school in the neighbouring community, and now Fundación Nicafrance, together with the Costa Foundation, has contributed so that adolescents and young people in the area can study secondary school for free in their communities; and with the Satellite School, they have helped them to study technical careers and access the globalised world through the internet". With this investment, the professionals of the area have access to the network to search for information and to study online courses. Norvin Fabricio Hernández - ex pupil of Las Escaleras School "In our schools you can see happy children who see mathematics as a bridge, not a wall. They are taught with improved methodologies using appropriate materials and audiovisual and didactic resources made with materials from the environment. Teachers perform their work with improved quality as a result of the continuous training process through workshops and diploma courses."

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# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 December 2022

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##### Achievements and performance *(continued)*

Mr Alvaro Mejia Cardenas - Facilitator - Project Chispa

##### UGANDA AND ZAMBIA

Costa/PEAS schools in Uganda and Zambia fully opened for the first time in two years in January 2022 and remained open for the whole school year. This was very much welcome for our students after the long closures and meant PEAS could focus on making up for the loss of learning on Costa/PEAS students. Investment from the Costa Foundation for expansions in two Costa/PEAS schools in Uganda and two in Zambia has helped to ensure our students have the best start in making up for this learning loss.

##### PEAS UGANDA

In Bridge Secondary School in Mitooma District, Western Uganda Costa Foundation invested in much needed boarding accommodation and PEAS were able to complete two additional dormitory extensions. Boarding students benefit from increased support around teaching and learning as they can do their homework on site with teacher support. These expansions have increased boarding capacity by 120 and will provide places for 6000 students over the lifetime of the school. Currently enrolment at Bridge Secondary school is 708. In Bridge Secondary school the additional provision of a shallow well and science lab upgrade has given the 708 students access to safe water and the opportunity to increase their knowledge in STEM subjects. In Bwesumbu secondary school in the Kasese district of South Western Uganda, the Costa Foundation provided a new Teachers House with a Teachers Sanitary Block. This has added 8 additional spaces for teachers to live on site.

##### PEAS ZAMBIA

In Kampinda Secondary School in the Northern Province of Zambia, enrolment at the end of Term 3 2022 was 660 which was just over-capacity for the school. The completion of a classroom block, thanks to the Costa Foundation, has added an additional 240 spaces for students. A new dormitory sanitary block and wall fence has increased safety at the school. In Kabuta Secondary School in Northern Province enrolment at the end of Term 3 was at 473 which was also at capacity, the provision of a new classroom block, thanks to the Costa Foundation, means that there will be an additional 240 places in 2023. A new dormitory sanitary block means that students no longer have to walk far in the night to the sanitary facilities.

"My name is Fridah and I am eighteen years old. I am in grade eleven at Peas Kabuta Secondary school and I am a boarding student at the school. In this community, there were no secondary schools. Now we have one and the kids don't need to walk so far anymore to go to school. PEAS have even helped the boarding students in paying school fees. I love living in the dorm as we have a lot of time to study, and there are no disturbances there."

Fridah - Student, PEAS Kabuta High, Zambia

##### COLOMBIA - CUNDINAMARCA

"I begin with a phrase from Nelson Mandela "Education is the most powerful weapon that can be used to transform the world."

As an educational institution we are aware of the importance of education and knowledge, which is why, from our classrooms, we encourage men and women to make their dreams come true.

Before the implementation of the project, our institution had been deteriorating due to high rainfalls and

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# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 December 2022

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##### **Achievements and performance** *(continued)*

water filtrations in the facilities, causing permanent suspensions in the day-to-day academic activities, which delayed the development of learning, causing students, teachers, and parents insecurity, and discomfort. It was a place of high risk and unattractive for a good performance in the educational process.

It is gratifying to know that there are still institutions like Costa Coffee that contributes to making the environment for educators and students pleasant, comfortable, entertaining, and safe Today, thanks to this project, we have a built area of 551m2 which includes a space for a library, school restaurant, kitchen, archive, teachers' room with bathroom, teaching materials room, principal's office with bathroom, biology and physics laboratories. and chemistry and likewise circulation areas, where approximately 200 students are currently trained.

"This educational institution is located in the rural part of the San Juan de Rioseco municipality, Santa Teresa village, near the main road, its modern educational spaces being visible and attractive."

Carlos Fernando Vargas Garzon - Rector at Santa Teresa School, Cundinamarca

#### COLOMBIA NARIÑO

2022 was the year when Fundacion Carcafe signed the fourth agreement with Costa Foundation to build our fourth school in Nariño, the Southern West corner of Colombia.

We have completed three school blocks in Nariño in the coffee growing municipalities of San Lorenzo, La Union and Taminango and now we started building our fourth in Colon-Genova. So far, we have built 30 new classrooms with their corresponding restrooms for boys and girls. For one of the schools, we also built a kitchen, dining area, pantry and sports area. In the four occasions we have worked with existing schools run by Nariño state to make sure the new premises kept running. Sometimes we had to demolish existing classrooms that were obsolete and presented a risk for children's lives and built new ones instead. The total number of students of the 4 schools is 2,094; the ratio boys and girls is usually 51% vs. 49%. (Note that students not only use the 30 new classrooms, but also the old classrooms that were still in working order).

We are very proud to mention that all new premises have been built under the strictest technical requirements of Colombian earthquake-resistant regulations, the NSR10. This is especially important when building structures in regions located on the Pacific Rim, like Nariño. Due to our geographic location in the tropics, we took in consideration for the school design, some basic principles of bioclimatic architecture, so our classrooms we well ventilated, enjoy of plenty of sunlight, had high ceilings with ventilation shafts for crossed ventilation. These criteria turned to be ideal when our children return to school after the pandemic, as our new premises complied perfectly with all government requirements for COVID prevention. "For the Puerto Remolino Eco-Tourist Educational Institution to have been the beneficiary of the project for construction of 8 classrooms has been the first opportunity for the students there to enjoy beautiful well-built and carefully designed facilities with adequate protection for the extreme weather conditions of the area. These new learning spaces; adapted to modern learning technologies will allow the students to improve their academic and behavioural performance, promoting wider access for them to both public and private universities. All of this will contribute greatly to the development of the region and the municipality of Taminango. We are truly grateful to Costa Foundation and Fundacion Carcafe for giving this fantastic gift to the school and the wider community. We; as well as future generations will bear witness to the huge boost that this great project will give in the longer term"

Carlos Dario Pasaje - Principal - El Remolino School

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# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 December 2022

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##### **Achievements and performance** *(continued)*

###### Communication

Our website continues to be regularly updated and now contains current videos, case studies and news items including some of the latest school openings and stories from around the world. For more information visit [www.costafoundation.com](http://www.costafoundation.com) In addition, our Instagram page (@costafoundation) and Twitter feed (@foundationcosta) are regularly updated with images from coffee-growing communities around the world that have benefited from a Costa Foundation funded school plus many stories and images from our inspirational fundraisers in Costa stores and beyond.

##### **Financial review**

Total income for the year ended 31 December 2022 was £1,287,715 (2021: 1,967,922) The reduction in income is due to lower Donations from sales of merchandise in Costa stores.

£1,053,018 was paid out or formally committed to in the year 1 January 2022 to 31 December 2022 and a further £154,781 was committed to projects subject to conditions being met. Other expenditure of £113,905 was made in respect of management of the projects and costs relating to the running of the Foundation. Reserves at 31 December 2022 amounted to £1,173,586 (31 December 2021: £1,052,794).

##### Reserves and Investment Policy

The Reserves at the year-end of £1,173,586 are held mainly by the Foundation and partly by Charities Trust. Since the year end the Trustees have agreed further project expenditure of £585,000. The Trustees monitor reserve levels regularly to ensure that all commitments are met and that future project requests are reviewed on a timely basis. Funds are only committed to new projects once the income has been received. As a result, there is a delay of some months between the receipt of funds, the approval of projects and the subsequent expenditure of funds to complete those projects. Those funds identified for future projects are held in cash balances for safekeeping pending their expenditure.

The current reserves policy is held at £75,000. This is calculated based on keeping £50,000 reserved as seed money for an emergency or unexpected need for money. A further £25,000 is reserved for unforeseen day-to-day operational costs. As projects are not signed off until funds are received, we do not require reserved funds for uncertainty of future income, or "troughs" in the cash budget.

# **The Costa Foundation**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

#### **Year ended 31 December 2022**

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##### **Plans for future periods**

The Trustees intend to continue to increase investment into existing schools to give the best possible learning environment for the students.

The Trustees strategic plan for 2020-2023 includes the Foundation's strategic goal to help fund at least a further 15 schools and a further 7,000 school places for children in coffee growing communities, providing a safe quality education, by 2023. After two years of that plan, we have funded 11 new schools providing 5,250 school places and 6 school projects as well as 19 school expansions. We are well on our way to meeting our goal. The second strategic goal was that by 2023, the Foundation will have helped fund programmes to ensure that at least 45% of secondary school leavers are girls. Two programmes have now been funded, the "Educate a Girl" programme in Ethiopia and the "Cycling for Success" programme in Zambia. It's early days yet and data will not be available until 2024, however both programmes focus on providing better access to education for girls (as well as boys) and we are excited at the prospect of funding more programmes in the future.

Further details on the Costa Foundation activity can be found on our website at <http://>

##### **Trustees' responsibilities statement**

The trustees, who are also directors 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the 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 in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 December 2022

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#### Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

#### Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 20 June 2023 and signed on behalf of the board of trustees by:

DocuSigned by:  
  
484C2A68209740A...

A Aggarwal  
Trustee

# **The Costa Foundation**

## **Company Limited by Guarantee**

### **Independent Auditor's Report to the Members of The Costa Foundation**

**Year ended 31 December 2022**

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#### **Opinion**

We have audited the financial statements of The Costa Foundation (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

# **The Costa Foundation**

## **Company Limited by Guarantee**

### **Independent Auditor's Report to the Members of The Costa Foundation** *(continued)*

**Year ended 31 December 2022**

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#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions 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; and
- 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 the knowledge and understanding of the charity 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 the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 directors' report and from the requirement to prepare a strategic report.

# The Costa Foundation

## Company Limited by Guarantee

### Independent Auditor's Report to the Members of The Costa Foundation *(continued)*

#### Year ended 31 December 2022

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##### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

##### **Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss managements assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues concerning income recognition and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and testing systems and controls. The systems and controls which have been designed to act as a preventative measure against fraud and error were operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk.

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# The Costa Foundation

## Company Limited by Guarantee

### Independent Auditor's Report to the Members of The Costa Foundation *(continued)*

#### Year ended 31 December 2022

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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 on the effectiveness of the 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 charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the charity 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.

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

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# The Costa Foundation


## Company Limited by Guarantee

### Independent Auditor's Report to the Members of The Costa Foundation *(continued)*

#### Year ended 31 December 2022

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This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
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Paul Underwood (Senior Statutory Auditor)

For and on behalf of  
Morris Crocker Limited  
Chartered accountants & statutory auditor  
Station House  
North Street  
Havant  
Hampshire  
PO9 1QU

# The Costa Foundation

## Company Limited by Guarantee

### Statement of Financial Activities (including income and expenditure account)

Year ended 31 December 2022

		Unrestricted funds £	2022 Restricted funds £	Total funds £	2021 Total funds £
	Note				
<b>Income and endowments</b>					
Donations and legacies	5	1,233,566	54,149	1,287,715	1,967,922
<b>Total income</b>		<u>1,233,566</u>	<u>54,149</u>	<u>1,287,715</u>	<u>1,967,922</u>
<b>Expenditure</b>					
Expenditure on charitable activities	6,8	1,145,458	21,465	1,166,923	1,802,610
<b>Total expenditure</b>		<u>1,145,458</u>	<u>21,465</u>	<u>1,166,923</u>	<u>1,802,610</u>
<b>Net income and net movement in funds</b>		<u>88,108</u>	<u>32,684</u>	<u>120,792</u>	<u>165,312</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		1,051,309	1,485	1,052,794	887,482
<b>Total funds carried forward</b>		<u>1,139,417</u>	<u>34,169</u>	<u>1,173,586</u>	<u>1,052,794</u>

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


The notes on pages 29 to 36 form part of these financial statements.

**The Costa Foundation**  
**Company Limited by Guarantee**  
**Statement of Financial Position**  
**31 December 2022**

	Note	2022 £	2021 £
<b>Current assets</b>			
Debtors	14	20,577	440,774
Cash at bank and in hand		1,491,549	1,153,793
		<u>1,512,126</u>	<u>1,594,567</u>
<b>Creditors: amounts falling due within one year</b>	15	338,540	541,773
<b>Net current assets</b>		<u>1,173,586</u>	<u>1,052,794</u>
<b>Total assets less current liabilities</b>		<u>1,173,586</u>	<u>1,052,794</u>
<b>Funds of the charity</b>			
Restricted funds		34,169	1,485
Unrestricted funds		1,139,417	1,051,309
<b>Total charity funds</b>	17	<u>1,173,586</u>	<u>1,052,794</u>

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

These financial statements were approved by the board of trustees and authorised for issue on 20 June 2023, and are signed on behalf of the board by:

DocuSigned by:  
  
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G Mowat  
 Trustee

The Costa Foundation is a Company limited by guarantee registered in England and Wales. Company number 08064488. Charity number 1147400. Scottish charity number SC043414.

The notes on pages 29 to 36 form part of these financial statements.

**The Costa Foundation**  
**Company Limited by Guarantee**  
**Statement of Cash Flows**  
**Year ended 31 December 2022**

	<b>2022</b>	2021
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Net income	120,792	165,312
<i>Adjustments for:</i>		
Interest payable and similar charges	221	–
<i>Changes in:</i>		
Trade and other debtors	420,197	(78,831)
Trade and other creditors	(203,233)	(2,902)
Cash generated from operations	337,977	83,579
Interest paid	(221)	–
Net cash from operating activities	<u>337,756</u>	<u>83,579</u>
<b>Cash flows from financing activities</b>		
Proceeds from loans from group undertakings	–	(370)
Net cash used in financing activities	<u>–</u>	<u>(370)</u>
<b>Net increase in cash and cash equivalents</b>	337,756	83,209
<b>Cash and cash equivalents at beginning of year</b>	1,153,793	1,070,584
<b>Cash and cash equivalents at end of year</b>	<u>1,491,549</u>	<u>1,153,793</u>

The notes on pages 29 to 36 form part of these financial statements.

# The Costa Foundation

## Company Limited by Guarantee

### Notes to the Financial Statements

Year ended 31 December 2022

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#### 1. General information

The Costa Foundation is a company limited by guarantee, incorporated in England and Wales. The address of its registered office, its registered numbers and principal place of business is disclosed in the Trustee's Annual Report.

The principal activity of the charity is the advancement of education, the relief of poverty and the advancement of health and environment of coffee-growing communities around the world. The financial statements are prepared in sterling and this is the functional currency of the Charity.

#### 2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

#### 3. Accounting policies

##### Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### Going concern

These financial statements have been prepared on the going concern basis. This is based on the charity reserves policy, plus the fact the charity only commits to projects once income has been raised, committed project expenditure is already secure. The charity has the security of a contractual annual donation from Costa Limited of £20k, which is not linked to fundraising. Therefore, we do not view any going concern risk for the charity.

##### Judgements and key sources of estimation uncertainty

In applying the company's accounting policies, the trustees are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The trustees' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in the making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The trustees do not consider there to be any significant judgements, estimates or assumptions in these financial statements.

# The Costa Foundation

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2022

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#### 3. Accounting policies *(continued)*

##### Foreign exchange

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

##### Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

##### Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured.

##### Resources expended

All support costs incurred have been allocated between charitable expenditure and governance as appropriate. There are no costs relating to more than one functional cost category. All expenditure and liabilities are included on an accruals basis and recognised when there is a legal or constructive obligation to pay out resources.

##### Financial instruments

The Costa Foundation has only financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction values and subsequently measured at their settlement value.

#### 4. Limited by guarantee

The Foundation is incorporated as a private company limited by guarantee. The Articles of Association of the Foundation established the objects and powers of the Foundation. In the event of the Foundation being wound up members are required to contribute an amount not exceeding £1 each.

# The Costa Foundation

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2022

#### 5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
<b>Donations</b>			
Donations from sales of merchandise in Costa stores	363,683	–	363,683
Store Fundraising	697,344	6,630	703,974
Matched Giving	–	–	–
Donations from Costa	80,000	–	80,000
Donations from fundraising	20,413	–	20,413
General and gift aid donations	47,440	40,000	87,440
Payroll Giving	24,686	7,519	32,205
Corporate Donations	–	–	–
	<u>1,233,566</u>	<u>54,149</u>	<u>1,287,715</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
<b>Donations</b>			
Donations from sales of merchandise in Costa stores	868,308	–	868,308
Store Fundraising	805,701	–	805,701
Matched Giving	200,000	–	200,000
Donations from Costa	20,000	–	20,000
Donations from fundraising	2,258	–	2,258
General and gift aid donations	20,322	–	20,322
Payroll Giving	39,848	–	39,848
Corporate Donations	–	11,485	11,485
	<u>1,956,437</u>	<u>11,485</u>	<u>1,967,922</u>

# The Costa Foundation

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2022

#### 6. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Project Expenditure (note 9)	1,031,553	21,465	1,053,018
Project management costs	75,736	–	75,736
Costs of raising funds	3,761	–	3,761
Support costs	34,408	–	34,408
	<u>1,145,458</u>	<u>21,465</u>	<u>1,166,923</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Project Expenditure (note 9)	1,707,440	10,000	1,717,440
Project management costs	63,691	–	63,691
Costs of raising funds	4,149	–	4,149
Support costs	17,330	–	17,330
	<u>1,792,610</u>	<u>10,000</u>	<u>1,802,610</u>

#### 7. Governance costs

	Unrestricted funds £	Restricted funds £	Year ended 31/12/2022 £	Year ended 31/12/2021 £
Audit fees	5,725	–	5,725	6,642
Trustee insurance	1,677	–	1,677	1,983
Training	–	–	–	–
Trustee expenses	476	–	476	105
Other	26,530	–	26,530	8,600
	<u>34,408</u>	<u>–</u>	<u>34,408</u>	<u>17,330</u>

#### 8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total funds 2022 £	Total fund 2021 £
Project Expenditure (note 9)	1,053,018	–	–	1,053,018	1,717,440
Project management costs	75,736	–	–	75,736	63,691
Costs of raising funds	–	3,761	–	3,761	4,149
Governance costs	–	–	34,408	34,408	17,330
	<u>1,128,754</u>	<u>3,761</u>	<u>34,408</u>	<u>1,166,923</u>	<u>1,802,610</u>

# The Costa Foundation

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2022

#### 9.

Included in project expenditure is:

	2022	2021
	£	£
FX adjustment on US projects	16,531	(21,680)
E1 Adame Yirgachefe upgrade	–	16,635
Cerro Grande, Nicaragua	–	31,150
Santa Teresa Primary, Colombia	–	22,219
Kumbi Primary, Ethiopia	–	514
Hawo Primary, Ethiopia	–	355
Santa Emilia Primary School	–	16,152
Ea H'Ding Nursery School	–	11,204
Hoa Trung Nursery School	–	12,839
Sanitation upgrades imagine 1 day	–	2,805
El Huabo	–	8,780
La Estrellita Primary School	–	135
Jinotega	(8,081)	–
Gew Primary	–	52,271
Georgino Andrade	–	72,303
Malka Arba	720	72,582
Santa Barbara 3	18,560	93,099
Angeto Primary	10,644	50,692
La Esperanza	144	70,593
La Jalquilla Primary	(50,985)	64,965
Wote Primary	21,210	108,197
San Pedro Carcha 2	(2,093)	78,634
Pioneer High School girls	–	13,946
Bridge High School	72,991	29,399
Noble High New Block	–	30,699
Aspire Science Block	–	18,657
Basura High School	(522)	44,505
Haru High School	(521)	44,479
Kampinda Girls	87,609	99,238
E1 Kabuta Girls	80,551	100,535
Dimtu High Science Lab	(521)	44,479
San Carlos IEA	98,550	–
Adeyi Primary School	89,166	–
Garbi Galo Primary School	89,154	–
Harawa Kale Primary School	47,600	–
Bwesumbu High School	–	–
Expansion	43,796	–
Adeyi Primary School Water Reservoir	5,569	–
Educate a Girl	47,733	–
Cycling for Success	50,381	–
Wote Primary School Water Reservoir	1,958	–

# The Costa Foundation

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2022

Other project related	1,984	10
Committed, not paid:		
Malka Arba Primary	–	8,055
Santa Barbara 3	–	74,440
Angetu Primary	–	22,077
La Esperanza	–	7,697
La Jaiquilla Primary	–	51,000
Wote Primary	–	87,000
San Pedro Carcha	15,727	65,000
Bridge High School	–	29,000
Noble High New Block	–	30,000
Aspire ScienCE Block	–	18,500
Basura High School	–	45,000
Haru High School	–	45,000
Dimtu High School lab	–	45,000
14 de Julio School	108,241	–
La Jaquilla	51,011	–
Adeyi Primary School	10,383	–
Garbi Galo	10,383	–
Harawa Kale	41,527	–
San Carlos IEA	93,618	–
	<u>1,053,018</u>	<u>1,717,440</u>

#### 10. Taxation

The charity's activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 2010. Accordingly, there is no taxation charge in these accounts.

#### 11. Net income

Net income is stated after charging/(crediting):

	<b>2022</b>	2021
	£	£
Fees payable for the audit of the financial statements	<u>5,725</u>	<u>6,642</u>

#### 12. Staff costs

There are no staff costs included in the disclosures as The Costa Foundation has no employees.

#### 13. Trustee remuneration and expenses

No trustee received remuneration in the period to 31 December 2022 (31 December 2021: £NIL). Included in the above is £476 of reimbursed expenses to two trustees (31 December 2021: £105 to one trustee). Trustee Indemnity Insurance was also in place during the period.

# The Costa Foundation

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2022

#### 14. Debtors

	<b>2022</b>	2021
	£	£
Amounts due from Costa Limited	17,175	436,331
Prepayments and accrued income	330	–
Other debtors	3,072	4,443
	<u>20,577</u>	<u>440,774</u>

#### 15. Creditors: amounts falling due within one year

	<b>2022</b>	2021
	£	£
Project expenditure committed, not paid	330,860	527,768
Other creditors	7,680	14,005
	<u>338,540</u>	<u>541,773</u>

#### 16. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2022 Total Funds £	2021 Total Funds £
Current assets	1,477,957	34,169	1,512,126	1,594,567
Current liabilities	(338,540)	–	(338,540)	(541,773)
	<u>1,139,417</u>	<u>34,169</u>	<u>1,173,586</u>	<u>1,052,794</u>

#### 17. Analysis of charitable funds

##### Unrestricted funds

	At 1 Jan 2022 £	Income £	Expenditure £	At 31 Dec 2022 £
General funds	<u>1,051,309</u>	<u>1,233,566</u>	<u>(1,145,458)</u>	<u>1,139,417</u>

	At 1 Jan 2021 £	Income £	Expenditure £	At 31 Dec 2021 £
General funds	<u>887,482</u>	<u>1,956,437</u>	<u>(1,792,610)</u>	<u>1,051,309</u>

# The Costa Foundation

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2022

#### 17. Analysis of charitable funds *(continued)*

##### Restricted funds

	At 1 Jan 2022	Income	Expenditure	At 31 Dec 2022
	£	£	£	£
Restricted Fund	1,485	54,149	(21,465)	34,169

	At 1 Jan 2021	Income	Expenditure	At 31 Dec 2021
	£	£	£	£
Restricted Fund	–	11,485	(10,000)	1,485

During the year the Foundation received four donations which had restrictions imposed. £1,951 and £5,568 were received from COSTA Malta/SIGMA Foundation and was to be spent on new water reservoirs in Ethiopia. This was spent in full in the year. \$8,000 was also received as a restricted donation from Jim's Organic Coffee. This was unspent as at the year end. £40,000 was received from Allegra/Project Waterfall. This was to be spent on two projects. A sanitation block at PEAS school in Uganda. This was completed in year. A water and sanitation project was also requested at La Jacquilla School, Peru. This was not yet started at year end.

#### 18. Analysis of changes in net debt

	At 1 Jan 2022	Cash flows	At 31 Dec 2022
	£	£	£
Cash at bank and in hand	1,153,793	337,756	1,491,549

#### 19. Commitments

The Costa Foundation had commitments of £154,781 (31 December 2021 £68,723) at the year end. These have not been provided for in the financial statements as they are subject to conditions being met before payment.

#### 20. Related parties

All unrestricted income received originated from Costa Limited and their employees, apart from donations received via the Costa and Costa Foundation websites and third parties.

During the year Neil Lake and Gordon Mowat were directors of Costa Limited.

**THE COSTA FOUNDATION**

England & Wales - Charity number 1147400

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# Accounts

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**COMPANY REGISTRATION NUMBER: 08064488**  
**CHARITY REGISTRATION NUMBER: 1147400**  
**SCOTTISH CHARITY REGISTRATION NUMBER: SC043414**

**The Costa Foundation**  
**Company Limited by Guarantee**  
**Financial Statements**  
**31 December 2021**

**MORRIS CROCKER LIMITED**

Chartered accountants & statutory auditor  
Station House  
North Street  
Havant  
Hampshire  
PO9 1QU

**The Costa Foundation**  
**Company Limited by Guarantee**  
**Financial Statements**  
**Year ended 31 December 2021**

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# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 December 2021

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The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 December 2021.

#### Reference and administrative details

<b>Registered charity name</b>	The Costa Foundation
<b>Charity registration number</b>	1147400
<b>Company registration number</b>	08064488
<b>Principal office and registered office</b>	Costa House Houghton Hall Business Park Porz Avenue Houghton Regis Dunstable LU5 5YG UK

#### The trustees

A Aggarwal  
K Brunton  
L Camfield  
K Cooke  
R Fairhurst  
N Lake  
G Mowat  
P Cumming

<b>Auditor</b>	Morris Crocker Limited Chartered accountants & statutory auditor Station House North Street Havant Hampshire PO9 1QU
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<b>Bankers</b>	National Westminster Bank Plc PO Box 12258 1 Princes Street London EC2R 8PA
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# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 December 2021

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#### CHAIRMAN'S STATEMENT

In 2021 the Foundation enjoyed a significant recovery in fundraising. Although Covid restrictions continued to have a detrimental impact on Costa, our corporate sponsor, Costa's team members and customers raised a record of over £805,000 via Costa's UK coffee shops.

2021 saw the launch of Costa Coffee's first ever global fundraising event, the Costa 50 campaign. Launched to celebrate Costa's 50th anniversary for the first time; Costa had team members from all around the globe working together to walk, run, swim or ride a combined 50,000 kilometres in order to raise £50,000 for the Foundation in 50 days. From China to America, Dubai to Poland Costa's team members smashed their target by raising in excess of £100,000 from this event alone. Take a bow Costa.

I would like to take this opportunity to thank Costa, Costa's team members, management and of course, Costa's customers for their continued support enabling the Foundation to provide more poor children with a safe, quality education. We recognise that without you we could not have changed the many thousands of children's life stories with the scale and focus that we have over the past 15 years. I'm delighted to report that during 2021 the Costa Foundation opened five new schools in Colombia, Ethiopia and Vietnam providing 1,850 new school places for children that could not otherwise have accessed a safe, quality education. We were fortunate that our delivery partners were able to continue with construction work in these countries during the pandemic. We also opened four school projects in pre-existing government schools in Nicaragua with Fundación Nicafrance and Seeds for Progress, our new delivery partner, improving facilities across four primary schools and benefitting 1,240 children. Finally, we funded nine expansion projects providing additional classrooms and improved sanitation in Ethiopia and Nicaragua to further improve previously funded Costa Foundation schools.

Given the circumstances with the pandemic changing construction working practices and driving up the cost of building materials, we are very proud that we were able to achieve so much during the year. Our financial prudence allowed us to continue to meet our funding commitments, so no project was delayed due to funding.

We continued to maintain regular contact throughout the pandemic with our partners in the countries where Foundation funded schools are located. Unfortunately many schools remained closed during 2021 with those in Uganda experiencing a full two years of closure before opening in January 2022. There's no denying the difficulties faced by children and parents when access to education ceases to exist over a period of time. Our partners such as Promoting Equality in African Schools (PEAS) in Uganda and Zambia and imagine1day in Ethiopia worked tirelessly to ensure that distance learning was as effective as possible, utilising phone networks, local radio and lesson notes in an effort to keep students engaged, informed and educated.

When the schools reopen in 2022, enrolment numbers are predicted to fall when compared to pre-COVID school rolls as some parents have put their children to work to help make ends meet or arranged early marriages for girls. It's a tragic state of affairs. Our hope is that having provided safe, quality environments within the schools we've funded and giving qualified teachers the tools they need and decent surroundings to help them teach effectively, will ultimately result in as many children as possible returning to school to continue their life changing education. The early signs from the schools run by PEAS are very encouraging.

One of PEAS schools is called "Onwards and upwards". Very appropriate and we will be doing all we are able to help our schools continue on this trajectory.

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# **The Costa Foundation**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report)**

#### **Year ended 31 December 2021**

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Russell Fairhurst – Chair, The Costa Foundation

22 September 2022

The Trustees, who are Directors of the Costa Foundation ('the Foundation'), present their annual report and financial statements for the year ended 31 December 2021 (the prior years' annual report and financial statements were for the year ended 31 December 2020).

The Foundation was incorporated at Companies House on 10 May 2012, registered as a charity with the Charity Commission on 23 May 2012 and with the Office of the Scottish Charity Regulator on 17 September 2012.

Prior to the incorporation of the Foundation, donations were collected in an account maintained by Charities Trust, an independent registered charity, pursuant to an agreement with Costa Limited and with the intent that the monies in the account would be used for similar charitable purposes to those adopted by the Foundation. Following incorporation, Charities Trust transferred the funds then held by them to the Foundation.

#### **Relationship with Costa Limited**

Under the Articles of Association of the Foundation, Costa Limited ("Costa") has the power to appoint Trustees of the Foundation provided at least two Trustees are appointed by the Board of Trustees.

Costa is party to a Commercial Participation Agreement with the Foundation to enable Costa to raise funds through the sale of certain products from which it has agreed to donate certain proceeds to the Foundation and otherwise through fundraising from Costa's employees and members of the public. In addition to the other fundraising activities described below, Costa is also party to a Grant Funding Agreement pursuant to which Costa donated the sum of £20,000 in the year.

#### **Fundraising Approach**

The Foundation's approach to fundraising is to predominantly use the relationship with Costa, its employees and customers to raise funds through fundraising activities and the sale of products. We do not carry out street fundraising, nor do we undertake fundraising mail shots or telephone canvassing. We work with Costa to ensure any fundraising they do for the Foundation complies with recognised standards. The fundraising practice is monitored by the trustees of the charity through the Fundraising and Engagement Committee and we monitor any fundraising complaints (none were received during 2021) and always seek to protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches and undue pressure to donate.

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

##### **Governing Document**

The Foundation is incorporated as a private company limited by guarantee No.08064488.

The COSTA Foundation is a registered charity in England and Wales No. 1147400, a registered charity in Scotland No.SC043414.

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# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report)

#### Year ended 31 December 2021

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The Articles of Association of the Foundation established the objects and powers of the Foundation. In the event of the Foundation being wound up, members are required to contribute an amount not exceeding £1 each.

#### Recruitment and Appointment of the Board of Trustees

Trustees were appointed by Costa on incorporation of the Foundation and subsequently by the Board to ensure that the Board includes experience in fundraising, financial, legal and other relevant fields. Trustees are aware of their obligations in law as Trustees and Directors and are encouraged to acquaint themselves with publications and guidance available from the Charity Commission. Members of the Board have access to external Trustee training.

The Trustees serving during the period were as follows:

<b>Name of Trustee</b>	<b>Appointment</b>	<b>Resigned</b>
A Aggarwal		
K Brunton		
L Camfield		
K Cooke		
C Emerson	11 May 2021	21 April 2022
R Fairhurst		
N Lake		
V Moorhouse		21 April 2022
G Mowat	1 February 2021	
E Perry		2 July 2021
S Wade	1 February 2021	6 May 2022
P Cumming	16 June 2022	
Secretary		
R Gardiner		29 April 2022

#### Organisational Structure

The Board of Trustees meet at least four times a year and oversees finance, current project work and the future strategy of the Foundation.

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# **The Costa Foundation**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report)**

**Year ended 31 December 2021**

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The Foundation also has two Trustee sub committees: The Projects Committee and the Fundraising and Engagement Committee. The purpose and duties of these committees are set out in their respective terms of reference and are broadly outlined below.

The purpose of the Projects Committee is:

- a) To recommend to the Board the Projects strategy in fulfilment of the Foundation's Theory of Change;
- b) To prepare annual budgets for projects and other matters within the remit of the Committee;
- c) To consider for approval all projects presented for funding by the Foundation;
- d) To develop and implement a system for the monitoring and evaluation of Foundation projects; and
- e) To monitor all external delivery partners for Foundation projects and to recommend new partners to the Board.

The Projects Committee uses a strategic matrix to assist in the evaluation of project proposals and collects detailed monitoring and evaluation information on Foundation schools to measure the impact and success of the projects across a number of key performance indicators. It reviews delivery partner performance and approves new delivery partners when appropriate.

The purpose of the Fundraising and Engagement Committee is as follows:

- a) To recommend the fundraising strategy for the Foundation to the Board;
- b) To oversee the planning, coordination and implementation of all fundraising activities in relation to the Foundation;
- c) To develop annual plans for engagement with Costa; and
- d) To act as the key link between the Foundation and Costa and any other fundraisers, to ensure joined up and co-ordinated working.

Trustees visit schools from time to time to improve their understanding of the educational needs in coffee growing communities in those countries and to satisfy themselves that the funds given to projects are being used appropriately and on a timely basis.

The Foundation held Trustee Indemnity Insurance during the period.

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# **The Costa Foundation**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report)**

**Year ended 31 December 2021**

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#### **Principal risks and uncertainties**

The Trustees have examined the major strategic, financial, operational and reputational risks which the charity faces and regularly review what actions can be taken to mitigate these risks. The three risks that would have the highest impact are a decrease in income, a reduction in the quality of the delivery of projects with project partners and safeguarding issues in Foundation funded schools. While the Foundation does not build or operate any of the schools which it has funded, cases of misconduct by staff of our delivery partners on or off Foundation projects could result in reputational harm for the Foundation. The Foundation has a safeguarding policy to mitigate against this risk.

Covid-19 resulted in the closure or restricted operation of all Costa Foundation funded schools in 2021. We have maintained regular contact with our implementation partners regarding the impact of the pandemic on our schools. The extent and duration of closures or restrictions and any home learning provision has varied in accordance with local government requirements and resources.

In addition to impacting the education provision in our schools, some building works were delayed by Covid-19. This caused some delays in opening schools; especially in Central and South America but we are working with our partners to ensure schools are ready to open as quickly as is possible, within guidelines.

Grants are given based on the income generated and no project applications are fully approved unless the Foundation has sufficient reserves to fund the entire budget required for that project.

# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 December 2021

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##### **Objectives and activities**

The Foundation's aims are the advancement of education, the prevention and relief of poverty and the advancement of health and the environment of coffee-growing communities around the world.

In the consideration of projects, the Trustees have due regard to the Charity Commission's guidance on public benefit. The Trustees always ensure that the projects undertaken are in line with the aims and objectives of the Foundation and use its Theory of Change to guide their decisions. During the year the Trustees adopted a new strategic plan for 2021-2023 in line with our updated Theory of Change.

All projects continue to be implemented via delivery partners based in the countries where the projects are undertaken. The delivery partners range from charitable non-governmental organisations to the sustainability teams of coffee companies.

The Foundation aims to fund schools which provide individual wellbeing and a safe, quality education for children within coffee growing communities. All projects are required to have fresh water and separate sanitation facilities for boys and girls. Depending upon local needs the Foundation also funds child nutrition programmes, electricity installations, boarding accommodation, teacher's accommodation, libraries, science labs, computer labs and safety infrastructure such as perimeter fencing, safety lighting and flood barriers.

The Foundation also invests additional capital into expanding schools previously built with our funds. This can be through the provision of extra classrooms, sanitation, boarding accommodation, teacher's accommodation, science and computer labs. Expansion funds have been focused mainly in Uganda and Ethiopia where the success of the schools has warranted extra facilities. Examples of this on-going support are available on our website at <https://www.costafoundation.com/about/>.

The Foundation works with communities and local authorities where its school projects will be located but does not employ the teaching staff or influence the curriculum. The schools we have funded in Uganda and Zambia are operated by a charity called Promoting Equality in African Schools ("PEAS") where the teachers are employed and paid by PEAS. You can find out more information on the PEAS website at <https://www.peas.org.uk>. All other Costa Foundation funded schools are run by teachers trained and funded by the local education authorities or other NGOs. This system ensures the sustainability of the schools as teachers are not reliant upon continued funding from the Foundation to meet their operating costs.

We support many of our schools by funding leadership and train-the-trainer sessions and providing equipment and learning aids for extra curriculum "Citizenship" lessons held outside of school hours. These sessions are run by students and often attended by the parents within the community. Citizenship lessons are in subjects such as Health; particularly AIDS/HIV awareness, Gender Equality, Environment and Sport and Student Leadership through the provision of Girl's and Boy's Clubs.

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# **The Costa Foundation**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

#### **Year ended 31 December 2021**

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During 2021, the Board agreed a new strategic plan for the period 2021-23 which included an intention to invest in more programme led initiatives with our NGO partners. While our primary focus will remain on funding school infrastructure we recognise the opportunity to enhance the quality of education provided in our schools by seeking programmes from our delivery partners which will support leadership and teacher training, accessibility (especially for girls) and safety. We will report on these programmes in next year's annual report.

#### **Projects Funded from 1 January 2021 to 31 December 2021**

Despite the continuing global challenges of the COVID-19 pandemic; during the year ended 31 December 2021, the Foundation opened five new schools in Colombia, Vietnam and Ethiopia, in total adding a further 1,850 school places. In addition to these new schools we also invested in multi-school projects in Nicaragua with Fundacion Nicafrance improving facilities across three primary schools and benefitting 974 children. Finally, a new partnership was formed this year with Seeds for Progress - <https://www.seedsforprogress.org/?lang=en> and our first school project was completed with them in Georgino Andrade School in Nicaragua, adding new classrooms and upgrading all existing facilities for 266 children.

We also funded three expansion projects in Ethiopia and Nicaragua to further improve previously funded Costa Foundation schools, ensure that we continue to "change a child's life story" and give the best possible education experience to students long after the schools we have funded first opened their doors. These expansions resulted in sanitation upgrades across seven Costa Foundation funded schools in Ethiopia benefitting over 8,500 children, a new classroom block in Gew Gew, Ethiopia benefitting 480 students and a new classroom at Cerro Grande School in Nicaragua benefitting a further 30 children.

Construction continued within three projects in Colombia, Peru and Vietnam which had been signed off in 2020; albeit at a slower pace than normal due to Covid-19 restrictions. A further sixteen school projects were signed off by the Board in 2021, in Ethiopia, Honduras, Uganda and Zambia as those countries were able to continue with construction work during the pandemic albeit with COVID working restrictions in place. Finally, there were two projects signed off by the Board in 2021 in which construction had not commenced during the year. These were in Guatemala and Peru.

This year; as with last year we were fortunate enough to have received a number of match-funding donations for our projects from other non-governmental organisations, being made either direct to the Foundation or to our in-country partners:

# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 December 2021

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- Educate a Child - \$214,000 towards two Costa Foundation funded primary schools in Ethiopia
- Project Waterfall - £40,000 received for water and sanitation in Costa Foundation funded schools in Nicaragua and Vietnam.
- Cherrytree Bakery - £10,000 towards new science labs in Ethiopia
- Blueprint Partners - £10,000 towards Girl's Clubs in Ethiopia

We would like to take this opportunity to thank these generous donors for their partnership and support. We would also like to give special thanks to our delivery partners who yet again worked through all of the difficulties the pandemic threw at them; including the rising cost of building materials and difficult working conditions. We are delighted that we've been able to report continued activity at the levels shown above and truly appreciate their hard work, resilience, commitment and absolute focus on providing the facilities to positively change the life story of so many children. It's also a credit to our donors at Costa without whose efforts to fundraise we would have had so much less to report.

#### Opened and Now Educating Children - 2021

New schools - Defined as the construction of a school that didn't previously exist

1. El Remolino Middle School, Narino, Colombia – opened August 2021 for 200 children.  
An eight classroom fully-furnished school with provision of fresh water and sanitation throughout. This school enables the children to graduate with a “dual certificate” – one as a high school graduate and the other as an agriculture technician, a nationally recognised qualification.
2. Adame Yirgachefe High School, Ethiopia – opened October 2021 for 480 children.  
An eight-classroom fully-furnished school with library block, two science labs and teacher's admin block which sits in the grounds of the primary school funded by the Foundation in 2011 and again in 2019.
3. Kumbi Primary School, Ethiopia – opened December 2021 for 960 children.  
An eight-classroom fully-furnished school including one kindergarten” room, a fully stocked library, new sanitation including showers, electricity and water. This is a double-shift lessons school.
4. Hawo Primary School, Ethiopia – opened December 2021 for 960 children.  
An eight-classroom fully-furnished school including one kindergarten” room, a fully stocked library, new sanitation including showers, electricity and water. This is a double-shift lessons school.
5. Ea H' Ding Nursery School, Vietnam – opened December 2021 for 210 children.  
An eight classroom fully furnished school with one multi-function room, two teacher's rooms,

## The Costa Foundation

### Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 December 2021

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meeting room, sick bay, security guard room, kitchen, playground, fresh water, sanitation and electricity.

School projects – Defined as pre-existing government school structures that have been improved with additional facilities or programmes funded by the Costa Foundation.

1. La Estrellita Primary School, Nicaragua – completed in March 2021 for 64 children.  
This project provided a new kindergarten classroom, kitchen canteen, storage, sanitation, perimeter fence, new furniture throughout and included refurbishment of all pre-existing infrastructure.
2. Santa Emilia Nursery, Primary and Secondary School, Nicaragua - completed in March 2021 for 816 children.  
This project provided six new fully-furnished classrooms, library, kitchen, canteen, storage, sanitation, perimeter fence, electricity, internal walkways and included refurbishment of all pre-existing infrastructure.
3. Georgino Andrade Nursery and Primary School, Nicaragua – completed in December 2021 for 266 children.  
This project provided one large double sized classroom, teacher's accommodation, water supply and included refurbishment of all pre-existing infrastructure.
4. La Esperanza Nursery and Primary School, Nicaragua – completed in December 2021 for 94 children.  
This project provided two new fully-furnished classrooms, kitchen, canteen store rooms, sanitation, new walkways, water, perimeter fence, electricity upgrade plus refurbishment of all pre-existing infrastructure.

Expansions completed in schools previously funded by the Costa Foundation

1. Sanitation upgrades in seven CF funded schools in Ethiopia – all completed during 2021.  
Over the years, the sanitation originally provided by the Foundation in a number of schools in Ethiopia had degraded and needed to be replaced. Sufficient new sanitation blocks were constructed at:
  - Wote Yirgachefe Primary School
  - Biloya Primary School
  - Gew Gew Primary School
  - Shifo Primary School
  - Derba High School
  - Kelle Amaro High School
  - Churso High School

## **The Costa Foundation**

### **Company Limited by Guarantee**

#### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

##### **Year ended 31 December 2021**

---

2. Gew Gew Primary School, Ethiopia – new classroom block opened October 2021  
Due to a severe landslide, the foundations of the original classroom block funded by the Foundation in 2011 were undermined. This old block was demolished and a four classroom block constructed on a safer piece of land within the school compound.
3. Cerro Grande Primary School, Nicaragua – new facilities opened December 2021  
This school was originally funded by the Foundation opening in February 2021 and attracted a much higher enrolment of children than originally expected. As a result the Foundation invested in one new fully-furnished classroom, a teacher's admin room, internal walkways and additional furniture for the canteen.

##### **Under construction; not yet completed**

Signed off by the Board in 2021 and construction commenced during 2021.

There were sixteen school projects under construction which commenced during 2021 but had not been completed by the end of 2021 including a multi-school project across three schools in Honduras. These are:

1. Malka Arba Primary School, Ethiopia – New school
  2. Santa Barbara 3 school projects, Honduras – Three school projects (expanding/improving existing government schools)
  3. Kampinda High School, Zambia – Expansion of school previously funded by the Foundation – new girl's dorm and classroom block.
  4. Kabuta High School, Zambia – Expansion of school previously funded by the Foundation – new girl's dorm and teacher's accommodation.
  5. Angetu Primary School, Ethiopia – New school
  6. Wote Yirgachefe 2nd Grade Primary School, Ethiopia – new school
  7. Basura High School, Ethiopia - Expansion of school previously funded by the Foundation – new fully-furnished and equipped science labs.
-

## **The Costa Foundation**

### **Company Limited by Guarantee**

#### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

##### **Year ended 31 December 2021**

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8. Haru High School, Ethiopia - Expansion of school previously funded by the Foundation – new fully-furnished and equipped science labs.
9. Dimtu High School, Ethiopia - Expansion of school previously funded by the Foundation – new fully-furnished and equipped science labs.
10. Bridge High School, Uganda - Expansion of school previously funded by the Foundation – new A Level classroom block.
11. Aspire High School, Uganda - Expansion of school previously funded by the Foundation – new two room science labs.
12. Noble High School, Uganda - Expansion of school previously funded by the Foundation – new four classroom block.
13. Bridge High School, Uganda - Expansion of school previously funded by the Foundation – new girl's sanitation block.

##### **Signed off by the Board in 2021; but construction did not start until 2022.**

There are two projects that were signed off by the Board during 2021 where construction did not start until 2022, they are:

1. San Pedro Carcha, Guatemala – Two school projects (expanding/improving existing government schools).
2. La Jalquilla Primary and Secondary School, Peru – New school

##### **Maintenance Programmes**

Whilst we endeavour to set up all of the schools we've funded to be self-sustaining and not dependent on funding from the UK, inevitably there are some communities / local authorities that are too impoverished to maintain the schools to the Costa Foundation standard. As a result and following our annual quality audits, this year we identified two schools for maintenance investment namely:

1. Haru High School, Ethiopia
2. Kelle Amaro High School, Ethiopia

These schools all had the required maintenance completed during 2021

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# **The Costa Foundation**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

#### **Year ended 31 December 2021**

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For more details about school projects opened in 2021 visit:-

<https://www.costafoundation.com/>

For case studies and examples of the impacts of our work visit:-

<https://www.costafoundation.com/lives-we-have-changed/>

#### **Infrastructure Quality Audits**

Our delivery partners audited the quality of infrastructure and learning resources in Costa Foundation funded schools enabling us to identify what extra facilities were needed and any schools where urgent maintenance or infrastructure was required. As a result of these audits we were able to prioritise those needs and invest in additional facilities for some of our previously funded schools in Ethiopia, and Nicaragua as well as invest in maintenance in two schools in Ethiopia.

#### **Monitoring, Evaluation & Impact**

2021 continued to be a year of disruption driven by the Covid-19 pandemic with more than a billion children missing out on their education globally. Throughout the year, only the Costa Foundation funded schools in Nicaragua were open for a full year of education. In the other eight countries in which we operate, children were either not in school, attending one or two days a week or attending for exams only. As a result, the Costa Foundation Board took the decision not to gather our usual monitoring & evaluation data as the information would not have been useful when comparing it with previous “uninterrupted” school years.

However, despite the pandemic, our delivery partners have been able to identify some highlights and provide quotes from some of the schools, as outlined below:

#### **NICARAGUA**

Our successful partnership with Seeds for Progress, led to some encouraging results from the Georgino Andrade School project, with 148 boys and 149 girls enrolled. Other results included:

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## The Costa Foundation

### Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 December 2021

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- 2021 closed with 50.8% girls enrolled vs 2020 with 46%.
- General average of student assistance of 2020 to 2021 increased from 69% to 72%.
- In 2021 a total of 115 hours of training were given to teachers vs 30.5 hours in 2020.
- In 2021 due to the improvements and remodelling made to the teachers' residence in the school, five teachers were able to be accommodated vs three, in 2020.

"Teaching is a long journey when it is based on theories, but it is short and efficient when based on example and practice. To invest in education is to enhance human development, making generations enjoy a cultured and respectful society. Beyond the vocation of being a teacher that gives and does the best with love in the classrooms, there are hearts that choose to invest to make a better world for the benefit of all. Thank you, Costa Foundation, Seeds for Progress Foundation and its collaborators for making our school a space students can enjoy, thanks for making the children smile, for unleashing curiosity in them. Thank you, for the construction of classrooms with beautiful designs, the maintenance of two classrooms, the sanitary equipment, the lavatories, and wash basins, thank you for the construction of the water tank, so we won't run out of water. Thank you for all the didactic materials, hygiene kits, internet, and everything else! Thank you! Thank you!"

David Hernández Castro, School Principal

"I like my school, I assist daily, I'm thankful to Seeds for Progress and Costa foundation for building pretty schools with windows and beautiful floor, lighting, and pretty ceiling. I feel comfortable and happy in my classroom, my classmates are happy too because school is very pretty, we take care of it, it is nice to sit on the floor and read a book."

Amer Cecilio Olivas Arauz, 6th grade Student.

#### UGANDA AND ZAMBIA

Due to school closures throughout the whole of 2021 most students pivoted to our partner PEAS's innovative remote learning, partly funded by the Costa Foundation, so that the most marginalized still had access to quality education and were supported throughout the crisis. However; despite the pandemic the Foundation continued to invest in new facilities with PEAS which has resulted in measurable success at the start of the 2022 school year.

#### PEAS Uganda

- In Aspire Secondary School in the Ibanda District, Western Uganda the addition of a new science lab has seen enrolment increase to 455 in Term 1 of 2022.
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## The Costa Foundation

### Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 December 2021

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- In Pioneer Secondary School in the Mityana District, Central Uganda a new Sanitary Block has bought up the student to toilet ratio to 1.17.
- In Noble Secondary School in Ibanda District, Western Uganda an additional classroom block has increased school places by 240 and means that 22,891 students will benefit over the lifetime of the building. The school is currently providing 583 students with a quality education.
- In Bridge Secondary School in Mitooma District, Western Uganda an additional classroom block has increased school places by 240 and means that 22,891 students can benefit over the lifetime. The school is currently providing 708 students with a quality education.

“The community here is very happy because the cost of educating their children has come down. The numbers of students are increasing because of this, and it is giving the chance for more people like me to receive a quality education. I want to thank Costa for the space that we have in the classrooms and a big thank you for all the learning material provided. I am also grateful because the Costa Foundation has given me a quality education and I am sure I will make it to the end of this term.”

Student at PEAS Noble Secondary School

#### PEAS Zambia:

- In Kampinda Secondary School in the Northern Province of Zambia an additional new dormitory and classroom has added 120 new boarding places and 150 new classroom spaces. The school is currently providing 651 students with quality education.
- In Kabuta Secondary School in Northern Province the addition of a new dormitory and teachers housing has added 120 new boarding places and 8 accommodation spaces for teachers. The school is currently providing 460 students with quality education.

“Here; not every child has the privilege to go to school, but Peas have acknowledged us as children and our rights have not been neglected. So, I want to say thank you to the Costa Foundation.”

Student at Peas Kampinda Secondary School

#### ETHIOPIA

Despite the challenges of the pandemic, there were some encouraging results within the 28 Costa Foundation funded schools in rural Ethiopia.

- Enrolment increased by 37.23% from 22,633 in 2020 to 31,059 in 2021.
- Students within the schools who sat for Grade national Exams scored an average composite score of 80% compared to the national average of 70%.
- The average gender parity index (i.e. ratio of girls to boys) increased from a baseline average of 0.66 to 0.78 indicating that these 28 schools are attracting and enrolling more of the girls that used to be out of school.

## **The Costa Foundation**

### **Company Limited by Guarantee**

#### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

##### **Year ended 31 December 2021**

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“Reading well goes hand in hand with performing better in school; it has boosted my confidence, improved my communication skills and enhanced my understanding of my environment. Above all, it has given me the energy to not settle for anything less; regardless of the situation I am in. I read anytime and anywhere I can find the space but I like reading in the library best. I use the library 3 days a week and borrow books every time I go there. I thank the Costa Foundation for building and furnishing the library and providing adequate books and learning aids in our school”.

Dawit Salih – Aged 15 – Adame Yirgachefe High School.

“The opening of our new school means the world to me as it has given me the opportunity to serve my community and the school I have learned in. As an alumni civic and ethical education teacher I feel that I have dual responsibilities to firstly teach as best I can and secondly create an ethical, responsible, fair and patriotic generation. The fact that the school is such high quality with such wonderful facilities has enabled me to see the fruit of my labours – outstanding students. I couldn't be more grateful to the Costa Foundation and imagine 1 day for creating the opportunity that has enabled me to live my dream”.

Wogene Bogale, Teacher, Adame Yirgachefe High School.

“It has always been my dream to fight the bleak situation for girls and women in my community. As a Gender Club member I have been working hard to raise community awareness about girl's education, early marriage, menstrual hygiene management and harmful traditional practices. A lack of sanitary pads was one of the major challenges deterring girls from accessing education. Thanks to Costa Foundation; I am happy to have received training on reusable sanitary pad production that will end this problem soon. The fact that the pads we have been trained to produce are reusable will maximise the impact”.

Ayantou Adola, grade 11 student, Dimtu Hambela High School.

#### **VIETNAM**

Due to the pandemic; 2021 saw schools in Vietnam operating two different teacher methods with half of the students attending classes and the other half learning from home with relatives using papers provided by the teachers and on-line teaching. The focus on teaching these ethnic minority children the national Vietnamese language of Kinh has continued at pace despite the challenges and as a result 100% of the 6 year old children at all Costa Foundation funded nursery schools in Daklak, Vietnam have learned speaking graduated (earlier than normal by one week due to the fourth Covid - 19 outbreak), to enter grade 1 of their local primary school.

“I am five years old and during this school year I stayed at home and with my grandparents and studies lessons assigned by my teacher – sometimes over the phone. I also helped my mother to take

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## The Costa Foundation

### Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 December 2021

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care of the house. I like going to schools because I have many friends, many toys, many books a beautiful school which makes me so happy to be there. I would like to thank the Costa Foundation for building such a nice school for us. I would like to meet the grandparents, parents, aunts and uncles of the Costa people so that I can say I am grateful and I love you”.

H Vim Bya, aged 5, Son Ca Nursery School

“I have lived in this commune since birth. The pandemic situation in recent years has greatly affected the education of all pupils with many having to attend on-line learning rather than face to face teaching. Since the Costa Foundation constructed this school; the local children have been able to study in a clean, beautiful, fully equipped school. I am so pleased to invite our children to study in such a good environment. I would like to thank Costa Foundation for building such a spacious, clean and well equipped school for the community so that our children have such a good learning environment. H Cuen Hwing, Teacher, Son Ca Nursery School

“My family is very poor with many children so we face a lot of difficulties. Our main income comes from farming but our crop has failed again this year. The pandemic also affects our income because nobody was able to hire us to work part time. Now we have a new nursery school in our commune and I am so happy that my child can study there. In my dreams; I never imagined that my child could study in such a wonderful school. I don't know what to say other than thank you”.

Mother, M' Nong ethnic people, Hoa Mai Nursery School

“I have just had my fifth birthday. I stayed at home with my parents to avoid the pandemic, I was so sad at home and looked forward to going to school to see my teachers and my friends. My new school is very beautiful with many toys, swings and slides but my favourite is the big elephant. I love going to school and like the school very much. I am grateful to the Costa Foundation for giving me and my friends a beautiful school. I promise to always obey and study well, not letting down my teacher and all my relatives”.

Thi Chanh, aged 5, Hoa Mai Nursery School.

#### HONDURAS:

One middle school and one secondary school were completed in 2021 with our partner Plan Honduras. Some of the highlights for the year were:

- 42 students were supported with scholarships
  - Strengthening of school facilities, the skills of the schools staff and the awareness of parents and students on education led to a significant increase in enrolment at the 2 schools.
  - In San Pedro de Tutule, the new classrooms meant that they could add classes for students in grades 8-9, which they were not able to do before the project.
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## The Costa Foundation

### Company Limited by Guarantee

#### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

##### Year ended 31 December 2021

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- Both schools from this project now have school governments, which have an equal gender balance.
- Investments here have attracted other institutions to invest resource into the schools. For example, in Santiago Purlinga, the school received a donation of school furniture and backpacks for its students from a private company. The school also benefitted from the construction of a greenhouse that was donated to them from another institution.

“The environment in our school is one of peace, respect and security, where there is no gender inequality, where all boys and girls can play peacefully regardless of age, sex, colour and race ”. David, 12th grade student

“I am very happy because we have a separate toilet for boys and girls, before the project we were afraid because we had to go to only one toilet where the children also went, today we feel safer because we have better personal hygiene, because we have inside our module with a sink where we can wash our hands every time we do an activity, also because when we come from agricultural work we have a sink where we can clean our uniform and shoes and then attend classes. I motivate my friends to continue studying because now we can follow our dream more easily“

Sharon, 11th Grade student

“Costa Foundation, thank you very much for giving us this opportunity to study, because before we didn't see that opportunity or dream of it, because without this project, we wouldn't have been able to study and we would have continued in the macho roles and culture where women are not allowed to grow, to do those jobs, because they say that a woman has to stay in the kitchen, and that is not what we have learned in the training, a woman can perform in every way possible, we thank you very much for helping us to fight that ignorance that exists in it and it doesn't matter if we are women or men, we can do it in the same way”.

Bianca, 11th Grade student

“In our area before there was no library so advanced and with such a variety of books with very important topics, we now have a place where we can read, I am very happy because it helps us to strengthen our reading and spelling”.

Ronald, 12th grade student

# **The Costa Foundation**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

#### **Year ended 31 December 2021**

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##### **Communication**

Our website continues to be regularly updated and now contains current videos, case studies and news items including some of the latest school openings and stories from around the world. For more information visit [www.costafoundation.com](http://www.costafoundation.com)

In addition, our Instagram page (@costafoundation) and Twitter feed (@foundationcosta) are regularly updated with images from coffee-growing communities around the world that have benefited from a Costa Foundation funded school plus many stories and images from our inspirational fundraisers in Costa stores and beyond.

##### **Financial review**

Total income for the year ended 31 December 2021 was £1.97m

£1.72m was paid out or formally committed to in the year 1 January 2021 to 31 December 2021 and a further £68,723 was committed to projects subject to conditions being met. Other expenditure of £85,170 was made in respect of management of the projects and costs relating to the running of the Foundation. Reserves at 31 December 2021 amounted to £1,052,794 (31 December 2020: £887,482).

##### **Reserves and Investment Policy**

The Reserves at the year-end of £1,052,794 are held mainly by the Foundation and partly by Charities Trust. Since the year end the Trustees have agreed further project expenditure of £974,000. The Trustees monitor reserve levels regularly to ensure that all commitments are met and that future project requests are reviewed on a timely basis. Funds are only committed to new projects once the income has been received. As a result, there is a delay of some months between the receipt of funds, the approval of projects and the subsequent expenditure of funds to complete those projects. Those funds identified for future projects are held in cash balances for safekeeping pending their expenditure.

The current reserves policy is held at £75,000. This is calculated based on keeping £50,000 reserved as seed money for an emergency or unexpected need for money. A further £25,000 is reserved for unforeseen day-to-day operational costs. As projects are not signed off until funds are received, we do not require reserved funds for uncertainty of future income, or "troughs" in the cash budget.

##### **Plans for Future Periods**

The Trustees intend to continue to increase investment into existing schools to give the best possible learning environment for the students.

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# **The Costa Foundation**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

#### **Year ended 31 December 2021**

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The Trustees have adopted a new strategic plan for 2020-2023, which includes the Foundation's strategic goal to have helped fund at least a further 15 schools and a further 7,000 school places for children in coffee growing communities, providing a safe quality education, by 2023. The second strategic goal is that by 2023, the Foundation will have helped fund programmes to ensure that at least 45% of secondary school leavers are girls. The Foundation will also trial funding to improve teacher and school leader training in Foundation funded schools and to work with our implementation partners to agree shared good practice and minimum standards for child protection and safeguarding systems.

Further details on the Costa Foundation activity can be found on our website at <http://www.costafoundation.com>

#### **Trustees' responsibilities statement**

The trustees, who are also directors 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the 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 in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

# The Costa Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2021

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#### Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

#### Appointment of Statutory Auditor

Following Mazars LLP resignation as auditor, Morris Crocker Limited were appointed by the board as the Foundation's auditor.

#### Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 22 September 2022 and signed on behalf of the board of trustees by:

DocuSigned by:  
  
484C2A68209740A...

A. Aggarwal  
Trustee

# **The Costa Foundation**

## **Company Limited by Guarantee**

### **Independent Auditor's Report to the Members of The Costa Foundation**

**Year ended 31 December 2021**

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#### **Opinion**

We have audited the financial statements of The Costa Foundation (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its 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;
- have been prepared in accordance with the requirements of the Companies Act 2006.
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

# **The Costa Foundation**

## **Company Limited by Guarantee**

### **Independent Auditor's Report to the Members of The Costa Foundation** *(continued)*

**Year ended 31 December 2021**

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#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions 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; and
- 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 the knowledge and understanding of the charity 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 the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 directors' report and from the requirement to prepare a strategic report.

# **The Costa Foundation**

## **Company Limited by Guarantee**

### **Independent Auditor's Report to the Members of The Costa Foundation** *(continued)*

**Year ended 31 December 2021**

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#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

# The Costa Foundation

## Company Limited by Guarantee

### Independent Auditor's Report to the Members of The Costa Foundation *(continued)*

#### Year ended 31 December 2021

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##### **Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss managements assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues concerning income recognition and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and testing systems and controls. The systems and controls which have been designed to act as a preventative measure against fraud and error were operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk.

# The Costa Foundation

## Company Limited by Guarantee

### Independent Auditor's Report to the Members of The Costa Foundation *(continued)*

#### Year ended 31 December 2021

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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 on the effectiveness of the 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 charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the charity 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.

# The Costa Foundation

## Company Limited by Guarantee

### Independent Auditor's Report to the Members of The Costa Foundation *(continued)*


#### Year ended 31 December 2021

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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 charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
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Paul Underwood (Senior Statutory Auditor)

For and on behalf of  
Morris Crocker Limited  
Chartered accountants & statutory auditor  
Station House  
North Street  
Havant  
Hampshire  
PO9 1QU

# The Costa Foundation

## Company Limited by Guarantee

### Statement of Financial Activities (including income and expenditure account)

Year ended 31 December 2021

		Unrestricted funds	2021 Restricted funds	Total funds	2020 Total funds
	Note	£	£	£	£
<b>Income and endowments</b>					
Donations and legacies	5	1,956,437	11,485	1,967,922	1,415,862
<b>Total income</b>		<u>1,956,437</u>	<u>11,485</u>	<u>1,967,922</u>	<u>1,415,862</u>
<b>Expenditure</b>					
Expenditure on charitable activities	6,8	1,792,610	10,000	1,802,610	1,714,221
<b>Total expenditure</b>		<u>1,792,610</u>	<u>10,000</u>	<u>1,802,610</u>	<u>1,714,221</u>
<b>Net income/(expenditure) and net movement in funds</b>					
		<u>163,827</u>	<u>1,485</u>	<u>165,312</u>	<u>(298,359)</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		887,482	–	887,482	1,185,841
<b>Total funds carried forward</b>		<u>1,051,309</u>	<u>1,485</u>	<u>1,052,794</u>	<u>887,482</u>

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

The notes on pages 31 to 38 form part of these financial statements.

**The Costa Foundation**  
**Company Limited by Guarantee**  
**Statement of Financial Position**  
**31 December 2021**

	Note	2021 £	2020 £
<b>Current assets</b>			
Debtors	14	440,774	361,943
Cash at bank and in hand		1,153,793	1,070,584
		<u>1,594,567</u>	<u>1,432,527</u>
<b>Creditors: amounts falling due within one year</b>	15	541,773	545,045
<b>Net current assets</b>		<u>1,052,794</u>	<u>887,482</u>
<b>Total assets less current liabilities</b>		<u>1,052,794</u>	<u>887,482</u>
<b>Funds of the charity</b>			
Restricted funds		1,485	–
Unrestricted funds		1,051,309	887,482
<b>Total charity funds</b>	16	<u>1,052,794</u>	<u>887,482</u>

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

These financial statements were approved by the board of trustees and authorised for issue on 22 September 2022, and are signed on behalf of the board by:

DocuSigned by:

*Kay Brunton*  
4DB9D1E744414B4...

K Brunton  
Trustee

The Costa Foundation is a Company limited by guarantee registered in England and Wales. Company number 08064488. Charity number 1147400. Scottish charity number SC043414.

The notes on pages 31 to 38 form part of these financial statements.

# The Costa Foundation

## Company Limited by Guarantee Statement of Cash Flows

Year ended 31 December 2021

	<b>2021</b>	2020
	£	£
<b>Cash flows from operating activities</b>		
Net income/(expenditure)	165,312	(298,359)
<i>Changes in:</i>		
Trade and other debtors	(78,831)	79,062
Trade and other creditors	(2,902)	(257,410)
Cash generated from operations	<u>83,579</u>	<u>(476,707)</u>
Net cash from/(used in) operating activities	<u>83,579</u>	<u>(476,707)</u>
<b>Cash flows from financing activities</b>		
Proceeds from loans from group undertakings	(370)	(10,881)
Net cash used in financing activities	<u>(370)</u>	<u>(10,881)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	83,209	(487,588)
<b>Cash and cash equivalents at beginning of year</b>	<u>1,070,584</u>	<u>1,558,172</u>
<b>Cash and cash equivalents at end of year</b>	<u>1,153,793</u>	<u>1,070,584</u>

The notes on pages 31 to 38 form part of these financial statements.

# The Costa Foundation

## Company Limited by Guarantee

### Notes to the Financial Statements

Year ended 31 December 2021

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#### 1. General information

The Costa Foundation is a company limited by guarantee, incorporated in England and Wales. The address of its registered office, its registered numbers and principal place of business is disclosed on page 1. The principal activity of the charity is the advancement of education, the relief of poverty and the advancement of health and environment of coffee-growing communities around the world. The financial statements are prepared in sterling and this is the functional currency of the Charity.

#### 2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

#### 3. Accounting policies

##### Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### Going concern

These financial statements have been prepared on the going concern basis. This is based on the charity reserves policy, plus the fact the charity only commits to projects once income has been raised, committed project expenditure is already secure. The charity has the security of a contractual annual donation from Costa Limited of £20k, which is not linked to fundraising. Therefore, we do not view any going concern risk for the charity.

##### Judgements and key sources of estimation uncertainty

In applying the company's accounting policies, the trustees are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The trustees' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in the making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The trustees do not consider there to be any significant judgements, estimates or assumptions in these financial statements.

##### Foreign exchange

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

The notes on pages 31 to 38 form part of these financial statements.

# The Costa Foundation

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2021

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#### 3. Accounting policies *(continued)*

##### Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

##### Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured.

##### Resources expended

All support costs incurred have been allocated between charitable expenditure and governance as appropriate. There are no costs relating to more than one functional cost category. All expenditure and liabilities are included on an accruals basis and recognised when there is a legal or constructive obligation to pay out resources.

##### Financial instruments

The Costa Foundation has only financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction values and subsequently measured at their settlement value.

#### 4. Limited by guarantee

The Foundation is incorporated as a private company limited by guarantee. The Articles of Association of the Foundation established the objects and powers of the Foundation. In the event of the Foundation being wound up members are required to contribute an amount not exceeding £1 each.

# The Costa Foundation

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2021

#### 5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
<b>Donations</b>			
Donations from sales of merchandise in Costa stores	868,308	–	868,308
Store Fundraising	805,701	–	805,701
Matched Giving	200,000	–	200,000
Donations from Costa	20,000	–	20,000
Donations from fundraising	2,258	–	2,258
General and gift aid donations	20,322	–	20,322
Payroll Giving	39,848	–	39,848
Corporate Donations	–	11,485	11,485
Recharges to Costa	–	–	–
	<u>1,956,437</u>	<u>11,485</u>	<u>1,967,922</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
<b>Donations</b>			
Donations from sales of merchandise in Costa stores	659,552	–	659,552
Store Fundraising	445,995	–	445,995
Matched Giving	200,000	–	200,000
Donations from Costa	20,000	–	20,000
Donations from fundraising	17,561	–	17,561
General and gift aid donations	5,478	–	5,478
Payroll Giving	319	–	319
Corporate Donations	1,346	57,086	58,432
Recharges to Costa	8,525	–	8,525
	<u>1,358,776</u>	<u>57,086</u>	<u>1,415,862</u>

# The Costa Foundation

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2021

#### 6. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Project Expenditure (note 9)	1,707,440	10,000	1,717,440
Project management costs	63,691	–	63,691
Costs of raising funds	4,149	–	4,149
Support costs	17,330	–	17,330
	<u>1,792,610</u>	<u>10,000</u>	<u>1,802,610</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Project Expenditure (note 9)	1,555,824	57,086	1,612,910
Project management costs	65,977	–	65,977
Costs of raising funds	15,888	–	15,888
Support costs	19,446	–	19,446
	<u>1,657,135</u>	<u>57,086</u>	<u>1,714,221</u>

#### 7. Governance costs

	Unrestricted funds £	Restricted funds £	Year ended 31/12/2021 £	Year ended 31/12/2020 £
Audit fees	6,642	–	6,642	9,540
Trustee review of expenses	–	–	–	1,200
Trustee insurance	1,983	–	1,983	1,069
Training	–	–	–	–
Trustee expenses	105	–	105	197
Other	8,600	–	8,600	7,440
	<u>17,330</u>	<u>–</u>	<u>17,330</u>	<u>19,446</u>

#### 8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total funds 2021 £	Total fund 2020 £
Project Expenditure (note 9)	1,717,440	–	–	1,717,440	1,612,910
Project management costs	63,691	–	–	63,691	65,977
Costs of raising funds	–	4,149	–	4,149	15,888
Governance costs	–	–	17,330	17,330	19,446
	<u>1,781,131</u>	<u>4,149</u>	<u>17,330</u>	<u>1,802,610</u>	<u>1,714,221</u>

# The Costa Foundation

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2021

#### 9.

Included in project expenditure is:

	2021	2020
	£	£
FX adjustment on US projects	(21,680)	(41,515)
E1 Adame Yirgachefe upgrade	16,635	124,221
Bekayye Primary, Ethiopia	–	8,871
Buluk Primary, Ethiopia	–	8,798
Dung K'Noh Nursery, Vietnam	–	13,601
Ea Nam Nursery, Vietnam	–	3,053
Cerro Grande, Nicaragua	31,150	15,337
Santa Teresa Primary, Colombia	22,219	15
Kumbi Primary, Ethiopia	514	44,247
Hawo Primary, Ethiopia	(355)	36,117
Ethiopia Water Installations	–	56,012
Choche Prep, Ethiopia	–	119,337
Hoa Mai Nursery, Vietnam	–	110,377
El Remonlino School, Colombia	–	92,524
PEAS Teachers salary	–	80,000
La Estrellita Primary School	135	50,960
Santa Emilia Primary School	16,152	78,242
Ea H'Ding Nursery School	11,204	100,201
Hoa Trung Nursery School	12,839	96,125
Sanitation upgrades imagine 1 day	2,805	92,433
Water Install Biloya Second	–	9,111
Water Install Haru High, Ethiopia	–	10,638
Water Install Biloya, Ethiopia	–	12,442
Juan Velasco Alvarado School	–	15
Ethiopia Maint GewGew Kilenso	–	16,034
Bule and Dimtu High School Girls Club	–	10,435
El Huabo, Peru	8,780	–
Gew Primary	52,271	–
Georgino Andrade	72,303	–
Malka Arba	72,582	–
Santa Barbara 3	93,099	–
Angeto Primary	50,692	–
La Esperanza	70,593	–
La Jalquilla Primary	64,965	–
Wote Primary	108,197	–
San Pedro Carcha 2	78,634	–
Pioneer High School girls	13,946	–

# The Costa Foundation

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2021

Bridge High School	29,399	–
Noble High New Block	30,699	–
Aspire Science Block	18,657	–
Basura High School	44,505	–
Haru High School	44,479	–
Kampinda Girls	99,238	–
E1 Kabuta Girls	100,535	–
Dimtu High Science Lab	44,479	–
Committed, not paid:		
Kumbi Primary, Ethiopia	–	9,943
Hawo Primary, Ethiopia	–	8,116
Adame Yirgachefe upgrade, Ethiopia	–	96,513
PEAS teachers salaries	–	20,000
Sanitation upgrades imagine 1 day	–	71,918
La Estrellita Primary School	–	5,526
Santa Emilia Primary School	–	60,710
Ea H'Ding Nursery School	–	77,833
Hoa Trung Nursery School	–	74,720
Santa Teresa Primary School, Columbia	–	40,000
Malka Arba Primary	8,055	–
Santa Barbara 3	74,440	–
Angetu Primary	22,077	–
La Esperanza	7,697	–
La Jaiquilla Primary	51,000	–
Wote Primary	87,000	–
San Pedro Carcha	65,000	–
Bridge High School	29,000	–
Noble High New Block	30,000	–
Aspire ScienCE Block	18,500	–
Basura High School	45,000	–
Haru High School	45,000	–
Dimtu High School lab	45,000	–
	<u>1,717,440</u>	<u>1,612,910</u>

#### 10. Taxation

The charity's activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 2010. Accordingly, there is no taxation charge in these accounts.

# The Costa Foundation

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2021

#### 11. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	<b>2021</b>	2020
	£	£
Fees payable for the audit of the financial statements	6,642	9,540

#### 12. Staff costs

There are no staff costs included in the disclosures as The Costa Foundation has no employees.

#### 13. Trustee remuneration and expenses

No trustee received remuneration in the period to 31 December 2021 (31 December 2020: £NIL). Included in the above is £105 of reimbursed expenses to one trustee (31 December 2020: £197 to one trustee). Trustee Indemnity Insurance was also in place during the period.

#### 14. Debtors

	<b>2021</b>	2020
	£	£
Amounts due from Costa Limited	436,331	360,160
Other debtors	4,443	1,783
	<u>440,774</u>	<u>361,943</u>

#### 15. Creditors: amounts falling due within one year

	<b>2021</b>	2020
	£	£
Project expenditure committed, not paid	527,769	528,495
Accruals	7,970	8,340
Other creditors	6,034	8,210
	<u>541,773</u>	<u>545,045</u>

#### 16. Analysis of charitable funds

##### Unrestricted funds

	At 1 Jan 2021	Income	Expenditure	At 31 Dec 2021
	£	£	£	£
General funds	887,482	1,956,437	(1,792,610)	1,051,309

	At 1 Jan 2020	Income	Expenditure	At 31 Dec 2020
	£	£	£	£
General funds	1,185,841	1,358,776	(1,657,135)	887,482

# The Costa Foundation

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2021

#### Restricted funds

	At 1 Jan 2021	Income	Expenditure	At 31 Dec 2021
	£	£	£	£
Restricted Fund	—	11,485	(10,000)	1,485
	<u>—</u>	<u>11,485</u>	<u>(10,000)</u>	<u>1,485</u>

	At 1 Jan 2020	Income	Expenditure	At 31 Dec 2020
	£	£	£	£
Restricted Fund	—	57,086	(57,086)	—
	<u>—</u>	<u>57,086</u>	<u>(57,086)</u>	<u>—</u>

During the year the Foundation received two donations which had restrictions imposed. £10,000 was received from the Cherrytree Bakery and was to be spent on new science labs in Ethiopia. This was spent in full in the year. \$2,000 was also received as restricted donation from Jim's Organic Coffee. This was unspent as at the year end.

#### 17. Analysis of changes in net debt

	At 1 Jan 2021	Cash flows	At 31 Dec 2021
	£	£	£
Cash at bank and in hand	1,070,584	83,209	1,153,793
Debt due within one year	(8,340)	370	(7,970)
	<u>1,062,244</u>	<u>83,579</u>	<u>1,145,823</u>

#### 18. Commitments

The Costa Foundation had commitments of £68,723 (31 December 2020 £115,675) at the year end. These have not been provided for in the financial statements as they are subject to conditions being met before payment.

#### 19. Related parties

All unrestricted income received originated from Costa Limited and their employees, apart from donations received via the Costa and Costa Foundation websites and third parties.

During the year Neil Lake and Gordan Mowat were directors of Costa Limited. Russell Fairhurst was Secretary of Costa Limited up to 14 May 2021.

One of the third parties where donations are received is Charities Trust. During the year Elizabeth Perry was a director of Charities Trust up to 25 October 2021.

**THE COSTA FOUNDATION**

England & Wales - Charity number 1147400

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# Accounts

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# **The Costa Foundation**

**(A Company limited by guarantee)**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

**Company No: 08064488**  
**Charity No: 1147400**  
**Scottish Charity No: SC043414**

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## REFERENCE AND ADMINISTRATIVE DETAILS

**TRUSTEES/DIRECTORS:** A Aggarwal (appointed 13 August 2020)  
K Brunton  
L Camfield  
K Cooke  
C Emerson (appointed 11 May 2021)  
R Fairhurst (Chair)  
N Lake  
V Moorhouse  
G Mowat (appointed 1 February 2021)  
S Wade (appointed 1 February 2021)

**SECRETARY:** R Gardiner

**REGISTERED OFFICE:** Costa House  
Houghton Hall Business Park  
Porz Avenue  
Houghton Regis  
Dunstable  
Bedfordshire  
LU5 5YG

**REGISTERED NUMBERS:** Company No: 08064488  
Charity No: 1147400  
Scottish Charity No: SC043414

**AUDITOR:** Mazars LLP  
Chartered Accountants and Statutory Auditor  
The Pinnacle  
160 Midsummer Boulevard  
Milton Keynes  
MK9 1FF

**BANKERS:** National Westminster Bank Plc  
City of London Branch  
PO Box 12258  
1 Princes Street  
LONDON  
EC2R 8PA

## CHAIRMAN'S STATEMENT

In 2020, the Covid-19 pandemic had a severely detrimental effect on Costa, our corporate sponsor, as their stores throughout the world were either closed or suffered trading restrictions. The lockdowns significantly impacted fundraising as Costa was unable to sell the products with associated donations to the Foundation and Costa's team members were unable to take part in all their usual fundraising activities. Nonetheless, over £1.1m was raised in 2020; a fantastic achievement in the circumstances.

I would like to take this opportunity to thank Costa, Costa's team members, management and of course, Costa's customers for their continued support. Thanks to the funds from a record-breaking fundraising year in 2019 and their continued efforts, although we had to limit our investments, we were still able to commit to a significant number of school projects around the world.

Promoting Equality in African Schools (PEAS), our partners for the schools we have funded in Uganda and Zambia, faced a particular challenge as a result of the pandemic. Unlike the schools in the other countries where we have built schools where the schools have been adopted by the state education authority, PEAS operate the schools themselves. The closure of the schools resulted in PEAS having no income to pay their teachers. I am delighted that the Foundation was able to provide targeted financial support to ensure that PEAS' teachers could continue with remote teaching activity while the schools were closed and to ensure their teachers remained employed so that they were ready to teach when the schools reopened.

I'm delighted to inform you that during 2020 the Costa Foundation opened five new schools in Vietnam and Ethiopia. We were fortunate that we were able to continue with construction work in these countries during the pandemic. These five schools created 2,160 school places for children that could not otherwise have accessed a safe, quality education. We also opened a multi-school project in Nicaragua with Fundación Nicafrance, improving facilities across three primary schools and benefitting 160 children. Finally, we carried out thirteen expansion projects in Ethiopia, Uganda and Zambia to further improve previously funded Costa Foundation schools resulting in additional classrooms, boarding accommodation and freshwater points being provided for over 10,500 children.

Given the circumstances, we are very proud that we were able to achieve so much during the year in spite of the pandemic. Our financial prudence allowed us to continue to meet our funding commitments, so no project was delayed due to funding.

We had to say goodbye to some Board members during the year. Liz Perry has stepped down from the board after nine years as a trustee. Prior to the establishment of the Foundation as an independent charity, Liz was instrumental in establishing the activity of fundraising and building schools via Charities Trust. In addition to supporting and mentoring Piers Blake, the Foundation Director who has driven the Foundation forward since its inception, Liz adopted some of the most difficult countries in which we build schools. Liz's dedication, wisdom and good humour will be greatly missed.

After over eight years each as trustees, Clive Bentley and Tim Johnson also stepped down from the board. Clive was a founding trustee and chaired the board from the incorporation of the Foundation until 2019. Tim Johnson was a huge help to the board guiding us in the adoption of a wide range of best practices for fundraising and governance.

On behalf of the board I should like to thank Liz, Clive and Tim for their long service and commitment to the Foundation.

I am delighted to report the appointments to the board of Amit Aggarwal, Stephan Wade, Gordon Mowat and Connie Emerson. Amit brings a wealth of experience of fundraising, particularly from the corporate sector. Stephan, Gordon and Connie are all senior executives from Costa. Their appointments underscore Costa's commitment to the Foundation and I am confident that they will help the broadening of our funding base within Costa internationally and as Costa grows its non-store based businesses, in tandem with Costa's mission to become a Global Total Coffee Company.

We have maintained regular contact throughout the pandemic with our partners in the countries where Foundation funded schools are located. As those countries have less developed healthcare systems and limited access to vaccines, it will be some time before all our schools can function normally. In the meantime, we will continue to do all that we can to fulfil our mission of providing coffee growing communities with schools which provide a safe, quality education.

*Russell Fairhurst*

Russell Fairhurst (Sep 30, 2021 17:27 GMT+1)

Russell Fairhurst – Chair, The Costa Foundation

30 September 2021

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

The Trustees, who are Directors of the Costa Foundation ('the Foundation'), present their annual report and financial statements for the year ended 31 December 2020 (the prior years' annual report and financial statements were for the ten-month period ended 31 December 2019).

The Foundation was incorporated at Companies House on 10 May 2012, registered as a charity with the Charity Commission on 23 May 2012 and with the Office of the Scottish Charity Regulator on 17 September 2012.

Prior to the incorporation of the Foundation, donations were collected in an account maintained by Charities Trust, an independent registered charity, pursuant to an agreement with Costa Limited and with the intent that the monies in the account would be used for similar charitable purposes to those adopted by the Foundation. Following incorporation, Charities Trust transferred the funds then held by them to the Foundation.

### **Relationship with Costa Limited**

Under the Articles of Association of the Foundation, Costa Limited ("Costa") has the power to appoint Trustees of the Foundation provided at least two Trustees are appointed by the Board of Trustees.

Costa is party to a Commercial Participation Agreement with the Foundation to enable Costa to raise funds through the sale of certain products from which it has agreed to donate certain proceeds to the Foundation and otherwise through fundraising from Costa's employees and members of the public. In addition to the other fundraising activities described below, Costa is also party to a Grant Funding Agreement pursuant to which Costa donated the sum of £20,000 in the year.

### **Fundraising Approach**

The Foundation's approach to fundraising is to predominantly use the relationship with Costa, its employees and customers to raise funds through fundraising activities and the sale of products. We do not carry out street fundraising, nor do we undertake fundraising mail shots or telephone canvassing. We work with Costa to ensure any fundraising they do for the Foundation complies to recognised standards. The fundraising practice is monitored by the trustees of the charity through the Fundraising and Engagement Committee and we monitor any fundraising complaints (none were received during 2020) and always seek to protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches and undue pressure to donate.

## **Structure, Governance and Management**

### **Governing Document**

The Foundation is incorporated as a private company limited by guarantee.

The Articles of Association of the Foundation established the objects and powers of the Foundation. In the event of the Foundation being wound up, members are required to contribute an amount not exceeding £1 each.

## TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

### Recruitment and Appointment of the Board of Trustees

Trustees were appointed by Costa on incorporation of the Foundation and subsequently by the Board to ensure that the Board includes experience in financial, legal and other relevant fields. Trustees are aware of their obligations in law as Trustees and Directors and are encouraged to acquaint themselves with publications and guidance available from the Charity Commission. Members of the Board have access to external Trustee training.

The Trustees serving during the period were as follows:

<b>Name of Trustee</b>	<b>Appointment</b>	<b>Resigned</b>
C Bentley		6 November 2020
R Fairhurst		
E Perry		2 July 2021
T Johnson		23 October 2020
K Cooke		
K Brunton		
V Moorhouse		
K Seljeflot		11 March 2020
N Lake		
L Camfield		
A Aggarwal	13 August 2020	

### Secretary

R Gardiner

### Organisational Structure

The Board of Trustees meet at least four times a year and oversees finance, current project work and the future strategy of the Foundation.

The Foundation also has two Trustee sub committees: The Projects Committee and the Fundraising and Engagement Committee. The purpose and duties of these committees are set out in their respective terms of reference and are broadly outlined below.

The purpose of the Projects Committee is:

- a) To recommend to the Board the Projects strategy in fulfilment of the Foundation's Theory of Change;
- b) To prepare annual budgets for projects and other matters within the remit of the Committee;
- c) To consider for approval all projects presented for funding by the Foundation;
- d) To develop and implement a system for the monitoring and evaluation of Foundation projects; and
- e) To monitor all external delivery partners for Foundation projects and to recommend new partners to the Board.

## TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Projects Committee uses a strategic matrix to assist in the evaluation of project proposals and collects detailed monitoring and evaluation information on Foundation schools to measure the impact and success of the projects across a number of key performance indicators.

The purpose of the Fundraising and Engagement Committee is as follows:

- a) To recommend the fundraising strategy for the Foundation to the Board;
- b) To oversee the planning, coordination and implementation of all fundraising activities in relation to the Foundation;
- c) To develop annual plans for engagement with Costa; and
- d) To act as the key link between the Foundation and Costa and any other fundraisers, to ensure joined up and co-ordinated working.

Trustees visit schools from time to time to improve their understanding of the educational needs in coffee growing communities in those countries and to satisfy themselves that the funds given to projects are being used appropriately and on a timely basis.

The Foundation held Trustee Indemnity Insurance during the period.

### Principal risks and uncertainties

The Trustees have examined the major strategic, financial, operational and reputational risks which the charity faces and regularly review what actions can be taken to mitigate these risks. The three risks that would have the highest impact are a decrease in income, a reduction in the quality of the delivery of projects with project partners and safeguarding issues in Foundation funded schools. While the Foundation does not build or operate any of the schools which it has funded, cases of misconduct by staff of our delivery partners on or off Foundation projects could result in reputational harm for the Foundation. The Foundation has a safeguarding policy to mitigate against this risk.

Covid-19 has resulted in the closure or restricted operation of all of Costa Foundation funded schools. We have maintained regular contact with our implementation partners regarding the impact of the pandemic on our schools. The extent and duration of closures or restrictions and any home learning provision has varied in accordance with local government requirements and resources.

In addition to impacting the education provision in our schools, some building works were delayed by Covid-19. This may cause delays in opening schools but we are working with our partners to ensure schools are ready to open as quickly as is possible, within guidelines.

As our policy is to commit funds only when they have been raised, the loss of income caused by the pandemic will have an impact on the numbers of projects likely to be completed in future years. As fundraising re-commences in Costa stores, we will prioritise expenditure on areas that it can have the highest impact.

The charity operates in Internationally so there may be some impact in terms of FX. However grants are given based on the income generated.

## TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

### Objectives and Activities

The Foundation's aims are the advancement of education, the prevention and relief of poverty and the advancement of health and the environment of coffee-growing communities around the world.

In the consideration of projects, the Trustees have due regard to the Charity Commission's guidance on public benefit. The Trustees always ensure that the projects undertaken are in line with the aims and objectives of the Foundation and use its Theory of Change to guide their decisions. During the year, our Theory of Change was reviewed and updated, which allowed the Trustees to develop the new strategic plan for 2021-2023.

All projects continue to be implemented via delivery partners based in the countries where the projects are undertaken. The delivery partners range from charitable non-governmental organisations to the sustainability teams of coffee companies.

The Foundation aims to fund schools which provide individual wellbeing and a safe, quality education for children within coffee growing communities. All projects are required to have fresh water and separate sanitation facilities for boys and girls. Depending upon local needs; the Foundation also funds child nutrition programmes, electricity installations, boarding accommodation, teacher's accommodation, libraries, science labs, computer labs and safety infrastructure such as perimeter fencing, safety lighting and flood barriers.

The Foundation also invests additional capital into expanding schools previously built with our funds. This can be through the provision of extra classrooms, sanitation, boarding accommodation, teacher's accommodation, sanitation, science and computer labs etc. Expansion funds have been focused mainly in Uganda, Vietnam, Colombia and Guatemala where the success of the schools has warranted extra facilities. Examples of this on-going support are available on our website at <https://www.costafoundation.com/about/>.

The Foundation works with communities and local authorities where its school projects will be located but does not employ the teaching staff or influence the curriculum. The schools we have funded in Uganda are operated by a charity called Promoting Equality in African Schools ("PEAS") where the teachers are employed and paid by PEAS. You can find out more information on the PEAS website at <https://www.peas.org.uk>. All other Costa Foundation funded schools are run by teachers trained and funded by the local education authorities or other NGOs. This system ensures the sustainability of the schools as teachers are not reliant upon continued funding from the Foundation to meet their operating costs.

We support many of our schools by funding leadership and train-the-trainer sessions and providing equipment and learning aids for extra curriculum "Citizenship" lessons held outside of school hours. These sessions are run by students and often attended by the parents within the community. Citizenship lessons are in subjects such as Health; particularly AIDS/HIV awareness, Gender Equality, Environment, Sport and Student Leadership through the provision of Girl's and Boy's Clubs.

### Projects Funded from 1 January 2020 to 31 December 2020

Despite the incredibly difficult situation the COVID-19 pandemic created globally; during the year ended 31 December 2020, the Foundation opened five new schools in Vietnam and Ethiopia, in total adding a

## TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

further 2,160 school places. In addition to these new schools we also invested in a multi-school project in Nicaragua with Fundacion Nicafrance improving facilities across three primary schools and benefitting 258 children.

We also carried out thirteen expansion projects in Ethiopia, Uganda and Zambia to further improve previously funded Costa Foundation schools, ensure that we continue to “change a child’s life story” and give the best possible education experience to students long after the schools we have funded first opened their doors. These expansions resulted in additional classrooms, boarding accommodation and fresh water points being provided across thirteen Costa Foundation funded schools benefitting over 10,500 children.

Construction continued within seven projects that had been signed off in 2019 and 2020; albeit at an understandably slower pace than normal due to Covid-19 restrictions. Finally, a further four school projects were signed off by the Board in 2020, all in Vietnam and Ethiopia as they were the two countries still able to continue with construction work during the pandemic.

In addition to the infrastructure investments we made in 2020, we were able to provide targeted financial support to ensure that PEAS teachers in Uganda and Zambia could carry out remote learning activities while the schools were closed due to the pandemic. We also invested in communication materials raising awareness of the need to wash hands, sanitize and wear masks which were used in some of the Costa Foundation funded schools in Africa and Central and South America.

This year, we received a number of match-funding donations for our projects from other non-governmental organisations, being made either direct to the Foundation or to our in-country partners:

- Run for Water - \$187,129 towards water and sanitation in four Costa Foundation funded schools in Ethiopia
- Educate a Child - \$107,027 towards one Costa Foundation funded primary school in Ethiopia
- The Coca-Cola Foundation - \$100,000 towards sanitation upgrades in nine Costa Foundation funded schools in Ethiopia
- Project Waterfall - £40,000 received for water and sanitation in three Costa Foundation funded schools in Nicaragua and Vietnam.

We would like to take this opportunity to thank these generous donors for their partnership and support. We would also like to give special thanks to our delivery partners. The fact that we are able to report continued activity at the levels shown above is a credit to their hard work, commitment and absolute focus on changing a child’s life story. It’s also a credit to our donors at Costa Coffee without whose tireless efforts to fundraise we would have had so much less to report.

### Opened and Now Educating Children - 2020

#### New schools - Defined as the construction of a school that didn’t previously exist

1. **Dung K’ Noh Nursery School, Vietnam – opened May 2020 for 200 children.**  
A five-classroom school which includes administration block, two teacher’s rooms, admin block, multi-function room, sick bay, sanitation throughout, fresh water, electricity, perimeter fence, playground and a landscaped garden area.

## TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

- 2. Hoa Mai Nursery School, Vietnam – opened September 2020 for 300 children.**  
An eight-classroom school with one multi-function room, one kitchen, one canteen, one teacher's room, one storage room, sanitation, playground, perimeter fence, water, electricity and a landscaped garden area.
- 3. Choche Preparatory School, Ethiopia – opened September 2020 for 960 children**  
An eight-classroom school built within the grounds of Choche High School (funded by the Costa Foundation in 2012) it also has two science labs, text and reference books, new sanitation, electricity and water. This is a double-shift lessons school.
- 4. Bekkaye Primary School, Ethiopia – opened September 2020 for 1,185 children.**  
An eight-classroom school including one early child education block, library, text books, fresh water, sanitation, electricity, computers and playground. This is a double-shift lessons school.
- 5. Buluk Primary School, Ethiopia – opened September 2020 for 1,554 children.**  
An eight-classroom school including one early child education block, library, text books, fresh water, sanitation, electricity, computers and playground. This is a double-shift lessons school.

**School projects – Defined as pre-existing government school structures that have been improved with additional facilities or programmes funded by the Costa Foundation.**

- 1. Three primary schools in Cerro Grande and Castilla, Nicaragua – completed in February 2020 for 258 children.**  
Across three primary schools, this project provided four new classrooms, three new kitchens, three new dining areas, two perimeter fences, six sanitation blocks and three playgrounds as well as refurbishing all existing school infrastructure to the same standard.

### **School expansions completed**

- 1. Noble High School, Uganda (opened 2016) – new facilities opened February 2020**  
Two new 60 bed dormitories were added, one each for boys and girls.  
This school was originally funded by the Costa Foundation and opened in 2016
- 2. Kampinda High School, Zambia (opened 2018) – new facilities opened February 2020**  
Conversion of old community room into additional classrooms for 120 children.  
This school was originally funded by the Costa Foundation and opened in 2018
- 3. Frontiers High School, Uganda (opened 2016) – new facilities opened February 2020**  
One new 60 bed dormitory for boys  
This school was originally funded by the Costa Foundation and opened in 2016
- 4. Hibiscus High School, Uganda (opened 2011) – new facilities opened October 2020**  
One new 60 bed dormitory for girls  
This school was originally funded by the Costa Foundation and opened in 2011

## TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

### 5. Water installations in nine CF funded high schools in Ethiopia – installed by November 2020

Whilst the CF had funded water sources before at these schools, due to sinking water tables and some failing pipe systems, between them nine schools received a total of two new spring capping systems, eight water harvesting tanks and sixteen four-tap water points providing fresh drinkable water to over 8,900 students.

### Under construction; not yet completed

There were seven school projects under construction which had not been completed by the end of 2020. These are:

1. **Santa Teresa Primary School, Colombia** – New school
2. **El Huabo Primary and Secondary School, Peru** – New schools
3. **Kumbi Primary School, Ethiopia** – New school
4. **Hawo Primary School, Ethiopia** – New school
5. **El Remolino Middle School, Colombia** – New school
6. **La Estrellita Primary School, Nicaragua** – School project (expanding/improving an existing government school)
7. **Santa Emilia Primary School, Nicaragua** – School project (expanding/improving an existing government school)

### Signed off by the Board in 2020; but construction did not start until 2021.

There are four projects that were signed off by the Board during 2020 which did not start until 2021, they are:

1. **Adame Yirgachefe High School, Ethiopia** – New school
2. **Hoa Trung Nursery School, Vietnam** – New school
3. **Ea H' Ding Nursery School, Vietnam** – New school
4. **Sanitation upgrades in seven CF funded schools, Ethiopia** - Expansion

### Maintenance Programmes

Whilst we endeavour to set up all of the schools we've funded to be self-sustaining and not dependent on funding from the UK, inevitably there are some communities / local authorities that are too

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impoverished to maintain the schools to the Costa Foundation standard. As a result and following our annual quality audits, this year we identified three schools for maintenance investment namely:

1. **Gew Gew Primary School, Ethiopia**
2. **Kilenso Rasa High School, Ethiopia**
3. **Bule High School, Ethiopia**

For more details about school projects opened in 2020 visit:-

<https://www.costafoundation.com/>

For case studies and examples of the impacts of our work visit:-

<https://www.costafoundation.com/lives-we-have-changed/>

### Infrastructure Quality Audits

Our delivery partners audited the quality of infrastructure and learning resources in Costa Foundation funded schools enabling us to identify what extra facilities were needed and any schools where urgent maintenance or infrastructure was required. As a result of these audits we were able to prioritise those needs and invest in additional facilities for some of our previously funded schools in Ethiopia, Uganda and Zambia as well as invest in maintenance in three schools in Ethiopia.

### Monitoring, Evaluation & Impact

2020 will always be remembered as the year of the Covid-19 pandemic and at the time of writing this report more than 1.5 billion children were out of school and missing their education. Throughout the year, only the nursery school children in Vietnam and our schools in Nicaragua had a full year of education. In the other seven countries in which we operate, children were either not in school, attending one or two days a week or attending for exams only. As a result, the Costa Foundation Board took the decision not to gather our usual monitoring & evaluation data as the information would not have been useful when comparing it with previous “uninterrupted” school years.

However, despite the pandemic, our delivery partners have been able to identify some highlights and provide quotes from some of the schools, as outlined below:

**Ethiopia** – Despite the Covid-19 pandemic; 84% of students in Costa Foundation funded schools who sat their national exams scored a pass rate compared with the regional average of 73%. This is a true mark of the quality of schools and teaching that the Costa Foundation has created here in rural Ethiopia.

**Uganda and Zambia** - Due to school closures throughout 2020 most students pivoted to PEAS innovative remote learning, partly funded by the Costa Foundation, so that the most marginalized still had access to quality education and were supported throughout the crisis. This involved educational interventions and interventions focusing on well-being. There has been positive uptake of all remote learnings across Costa/PEAS Schools in Uganda and Zambia:

## TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

- Students who received learning packs across the Costa Schools: 3217 (1555 girls, 1662 boys) **48% girls**
- Number who accessed radio: 2497 (1041 girls, 1456 boys) **42% girls**
- Number who accessed SMS: 2209 (1125 girls, 1084 boys) **51% Girls**
- Number who received call from teacher: 2531 (1378 girls, 1153 boys) **54% Girls**
- Percentage of students who accessed remote learning from Costa/PEAS schools in Uganda: **82% (83% of girls)**
- Percentage of students who accessed remote learning from Costa/PEAS schools in Zambia: **97% (95% of girls)**

**Peru** - The impacts are evident through records that document that in all Costa Foundation funded schools there has been an increase in school enrolment and a decrease in dropouts since the schools were originally opened. In these settings and pre-pandemic, teachers and students attend school motivated and pedagogical activities are carried out in ideal conditions. The data below is pre-pandemic (early 2020).

- **Chuquibambilla Secondary School** – Thanks to the computer lab, 80% of the school's students are trained in the use of computer equipment, improving the quality of remote learning.
- **Santa Elena Secondary School** – There has been a 219% increase in enrolment in the school since 2015. The educational level has increased as well, 83% of students who sat the national exams scored a pass mark compared with the regional average of 70%.
- **Mazaronkiari multi-purpose classroom** – There has been a 705% increase in enrolment in the school since 2014. Today, more than 134 children of the Nomatsiguenga native community of Mazaronkiari receive adequate food, reducing the percentage of cases of childhood anemia.

**Vietnam** – 100% of the 6 year old children at all Costa Foundation funded nursery schools in Daklak, Vietnam have learned speaking, writing and reading skills in the Vietnamese official language and graduated (earlier than normal by one week due to the fourth Covid -19 outbreak), to enter grade 1 of the local primary school.

### What the parents, teachers and children had to say.

As well as the hard facts and figures, we have also received many quotes from children, teachers, parents and our partners; expressing the positive impact that having new safe, quality education facilities has had on communities. Here are just a few examples:

“I am very grateful because the original classrooms were sinking and the floor was cracking as they were on the edge of a slope. It was very dangerous. We also had leaks in the classrooms when it rained, and then the classrooms would flood. On top of all that, the heat inside the classrooms was torture. I used to get headaches because of the heat and that made it very difficult for me to concentrate. Now, in the newly- built classrooms it is so much cooler, and it feels much more relaxing. Our classrooms get fresh air through big windows and that is much better for studying and for us to pay more attention during lessons.”

*Jheidy Yanithza Munoz Burbano, Student - Colombia*

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“In the course of teaching our classes in this new infrastructure, what we have noticed the most in the students is the motivation. Now the young people actively participate in all the classes!”

*Paul - Teacher at Secondary School in Chuquibambilla – Peru*

“The organisation that unlocks potential in African children has gone the extra mile in fighting COVID-19. Closing all 28 schools in Uganda didn't stop us from sending messages to the community alerting them about COVID-19, encouraging their learners to stay at home as they continue to revise and encouraging them to practice the measures to control COVID-19. Bravo PEAS!

*Head Teacher – Pioneer High School, Uganda*

“The investments that the Costa Foundation has made in this coffee-growing area bring shelter and warmth to children who arrive cold after traveling from their homes to the school. I studied at the Santa Emilia School and the simplicity of its origins only serves to confirm that the opportunity only needs a ray of light to prosper. Even with the pandemic, children prefer the joy of a nice, clean school, which offers hot food and a dynamic environment in which mathematics is learned through games that are made of recycled materials. Currently a total of 1,304 students (595 girls) regularly attend the nine schools built by the Costa Foundation.”

*Francisco Javier Padilla, Rural Educational Nucleus Director, Santa Emilia, Nicaragua*

“My parents were reluctant to send me to school due to the COVID-19 pandemic. Thanks to Costa Foundation and Imagine1day's COVID-19 awareness campaign and the provision of a protected school environment; I was able to return to school after having been away for nine months.

*Meron, 15 years old - Ethiopia*

“When I knew that they were going to build a new school I felt very happy. Now the school is beautiful and other children will feel encouraged to come to study, like me. Now I feel safe and I'm not afraid of the rain anymore because I know that nothing will happen. I hope that the rest of children continue studying and that their parents encourage and support them.”

*Ana, 13 years old – Guatemala*

“We have built 22 new classrooms in Nariño that house 564 students, 48% of them are girls. Those new schools will make it easier for students to safely go back to class after COVID-19 lockdown because our spacious classrooms enable the implementation of virus-prevention practices such as social distancing, fresh air ventilation and sunlight illumination. These generous spaces will also make it easier to start the implementation of an extended school day strategy promoted by the government, which today only applies to 15% of state school nationwide.”

*Vivian Vasquez, Projects Director - Colombia*

“We are extremely grateful to the Costa Foundation and Plan International Honduras for the great support they have given our community, not only in the area of education, but also in the midst of the crisis of covid-19”

*Wilfredo, Mayor – Honduras*

“This school is so concerned about my children. I have two children at PEAS Kampinda; the teachers are calling regularly to find out about the well-being of the students and giving them school work”

*Parent, Kampinda High School – Zambia*

## TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

“My old school was ugly; there was no field to play on and no space to hold classes. Everyone was crowded together. This new school is great. The kitchen is clean and big enough for all of us. It is no longer hot in the classrooms and now you can hear the teacher when it rains. In my new school, there is enough space for everyone to play and learn. Thanks, Costa Foundation!”

*Angelina - Student at Primary School in Unión Alto Sanibeni – Peru*

“I love to go to school, meet my classmates and teachers and play with my friends; there are many toys inside and outside my classroom. I love the school so much I want to become a teacher in the future. I'd love to meet and thank the builders of the school, the Costa Foundation for the beautiful school and many interesting things there.

*Thi Hen, 4 years old – Vietnam*

“I wasn't sure if I had to send my child to school during the pandemic. I couldn't be more grateful to the Costa Foundation for creating access to fresh water and providing hand washing facilities for our children. I now feel that our children are learning in the safest of school environments.

*Marta, mother of Hailu in grade 1, Adame Yirgachefe Primary School, Ethiopia*

“The Costa Foundation has been an extraordinary ally to fulfill our mission of being a catalyst of change in coffee-growing communities, populated by families in vulnerable conditions. In these communities, not only the placards commemorate the important contribution the schools make to the future of their children; The boys, girls, and parents tell their visitors that in the Costa coffee shops, their employees collect smiles, affection and also money so that they can have beautiful schools and more qualified teachers to teach.”

*Cristina Cuadra Lacayo, Vice President, Fundación Nicafrance, Nicaragua*

### Communication

Our website continues to be regularly updated and now contains current videos, case studies and news items including the latest school openings and stories from around the world. For more information visit [www.costafoundation.com](http://www.costafoundation.com)

In addition, our Instagram page (@costafoundation) and Twitter feed (@foundationcosta) are regularly updated with images from coffee-growing communities around the world that have benefited from a Costa Foundation funded school plus many stories and images from our inspirational fundraisers in Costa stores and beyond.

### Financial Review

Total income for the year ended 31 December 2020 was £1.4m (ten-month period ended 31 December 2019: £1.9m).

£1.6m was paid out or formally committed to in the year 1 January 2020 to 31 December 2020 and a further £115,675 was committed to projects subject to conditions being met. Other expenditure of £101,311 was made in respect of management of the projects and costs relating to the running of the Foundation. Reserves at 31 December 2020 amounted to £887,481 (31 December 2019: £1,185,841).

## TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

### Reserves and Investment Policy

The Reserves at the year end of £887,481 are held mainly by the Foundation and partly by Charities Trust. Since the year end the Trustees have agreed further project expenditure of \$1,561,084. The Trustees monitor reserve levels regularly to ensure that all commitments are met and that future project requests are reviewed on a timely basis. Funds are only committed to new projects once the income has been received. As a result, there is a delay of some months between the receipt of funds, the approval of projects and the subsequent expenditure of funds to complete those projects. Those funds identified for future projects are held in cash balances for safekeeping pending their expenditure.

The current reserves policy is held at £75,000. This is calculated based on keeping £50,000 reserved as seed money for an emergency or unexpected need for money. A further £25,000 is reserved for unforeseen day-to-day operational costs. As projects are not signed off until funds are received, we do not require reserved funds for uncertainty of future income, or “troughs” in the cash budget.

### Plans for Future Periods

The Trustees intend to continue to increase investment into existing schools to give the best possible learning environment for the students.

The Trustees have adopted a new strategic plan for 2020-2023, which includes the Foundation's strategic goal to have helped fund at least a further 15 schools and a further 7,000 school places for children in coffee growing communities, providing a safe quality education, by 2023. The second strategic goal is that by 2023, the Foundation will have helped fund programmes to ensure that at least 45% of secondary school leavers are girls. The Foundation will also trial funding to improve teacher and school leader training in Foundation funded schools and to work with our implementation partners to agree shared good practice and minimum standards for child protection and safeguarding systems.

Further details on the Costa Foundation activity can be found on our website at <http://www.costafoundation.com>

### Trustees' Responsibilities

The Trustees, who are directors of the Foundation, are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and the Generally Accepted Accounting Practice in the UK. Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources, including the income and expenditure, of the Foundation 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 in the Charities Statement of Recommended Practice
- make judgements and estimates that are reasonable and prudent

## TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in operation.

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

### Appointment of Statutory Auditor

Mazars LLP have been re-appointed as auditor and have signified their willingness to continue in office.

### Statement of Disclosure to the Statutory Auditor

The Trustees have taken all necessary steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information. As far as the Trustees are aware, there is no relevant audit information of which the Foundation's auditor are unaware.

### Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

The Annual Report was approved by the Board of Trustees on 30 September 2021 and signed on their behalf by:

*Russell Fairhurst*

Russell Fairhurst (Sep 30, 2021 17:27 GMT+1)

R Fairhurst, Trustee

## Independent Auditor’s Report to the Members of The Costa Foundation

### Opinion

We have audited the financial statements of The Costa Foundation (the ‘charity’) for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity’s affairs as at 31 December 2020 and of 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## Independent Auditor's Report to the Members of The Costa Foundation

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions 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 which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

## **Independent Auditor’s Report to the Members of The Costa Foundation**

### **Responsibilities of Trustees**

As explained more fully in the trustees’ responsibilities statement set out on page 4-16, 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 charity’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor’s 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 auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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. Based on our understanding of The Costa Foundation and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, the Charities Statement of Recommended Practice, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud and money laundering, and 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 Charities Accounts (Scotland) Regulations 2006.

We evaluated the 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 were related to posting manual journal entries to manipulate financial performance and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

## Independent Auditor’s Report to the Members of The Costa Foundation

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor’s report.

### Use of the audit report

This report is made solely to the charity’s members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity’s members those matters we are required to state to them in an auditor’s 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 charity and the charity’s members as a body for our audit work, for this report, or for the opinions we have formed.



Vincent Marke (Sep 30, 2021 18:15 GMT+1)

Vincent Marke (Senior Statutory Auditor)

for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor

The Pinnacle  
160 Midsummer Boulevard  
Milton Keynes  
MK9 1FF  
Date: 30 September 2021

**STATEMENT OF FINANCIAL ACTIVITIES  
INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR TO 31 DECEMBER 2020**

	Note	Unrestricted Funds £	Restricted Funds £	Year ended 31 December 2020 Total £	Period ended 31 December 2019 Total £
<b>INCOME FROM:</b>					
Voluntary income	2	1,358,776	57,086	1,415,862	1,911,167
<b>TOTAL INCOME</b>		<u>1,358,776</u>	<u>57,086</u>	<u>1,415,862</u>	<u>1,911,167</u>
<b>EXPENDITURE ON:</b>					
Charitable activities	3	1,657,135	57,086	1,714,221	1,518,244
<b>TOTAL EXPENDITURE</b>		<u>1,657,135</u>	<u>57,086</u>	<u>1,714,221</u>	<u>1,518,244</u>
<b>NET MOVEMENT IN FUNDS</b>		(298,359)	-	(298,359)	392,923
<b>TOTAL FUNDS BROUGHT FORWARD</b>	11	<u>1,185,841</u>	<u>-</u>	<u>1,185,841</u>	<u>792,918</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>887,482</u>	<u>-</u>	<u>887,482</u>	<u>1,185,841</u>

The notes on pages 24 to 30 form an integral part of these financial statements.

**BALANCE SHEET  
AS AT YEAR ENDED 31 DECEMBER 2020**

	Note	Unrestricted Funds £	Restricted Funds £	31 December 2020 Total £	31 December 2019 Total £
<b>CURRENT ASSETS</b>					
Debtors	8	361,943	-	361,943	441,005
Cash & cash equivalents	9	1,070,584	-	1,070,584	1,558,172
<b>TOTAL CURRENT ASSETS</b>		<b>1,432,527</b>	<b>-</b>	<b>1,432,527</b>	<b>1,999,177</b>
<b>CREDITORS: amounts falling due within one year</b>					
	10	545,045	-	545,045	813,336
<b>Net current assets</b>					
Total assets less current liabilities		887,482	-	887,482	1,185,841
<b>Net assets</b>					
		<b>887,482</b>	<b>-</b>	<b>887,482</b>	<b>1,185,841</b>
<b>FUNDS OF THE CHARITY</b>					
Total funds	11	887,482	-	887,482	1,185,841

The Costa Foundation is a Company limited by guarantee registered in England and Wales. Company number 08064488. Charity number 1147400. Scottish Charity number SC043414.

The accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relative to small companies.

The financial statements were approved and authorised for issue by the Board of Trustees on 30 September 2021 and signed on its behalf by:

  
Kay Brunton (Sep 30, 2021 14:23 GMT+1)

K Brunton  
Trustee

The notes on pages 24 to 30 form an integral part of these financial statements.

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>Year to 31 December 2020 £</b>	<b>Period to 31 December 2019 £</b>
<b>Cash flows from operating activities:</b>		
Net movement in funds	(298,360)	392,923
Increase in debtors	79,062	(176,507)
Increase/(decrease) in creditors	(268,290)	232,024
<b>Net cash inflow from operating activities</b>	<u>(487,588)</u>	<u>448,440</u>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<u>(487,588)</u>	<u>448,440</u>
Opening cash & cash equivalents	1,558,172	1,109,732
Movement in the year	(487,588)	448,440
<b>Cash and cash equivalents at the year end</b>	<u>1,070,584</u>	<u>1,558,172</u>

The notes on pages 24 to 30 form an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

### 1 ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period and the preceding year.

#### 1.1 General information

The Costa Foundation is a company limited by guarantee, incorporated in England and Wales. The address of its registered office, its registered numbers and principal place of business is disclosed on page 1.

The principal activity of the charity is the advancement of education, the relief of poverty and the advancement of health and environment of coffee-growing communities around the world.

The annual report and financial statements are for the year ended 31 December 2020 (the prior annual report and financial statements were for the 10 month period ended 31 December 2019). The financial statements are presented in Sterling and this is the functional currency of the Charity. The financial statements are rounded to the nearest whole pound.

#### 1.2 Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards. In preparing the financial statements the charity follows best practice as set out in the Statement of Recommended Practice: 'Accounting and Reporting by Charities' (SORP 15), the Financial Reporting Standard applicable in the United Kingdom and Ireland (FRS102) and the Charities and Companies Acts.

#### 1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the charity and which have not been designated for other purposes. The charity's general fund may be used by the charity at its discretion to further its stated charitable objectives.

#### 1.4 Income

These are included in the Statement of Financial Activities (SoFA) when:

- the charity becomes entitled to the resources,
- the Trustees are virtually certain they will receive the resources, and
- the monetary value can be measured with sufficient reliability.

#### 1.5 Expenditure

All support costs incurred have been allocated between charitable expenditure and governance as appropriate. There are no costs relating to more than one functional cost category.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

### **1 ACCOUNTING POLICIES (CONTINUED)**

#### **1.6 Allocation of costs**

All expenditure and liabilities are included on an accruals basis and recognised when there is a legal or constructive obligation to pay out resources.

#### **1.7 Foreign Exchange**

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

#### **1.8 Financial Instruments**

Costa Foundation only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction values and subsequently measured at their settlement value.

#### **1.9 Cash and Cash equivalents**

Cash and cash equivalents are cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

#### **1.10 Going concern**

These financial statements have been prepared on a going concern basis. This is based on the charity reserves policy, plus the fact the charity only commits to projects once income has been raised, committed project expenditure is already secure. The charity has the security of a contractual annual donation from Costa Limited of £20k, which is not linked to fundraising. Therefore, we do not view any going concern risk for the charity.

#### **1.11 Judgments in applying accounting policies and key sources of estimation uncertainty**

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The Trustees do not consider there to be any significant judgements, estimates or assumptions in these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

**2 VOLUNTARY INCOME**

	Unrestricted Funds £	Restricted Funds £	Year ended 31 December 2020 £	Period ended 31 December 2019 £
Donations from sales of merchandise by Costa in stores	659,552	-	659,552	825,018
Store Fundraising	445,995	-	445,995	684,066
Matched Giving	200,000	-	200,000	200,000
Donations from Costa	20,000	-	20,000	20,000
Donations from fundraising events	17,561	-	17,561	81,275
General and gift aid donations	5,478	-	5,478	98,104
Payroll Giving	319	-	319	294
Corporate donations	1,346	57,086	58,432	-
Recharges to Costa	8,525	-	8,525	2,410
	<u>1,358,776</u>	<u>57,086</u>	<u>1,415,862</u>	<u>1,911,167</u>

**3 EXPENDITURE**

	Unrestricted Funds £	Restricted Funds £	Year ended 31 December 2020 £	Period ended 31 December 2019 £
Charitable activities				
Project expenditure (note 4)	1,555,824	57,086	1,612,910	1,408,328
Project management costs	65,977	-	65,977	67,781
Cost of Raising Funds	15,888	-	15,888	12,648
Governance costs (note 5)	19,446	-	19,446	29,487
	<u>1,657,135</u>	<u>57,086</u>	<u>1,714,221</u>	<u>1,518,244</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

4 PROJECTS	Year ended 31 December 2020 £	Period ended 31 December 2019 £
Dimtu Hambela A level School		20,470
San Pedro Tutule and Santiago Puringla school, Honduras		15,750
Ethiopia Maintenance		11,543
Goru Bantu, Ethiopia		17
Son Ca Nursery, Vietnam		21,696
Union Alto Nursery, Peru		28,841
El Huabo Primary/Secondary School, Peru		142,254
E4 Noble High School ICT		(5,136)
Tam Lam Nursery School, Vietnam		(15,447)
E5 Noble Dorm expansion		52,963
E4 Apire ICT		(5,136)
E2 Kampinda Sanitation		17,095
E6 Frontiers Dorm expansion		24,817
E3 Kampinda Expansion 2		111,767
FX Adjustment on US projects	(41,515)	3,955
E1 Adame Yirgachefe upgrade	124,221	22,864
Bekayye Primary, Ethiopia	8,871	79,946
Buluk Primary, Ethiopia	8,798	80,050
Dung K’Noh Nursery, Vietnam	13,601	122,152
Ea Nam Nursery, Vietnam	3,053	94,148
Cerro Grande, Nicaragua	15,337	137,763
Santa Teresa Primary School, Colombia	15	-
Kumbi Primary, Ethiopia	44,247	-
Hawo Primary, Ethiopia	36,117	-
Ethiopia Water Installations	56,012	-
Choche Prep, Ethiopia	119,337	-
Hoa Mai Nursery, Vietnam	110,377	-
El Remonlino School, Columbia	92,524	-
PEAS teachers salaries	80,000	-
La Estrellita Primary School	50,960	-
Santa Emilia Primary School	78,242	-
Ea H’ Ding Nursery School	100,201	-
Hoa Trung Nursery School	96,125	-
Sanitation Upgrades imagine 1 Day	92,433	-
Water Install Biloya Second	9,111	-
Water Install Haru High, Ethiopia	10,638	-
Water Install Biloya, Ethiopia	12,442	-
Juan Velasco Alvarado School	15	-
Ethiopia Maint GewGew Kilenso	16,034	-
Subtotal	1,137,196	962,372

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

4	PROJECTS (continued)	Year ended 31 December 2020 £	Period ended 31 December 2019 £
	Bule and Dimtu High School Girls Club	10,435	
	Committed, not paid:		
	Ethiopia Water Installations	-	63,643
	Choche Prep, Ethiopia	-	104,996
	Hoa Mai Nursery, Vietnam	-	103,172
	El Remonlino School, Columbia	-	83,849
	Kumbi Primary, Ethiopia	9,943	49,715
	Hawo Primary, Ethiopia	8,116	40,581
	Adame Yirgachefe upgrade, Ethiopia	96,513	-
	PEAS teachers salaries	20,000	-
	Sanitation Upgrades imagine 1 Day	71,918	-
	La Estrellita Primary School	5,526	-
	Santa Emilia Primary School	60,710	-
	Ea H' Ding Nursery School	77,833	-
	Hoa Trung Nursery School	74,720	-
	Santa Teresa Primary School, Cundinamarca, Columbia	40,000	-
	<b>Committed, not paid</b>	<b>465,279</b>	<b>445,956</b>
	Total project expenditure	<u>1,612,910</u>	<u>1,408,328</u>

**5 GOVERNANCE COSTS**

	Unrestricted Funds £	Restricted Funds £	Year ended 31 December 2020 Total £	Period ended 31 December 2019 Total £
Audit fees	9,540	-	9,540	6,756
Trustee review of projects	1,200	-	1,200	17,967
Trustee insurance	1,069	-	1,069	1,064
Training	-	-	-	(1,140)
Trustee expenses	197	-	197	1,561
Other	7,440	-	7,440	3,279
	<u>19,446</u>	<u>-</u>	<u>19,446</u>	<u>29,487</u>

No trustee received remuneration in the period to 31 December 2020 (31 December 2019: £NIL). Included in the above is £197 of reimbursed expenses to one Trustee (31 December 2019: £1,831 to four Trustees). Trustee Indemnity Insurance was also in place during the period.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

**6 STAFF COSTS**

There are no staff costs included in our disclosures as The Costa Foundation has no employees.

**7 TAXATION**

The charity's activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 1988. Accordingly, there is no taxation charge in these accounts.

**8 DEBTORS**

	<b>31 December 2020</b>	<b>31 December 2019</b>
	£	£
Amounts due from Costa Limited	360,160	432,888
Other debtors	1,783	8,117
	<u>361,943</u>	<u>441,005</u>

**9 CASH & CASH EQUIVALENTS**

	<b>31 December 2020</b>	<b>31 December 2019</b>
	£	£
Current accounts	1,070,584	1,558,172
	<u>1,070,584</u>	<u>1,558,172</u>

**10 LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>31 December 2020</b>	<b>31 December 2019</b>
	£	£
Project expenditure committed, not paid	528,495	787,474
Accruals	8,340	19,221
Other Creditors	8,210	6,641
	<u>545,045</u>	<u>813,336</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

**11 FUNDS**

	As at 31 December 2019 £	Income £	Expenditure £	Transfer £	As at 31 December 2020 £
Unrestricted	1,185,841	1,358,776	(1,657,135)	-	887,481
Restricted	-	57,086	(57,086)	-	-
Total funds	<u>1,185,841</u>	<u>1,415,862</u>	<u>(1,714,221)</u>	<u>-</u>	<u>887,481</u>

Restricted funds consist of:

- Allegra donated £40,000 in 2020 for further Waterfall projects, this has been spent on Santa Emilia and Estrellita Primary Schools, Nicaragua and Hoa Trung Nursery school and Ea H' Ding Nursery School, Vietnam.
- Run for Water donated £17,086 in 2020 for water installation projects with Imagine1Day in Ethiopia.

**12 RELATED PARTIES**

All unrestricted income received originated from Costa Limited and their employees, apart from donations received via the Costa and Costa Foundation websites and third parties.

During the financial year, Neil Lake was a director of Costa Limited and Russell Fairhurst was Secretary of Costa Limited.

Liz Perry, Trustee, was a Trustee of Charities Trust during the financial year who collect monies on behalf of the Foundation.

**13 COMMITMENTS**

The Costa Foundation had commitments of £115,675 (31 December 2019: £563,419) at the year end. These have not been provided for in the financial statements as they are subject to conditions being met before payment.

**14 POST BALANCE SHEET EVENTS**

Following the period end, continued uncertainty has arisen due to the impact of Covid-19. The Trustees' has already assessed this risk and it does not cause for any adjustment to these financial statements.

The Trustees will continue to monitor any impacts of Covid-19 on the Foundation, but as at the date of signing the financial statements do not believe that there has been any significant impact requiring disclosure.