

Charity registration number: 1149786

Friends of Namuwongo Community Foundation

known as

Formerly - Friends of Ray of Hope - Uganda

Annual Report and Financial Statements

for the Year Ended 31 December 2023

Friends of Namuwongo Community Foundation
known as Formerly - Friends of Ray of Hope - Uganda

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Reference and Administrative Details

Trustees	Liz Jennings
	Steve Jennings
	John Miller
	Mathew Brearley
	Susan Forward
	Nicola Brearley
Charity Registration Number	1149786
Principal Office	15 Keyhaven Road Milford On Sea SO41 0QW
Independent Examiner	MMO Limited Chartered Accountants and Statutory Auditors Wellesley House 204 London Road Waterlooville Hampshire PO7 7AN
Bankers	Barclays Bank PLC

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Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 December 2023.

Financial review

Policy on reserves

The charity ensures it has at least three months money held in reserve to cover expenses, general monthly costs and any unforeseen expenditure.

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

Structure, governance and management

Nature of governing document

The charity is governed by a trust deed document. The charity was entered onto the charities register on the 16th November 2012 and is run by the elected trustees. No trustee received any remuneration. Any new trustee would be elected at regular charity meetings.

Objectives and activities

Public benefit

The charity objective is to advance the education of the pupils at Namuwongo Community Foundation School, Uganda by providing and assisting in the provision of facilities for education at the school and to assist in such ways as the charity trustees think fit for the public benefit.

The unincorporated charity was registered at the Charity Commission on the 12th November 2012

The trustees confirm that they have complied with the requirements of Sec 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Namuwongo Community Foundation (NCF)

NCF is a small Ugandan charity that operates in the slums of Kampala. It works with vulnerable children from the Namuwongo slum community to give them an education, which otherwise they would not receive. It also works with the families of the children to train women in craft skills and assist with micro-finance as far as their means allow

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Trustees' Report (continued)

NCF runs a School that currently caters for the primary years of education, plus the first two years of secondary education. Graduating children are offered vocational training, and for the most academically gifted, the opportunity to progress into higher education. Of course, such opportunities can only be offered if NCF has the means to finance it. NCF operates a Feeding Programme and seeks to empower widows and other underprivileged women by teaching them craft, micro-business skills and life skills.

NCF is directed by Christine Kasapuli, an inspirational young woman who grew up in the local slum community and was a beneficiary of this project when it was first established in 2000. She was sponsored through her education and now has graduated into the leadership role of this organisation. Christine is a great example of one of our NCF principles - "change a life, change lives."

Friends of Namuwongo Community Foundation

Friends... is a small UK registered charity that provides the funding and support for the work of NCF in Uganda.

Although we mention it in every report, it needs to be repeated, that *Friends...* role in the provision of all that NCF does is one of funding and support. We *Friends...* do not provide the services to the community in Namuwongo, the scope of that, and how it is done, is for Christine as Director, in consultation with the NCF board of trustees. It is a service by Ugandans to their community. However, our funding is vital to the continuance of the project. Although NCF do receive a small amount of support intermittently from other sources, funding from '*Friends....*' is by far its major secure source, accounting for 93% or more of their income.

Report for 2023

This year began, as 2022 had ended, with the focus being on where savings could be made to enable NCF to maintain its core responsibilities and keep within its means. NCF and its Board of Trustees, in consultation with the Trustees of Friends of NCF, discussed in January where cuts might best be made. We outlined our funding priorities, identifying them as being; 1. Primary School education provision. 2. The Feeding Programme 3. Fabric maintenance of the school 4. Social work amongst the school's families 5. The provision of limited school fees for existing children sponsored into State schooling 6. In-house Secondary education to avoid further sponsorship into the State system. It was clear, that in the difficult economic climate, we '*Friends...*' could no longer fully fund the Medical Centre. We advised NCF that, although we undertook to offer as much support as we could, it would be necessary for the Centre to become self-funding.

The NCF board acknowledged our priorities but challenged us as to where cuts should be made. The thinking at the project was that an emphasis on getting a smaller number of children through their secondary education made more sense than maintaining a larger number through the primary years.

Friends... trustees concluded at the beginning of the year, that how savings were to be made was best left to those who provided the service to the community in Namuwongo.

In February *Friends...* trustees, Matthew and Nicola Brearley visited the project and matters of financing and expenditure, together with priorities, were discussed at length. Discussions centred on reducing primary class sizes dramatically from the current level of 40-50 children, down to 30. This would enable the two secondary classes to continue, albeit also at a lower number of children in each class. It was also established that the secondary classes would provide a mix of the academic and vocational. With these measures outlined being taken, it was estimated that a budget of £97,000 would be need for the year.

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Trustees' Report (continued)

Our long-term, and much loved, School Head, James, retired. In-keeping with Ugandan practice, he was provided with a cash lump sum in lieu of a pension.

As the year progressed it became clear that NCF had found it difficult to make reductions in their budget. The cost of the Feeding Programme had increased considerably due to price inflation. In addition, in the early summer, heavy rains washed away temporary structures within the school compound that were being used for the two secondary classes. Also, despite an intent to reduce class sizes, this had not been accomplished, and by mid-summer it looked as though both secondary classes might have to be shut down.

Friends... trustees visited again in late June, and this time took with them a group of young people from 'Love Church', Christchurch, to the project. It was a joyous and productive visit, even though it served to underline the severe financial situation at NCF. Thanks to a generous gift from a *Friends...* supporter, 16 lap top computers were delivered to NCF with the promise of continuing back-up and tech support from the UK.

Throughout the summer, various fundraising events took place, such as our Open Gardens event, and a 100 klm sponsored walk, raising much needed funding. Further events occurred later in the year, including 'Festive Fizz' at the Cave Wine Bar in Milford on Sea, and a concert by 'Straight Banana'. Our funds were also boosted by a very generous increase in the funding we receive regularly from our one corporate sponsor, Lottery Funding Services of Milford on Sea, to whom we are most grateful.

Finances for 2023

As already mentioned, the economic climate, both here in the UK and in Uganda, has meant that our ability to raise funds has not kept pace with the cost of providing the services that NCF wish to deliver to their community. It is still the case that we '*Friends...*' still deliver in excess of 90% of NCF's operating budget.

Although our accounts are provided separately to this report, in a nutshell, our income for the year 2023 was £117,000 and our outgoings totalled £115,000. Although these figures would suggest that we comfortably met our NCF commitments, the truth is that for two of the three terms, we were unable to send the full budget in one payment and had to send a 'top-up' when funds became available.

We are so grateful to our long-standing and committed supporters, many of whom have been with us for a decade or more. However, the difficulty we have experienced this year in providing support for the NCF project is likely only to grow unless we can access new streams of funding.

Plans for 2024

Well, it will not surprise you that fundraising here in the UK, and cost-cutting in Uganda, will top the list of priorities in the coming year. It is sad to have the prospect of cutting services offered by NCF rather than being able to witness more growth and the blessing that it would bring to the community in Namuwongo. Although we stand with both feet firmly on the ground, we are a faith-based operation and trust that even when things are looking pretty grim, God has a surprise for us just around the corner.

In closing this report, on behalf of the Trustees of Friends of NCF, and the NCF Team in Uganda and the hundreds of people they serve, I once again offer my sincere thanks to all of our fellow '*friends*.'

Steve Jennings

Treasurer and Trustee

Friends of Namuwongo Community Foundation

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The annual report was approved by the trustees of the charity on 15/08/24 and signed on its behalf by:

K. Jennings

Liz Jennings
Trustee

Steve Jennings

Steve Jennings
Trustee

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Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

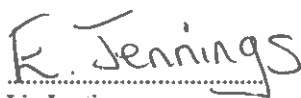
The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in business.

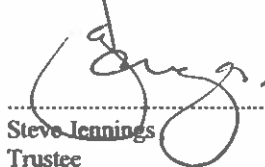
The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, and the provisions of the constitution. The trustees 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 trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees of the charity on 15/08/24 and signed on its behalf by:



Liz Jennings
Trustee



Steve Jennings
Trustee

Friends of Namuwongo Community Foundation

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Independent Examiner's Report to the trustees of Friends of Namuwongo Community Foundation

I report to the trustees on my examination of the accounts of Friends of Namuwongo Community Foundation for the year ended 31 December 2023.

Responsibilities and basis of report

As the charity trustees of Friends of Namuwongo Community Foundation you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

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

Independent examiner's statement

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

1. accounting records were not kept in respect of Friends of Namuwongo Community Foundation as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Gillian McIntosh for and on behalf of MMO Limited
Chartered Accountants and Statutory Auditors
ICAEW

Wellesley House
204 London Road
Waterlooville
Hampshire
PO7 7AN

Date: 19/08/2024

Friends of Namuwongo Community Foundation

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Statement of Financial Activities for the Year Ended 31 December 2023

	Note	Unrestricted funds £	Total 2023 £
Income and Endowments from:			
Donations and legacies		104,397	104,397
Other trading activities		14,540	14,540
Total income		118,937	118,937
Expenditure on:			
Charitable activities		(115,233)	(115,233)
Total expenditure		(115,233)	(115,233)
Net income		3,704	3,704
Net movement in funds		3,704	3,704
Reconciliation of funds			
Total funds brought forward		233,321	233,321
Total funds carried forward	12	237,025	237,025
	Note	Unrestricted funds £	Total 2022 £
Income and Endowments from:			
Donations and legacies		68,666	68,666
Other trading activities		16,452	16,452
Total income		85,118	85,118
Expenditure on:			
Charitable activities		(102,378)	(102,378)
Total expenditure		(102,378)	(102,378)
Net expenditure		(17,260)	(17,260)
Net movement in funds		(17,260)	(17,260)
Reconciliation of funds			
Total funds brought forward		250,581	250,581
Total funds carried forward	12	233,321	233,321

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2022 is shown in note 12.

The notes on pages 10 to 18 form an integral part of these financial statements.

Friends of Namuwongo Community Foundation

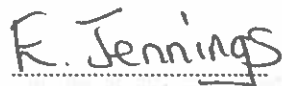
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(Registration number: 1149786)

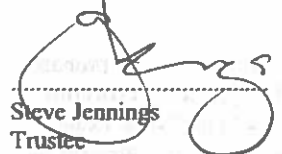
Balance Sheet as at 31 December 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	9	207,484	207,484
Current assets			
Cash at bank and in hand	10	31,881	28,177
Creditors: Amounts falling due within one year	11	<u>(2,340)</u>	<u>(2,340)</u>
Net current assets		<u>29,541</u>	<u>25,837</u>
Net assets		<u>237,025</u>	<u>233,321</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted		<u>237,025</u>	<u>233,321</u>
Total funds	12	<u>237,025</u>	<u>233,321</u>

The financial statements on pages 8 to 18 were approved by the trustees, and authorised for issue on 15/03/24 and signed on their behalf by:



Liz Jennings
Trustee



Steve Jennings
Trustee

The notes on pages 10 to 18 form an integral part of these financial statements.

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Notes to the Financial Statements for the Year Ended 31 December 2023

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

Friends of Namuwongo Community Foundation meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

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Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Taxation

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

Tangible fixed assets

Individual fixed assets costing £100.00 or more are initially recorded at cost.

Depreciation and amortisation

The trustees have decided not to depreciate the land and buildings

Asset class	Depreciation method and rate
Land and buildings	nil depreciation

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

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Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

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Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

2 Income from donations and legacies

	Unrestricted funds General £	Total funds £
Donations and legacies;		
Donations from individuals	55,007	55,007
Regular giving and capital donations	49,390	49,390
Total for 2023	104,397	104,397
Total for 2022	68,666	68,666

3 Income from other trading activities

	Unrestricted funds General £	Total funds £
Events income;		
Other events income	14,540	14,540
Total for 2023	14,540	14,540
Total for 2022	16,452	16,452

4 Expenditure on charitable activities

	Unrestricted funds General £	Total funds £
Staff costs	69,000	69,000
Governance costs	945	945
Total for 2023	69,945	69,945
Total for 2022	31,960	31,960

Note

Friends of Namuwongo Community Foundation

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Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

5 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total funds £
Audit fees		
Other fees paid to auditors	696	696
Other governance costs	249	249
Total for 2023	945	945
Total for 2022	960	960

6 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

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Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

7 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	<u>69,000</u>	<u>31,000</u>

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2023 No	2022 No
Employees during the year	<u>10</u>	<u>10</u>

No employee received emoluments of more than £60,000 during the year

8 Taxation

The charity is a registered charity and is therefore exempt from taxation.

9 Tangible fixed assets

	Land and buildings £	Total £
Cost		
At 1 January 2023	<u>207,484</u>	<u>207,484</u>
At 31 December 2023	207,484	207,484
Depreciation		
At 31 December 2023	<u>-</u>	<u>-</u>
Net book value		
At 31 December 2023	<u>207,484</u>	<u>207,484</u>
At 31 December 2022	<u>207,484</u>	<u>207,484</u>

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Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

As a UK based charity, Friends of Ray of Hope- Uganda cannot own property in Uganda. The original school purchased in 2011 was held in the name of another UK charity that was registered in Uganda and therefore eligible to own property. The title document is held in the name of Hope for Children although there is a caveat included making clear the arrangement that Friends of Ray of Hope – Uganda is in fact the owner and that Hope for Children's name on the title is purely an administrative arrangement.

During 2017 a new school property was purchased and was originally put in the name of the Ugandan NGO whom the charity worked with. The charity was advised to hold the property in the name of the vendor with a caveat securing the property in the charity's interest.

A new NGO is now formed among staff members with a new director and is now registered (Namuwongo Community Foundation). Matters are currently in hand with their Ugandan Solicitors to effect the transfer of the property to the new NGO once the appropriate governance is set up.

10 Cash and cash equivalents

	2023 £	2022 £
Cash at bank	<u>31,881</u>	<u>28,177</u>

11 Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals	<u>2,340</u>	<u>2,340</u>

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Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

12 Funds

	Balance at 1 January 2023 £	Incoming resources £	Resources expended £	Balance at 31 December 2023 £
Unrestricted funds				
General				
General	<u>233,321</u>	<u>118,937</u>	<u>(115,233)</u>	<u>237,025</u>
	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Balance at 31 December 2022 £
Unrestricted funds				
General				
General	<u>250,582</u>	<u>85,118</u>	<u>(102,379)</u>	<u>233,321</u>

Friends of Namuwongo Community Foundation

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Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

13 Analysis of net assets between funds

	Unrestricted funds General £	Total funds at 31 December 2023 £
Tangible fixed assets	207,484	207,484
Current assets	31,881	31,881
Current liabilities	(2,340)	(2,340)
Total net assets	237,025	237,025
	Unrestricted funds General £	Total funds at 31 December 2022 £
Tangible fixed assets	207,484	207,484
Current assets	28,177	28,177
Current liabilities	(2,340)	(2,340)
Total net assets	233,321	233,321