

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

	Page
Trustees' annual report (incorporating the director's report)	2
Independent auditor's report to the members	14
Statement of financial activities (including income and expenditure account)	17
Statement of financial position	18
Statement of cash flows	19
Notes to the financial statements	20

The Costa Foundation

Company Limited by Guarantee

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

Year ended 31 December 2024

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

The Costa Foundation

Company Limited by Guarantee

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

Year ended 31 December 2024

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

The Costa Foundation

Company Limited by Guarantee

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

Year ended 31 December 2024

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

Company Limited by Guarantee

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

Year ended 31 December 2024

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.

The Costa Foundation

Company Limited by Guarantee

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

Year ended 31 December 2024

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.

The Costa Foundation

Company Limited by Guarantee

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

Year ended 31 December 2024

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. 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.

The Costa Foundation

Company Limited by Guarantee

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

Year ended 31 December 2024

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

Company Limited by Guarantee

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

Year ended 31 December 2024

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

The Costa Foundation

Company Limited by Guarantee

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

Year ended 31 December 2024

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
Ia 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)

Year ended 31 December 2024

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 Jalquilla 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. 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

The Costa Foundation

Company Limited by Guarantee

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

Year ended 31 December 2024

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.

The Costa Foundation

Company Limited by Guarantee

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

Year ended 31 December 2024

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 24th July 2025 and signed on behalf of the board of trustees by:



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 2024

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

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

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

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

		2024	Restated 2023
	Note	£	£
Current assets			
Debtors	14	324,600	366,995
Cash at bank and in hand		1,369,930	1,224,200
		1,694,531	1,591,195
Creditors: amounts falling due within one year	15	210,253	210,883
Net current assets		1,484,277	1,380,312
Total assets less current liabilities		1,484,277	1,380,312
Funds of the charity			
Restricted funds		7,551	-
Unrestricted funds		1,476,726	1,380,312
Total charity funds	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 24th 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
	£	£
Cash flows from operating activities		
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	(630)	(127,657)
Cash generated from operations	145,730	(267,077)
Interest paid	-	(272)
Net cash (used in) From operating activities	145,730	(267,349)
Net (decrease)/Increase in cash and cash equivalents	145,730	(267,349)
Cash and cash equivalents at beginning of year	1,224,200	1,491,549
Cash and cash equivalents at end of year	1,369,930	1,224,200

The Costa Foundation

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 December 2024

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

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
	£	£	£
Donations 2024			
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
	£	£	£
Donations 2023			
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
	£	£	£	£
Included in project expenditure is:				
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
Committed, not paid:				
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

1,418,826	192,929	1,611,756	1,197,503
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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
	100,082	41,137

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:	2	1

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

	2024	2023
	No.	No.
£60,000 to £69,999	1	1

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

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

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 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	(210,253)	-	(210,253)
Net assets	1,476,726	7,551	1,484,277
	Restated Unrestricted Funds £	Restricted Funds £	Restated Total Funds 2023 £
Current assets	1,591,195	-	1,591,195
Creditors less than 1 year	(210,253)	-	(210,883)

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.