

Company No: 08147905
Charity Registered Number: 1149856

THE KAYS FOUNDATION
(COMPANY LIMITED BY GUARANTEE)

**CONSOLIDATED
FINANCIAL STATEMENTS**

YEAR ENDED 5 APRIL 2021

CHAMBERLAINS UK LLP
Chartered Accountants & Statutory Auditors
173 Cleveland Street
London
UK
W1T 6QR

**THE KAYS FOUNDATION
CONSOLIDATED
FINANCIAL STATEMENTS**

YEAR ENDED 5 APRIL 2021

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**THE KAYS FOUNDATION
CONSOLIDATED
FINANCIAL STATEMENTS**

YEAR ENDED 5 APRIL 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Status	The Kays Foundation is a company limited by guarantee, incorporated on 18 July 2012 and registered as a charity on 21 November 2012.
Company Number	08147905
Charity Number	1149856
Registered Office	173 Cleveland Street London W1T 6QR
Directors / Trustees	Mr P N Nathwani Mr M G Gudka Mr M N Nathwani Mrs S M Kanani Mr T M Kabuga
Auditors	Chamberlains UK LLP Chartered Accountants & Statutory Auditors 173 Cleveland Street London W1T 6QR
Bankers	Habib Bank AG Zurich Habib House 42 Moorgate London EC2R 6JJ

**THE KAYS FOUNDATION
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YEAR ENDED 5 APRIL 2021

TRUSTEES' REPORT

The trustees, who are also the directors of the Foundation for the purposes of company law, are pleased to present their report and the consolidated financial statements of the Kays Foundation for the year ended 5 April 2021.

Structure, governance and management

Governing document

The Foundation is a charitable company limited by guarantee, incorporated on 18 July 2012 and registered as a charity on 21 November 2012. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £10 each.

Recruitment and training of trustees

The directors of the company are also charity trustees for the purposes of charity law. A new trustee is appointed by a resolution of the board of trustees.

Induction and training of the trustees is done by providing them with the Articles and Memorandum of Association, the latest set of accounts and various reading up references. If needed, special training sessions can be arranged with the existing trustees to provide guidance.

The trustees consider the board of trustees to be the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

Objectives and activities

The charity's objects are specifically restricted to the following:

The advancement of such charitable purpose or purposes and/or the support of such charitable institution or institutions in any part of the world as the directors of the company in their absolute discretion from time to time select, and in such manner as the directors of the company from time to time determine.

During the year, the Foundation made total donations of £265,617 (2020: £205,915). Some of the bigger donations made during the year are described below: -

Shujaaz Inc - A two year partnership agreement was signed in February 2020 for which during the year to 5 April 2021, a grant of £115,616 was made. Shujaaz Inc is the publisher of the most read comic book in the world. Beyond this they connect to their audiences on their various social media channels and on their radio show. By conservative estimates they reach more than 7.5m young Kenyans every week. Their ventures connect young people with the information, skills and resources they need to take control; embedding them in a digital and real-world community that gives them the self-belief to succeed, in their context and on their terms. The Kays Foundation's grant to Shujaaz Inc funds their inclusion of Early Childhood themes across their touchpoints, helping to start a positive, healthy and well informed conversation on the topic with Kenyan youth. The overall grant to be provided by the Kays Foundation to Shujaaz Inc is for the sum of \$600,000 to be paid in four equal instalments of \$150,000 over the two year agreement.

Shree Jalaram Satsang Mandal - In March 2021, a one off grant of £145,001 was made to the Shree Jalaram Satsang Mandal in Kenya.

THE KAYS FOUNDATION CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2021

TRUSTEES' REPORT

(continued)

Achievements and performance

During the year to 5th April 2021, the Foundation continued its approach from the previous year. The Foundation continues to focus on making investments to improve outcomes for all young people in Kenya, its attention focusing on the early childhood life-stage (defined as 'conception to 5 years old').

In addition, the Foundation has continued to support its social investment in Akili Network USA LLC. Akili Network is the first free-to-air children's TV channel in Kenya. It brings educational entertainment content to 750,000 children every half hour, and is currently the second most watched TV channel in Kenya. When Kenyan schools closed during the COVID crisis, Akili Kids was ready to step in and support children's education when they needed it the most - whether that was through ensuring they continue to learn to read and write, by providing short engaging animations teaching children how to wash their hands and wear a mask, or simply keeping them indoors and safe.

Furthermore, during the year, the Foundation has continued to engage with philanthropic consultants and has sought guidance and advice from specialist charity solicitors. The trustees feel that the use of bringing expert external advice enables the Foundation to deliver its charitable aims and continues to strengthen its internal governance structure.

Going concern

The trustees believe that due to the availability of reserves, there are no material uncertainties about the charity's ability to continue for at least the next 12 months from the date of this report. In particular, the Trustees have considered the potential implications of the Coronavirus (COVID-19) pandemic and are confident that the charity will be able to remain operational throughout the pandemic.

Risk management

The Trustees recognise that there are risks to which the Charity is exposed. The Trustees keep all major risks to the organisation under regular review and this is seen as integral to the achievement of our strategic goals. The trustees are satisfied that we have a formal review in place and consider new and emerging risks and through their day to day activities the staff are encouraged and guided to ensure the risk management processes are effectively implemented. Systems have been established to mitigate known risks, including financial controls, employment procedures, agreements with partners and volunteer training. The Trustees keep proper accounting records and take reasonable steps for the prevention and detection of fraud and other irregularities. Health and safety, equal opportunities and quality standards are prioritised. Records and archives are securely stored and electronic data carefully protected.

Related party

The charitable company holds 100% shares in Port Perry Investments Limited, a company registered in the Isle of Man.

Reserves policy

All the reserves are unrestricted i.e. they can be applied at the discretion of the trustees. The charity has a policy of retaining £20,000 income reserves to ensure continuity of its operations and its own management. These reserves are not officially designated but rather maintained under general guidance. The charity has an expandable endowment for its general purposes.

Level of reserves is reviewed annually by the trustees.

THE KAYS FOUNDATION CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2021

TRUSTEES' REPORT

(continued)

Financial review

The consolidated Statement of Financial Activities (SOFA) on page 10 shows a net increase in funds for the year of £6,711,099 (2020 deficit - (6,420,147)). The SOFA shows the financial activity of the group distinguishing between endowment capital and unrestricted funds and shows the results for the year. At the balance sheet date, the group had net assets of £29,698,572 (2020: £22,927,473).

Plans for future periods

The trustees of the Foundation are committed to continually listening and learning in order to ensure they are investing to achieve maximum impact. This will involve an ongoing process of research into the chosen area of focus, continual development of the network of peers, and an evaluation of how the Foundation's funds can be best invested to create lasting impact.

Trustees responsibilities in relation to financial statements

The trustees, who are also directors of the Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year and not approve the financial statements unless they are satisfied that the financial statements give a true and fair view of the state of the affairs of the charitable company and the group as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the year then ended.

In preparing those 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 sound judgements and arrive at estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will not continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities Act 2011. They are also responsible for safeguarding the assets of the company and taking reasonable steps for the prevention and detection of fraud or other irregularities.

In accordance with the Charities Act 2011, the trustees confirm that they have given due consideration to Charity Commission Public Benefit Guidance as required by the Section 4 of the Charities Act 2011.

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 charitable company'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 charitable company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

**THE KAYS FOUNDATION
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YEAR ENDED 5 APRIL 2021

TRUSTEES' REPORT

(continued)

Small company provisions

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

On behalf of the trustees


Mr. P N Nathwani
(Director)

Date: 14 December 2021

THE KAYS FOUNDATION
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE KAYS FOUNDATION
YEAR ENDED 5 APRIL 2021

Opinion

We have audited the consolidated financial statements of The Kays Foundation (the 'parent charity') for the year ended 5 April 2021 which comprise the Consolidated and Charity statement of financial activities, group statement of financial position, cashflow statement 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 5 April 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 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the consolidated financial statements is not appropriate; or
- the trustees' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

THE KAYS FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE KAYS FOUNDATION

(continued)

YEAR ENDED 5 APRIL 2021

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 and the Charities Act 2011 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.

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.

THE KAYS FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE KAYS FOUNDATION

(continued)

YEAR ENDED 5 APRIL 2021

Auditor's responsibilities for the audit of the financial statements (cont....)

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

- we obtained an understanding of the group and parent charity and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through with trustees and management, industry research and experience of the sector.
- we determined the principal laws and regulations relevant to the group and parent charity in this regard to be those arising from the Charities Act 2011, the Companies Act 2006 for the subsidiary as well as relevant tax employee legislation.
- we designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent charity with those laws and regulations. These procedures included but were not limited to enquires of management and review of minutes.
- we also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the valuation of investments to be an area of risk.
- as in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to the following: -
 - the testing of journals;
 - reviewing accounting estimates for evidence of bias; and
 - evaluating the business rationale of any significant transaction that is unusual or outside the normal course of the business.
- the engagement partner also ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- enquiries were made of management and the board of Trustees, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.

THE KAYS FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE KAYS FOUNDATION

(continued)

YEAR ENDED 5 APRIL 2021

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

This report is made solely to the charity's trustees', as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees' 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 trustees' as a body, for our audit work, for this report, or for the opinions we have formed.



Chamberlains UK LLP
Chartered Accountants & Statutory Auditors
173 Cleveland Street
London
W1T 6QR

Date: 15 December 2021

THE KAYS FOUNDATION
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 5 APRIL 2021

	Notes	Endowment Capital Fund 2021 £	Unrestricted Income Funds 2021 £	Total Group Funds 2021 £	Total Group Funds 2020 £
INCOMING RESOURCES					
Donations and legacies		-	-	-	-
Investment Property Rental Income	2	-	931,898	931,898	975,135
Investment Income	2	-	834,326	834,326	1,241,887
Bank Deposit Interest	2	-	421	421	-
Total Incoming Resources		-	1,766,645	1,766,645	2,217,022
RESOURCES EXPENDED					
Charitable Activities	3a	-	265,617	265,617	205,915
Cost of Generating Funds	3b	-	680,087	680,087	1,279,893
Governance Costs	4	-	97,515	97,515	92,200
		-	1,043,219	1,043,219	1,578,008
NET INCOMING RESOURCES					
Net (Deficit) / Income for the year		-	723,426	723,426	639,014
Gains on Disposal Fixed Assets	12	638,787	-	638,787	405,928
Foreign exchange gains/(losses)		-	104,162	104,162	(1,827,625)
Investment Revaluation gains/(losses)	12	5,807,880	-	5,807,880	(5,516,867)
Profit/(losses) from Disposal of Fixed Asset Investments	12	(503,156)	-	(503,156)	(120,597)
Net Movement in Funds		5,943,511	827,588	6,771,099	(6,420,147)
ENDOWMENT CAPITAL FUND & REVENUE RESERVES					
Brought forward		22,627,993	299,480	22,927,473	29,347,620
Funds at 5 April 2021		28,571,504	1,127,068	29,698,572	22,927,473

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 16 to 24 form part of these financial statements.

THE KAYS FOUNDATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
YEAR ENDED 5 APRIL 2021

		GROUP		GROUP	
	Notes	2021	2021	2020	2020
		£	£	£	£
FIXED ASSETS					
Tangible Assets	5		15,225,000		14,709,000
Investments	6		18,150,574		14,976,113
			<u>33,375,574</u>		<u>29,685,113</u>
CURRENT ASSETS					
Debtors	7	396,956		512,746	
Cash at Bank and in Hand		<u>2,347,606</u>		<u>1,107,749</u>	
		2,744,562		1,620,495	
CREDITORS					
Amounts falling due within one year	9	<u>927,564</u>		<u>2,700,135</u>	
		927,564		2,700,135	
NET CURRENT LIABILITIES			<u>1,816,998</u>		<u>(1,079,640)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			35,192,572		28,605,473
CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR					
Bank loan	10		(5,494,000)		(5,678,000)
NET ASSETS			<u><u>29,698,572</u></u>		<u><u>22,927,473</u></u>
THE FUNDS OF CHARITY					
Endowment Capital Fund	12		28,571,504		22,627,994
Corporate Revenue Reserves			1,127,068		299,479
TOTAL FUNDS			<u><u>29,698,572</u></u>		<u><u>22,927,473</u></u>

The notes on pages 16 to 24 form part of these financial statements.

THE KAYS FOUNDATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
YEAR ENDED 5 APRIL 2021 *(continued)*

The consolidated accounts have been prepared as required by the Charities Act 2011 and in accordance with the requirements of the Companies Act and with applicable financial reporting standards.

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

The financial statements were approved and authorised for issue by the Trustees on 14 December 2021 and signed on their behalf by:


Mr. P N Nathwani
(Director)

The notes on pages 16 to 24 form part of these financial statements.

THE KAYS FOUNDATION
COMPANY STATEMENT OF FINANCIAL POSITION
YEAR ENDED 5 APRIL 2021

		COMPANY		COMPANY	
	Notes	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Investments	6		24,274,208		18,243,089
			<u>24,274,208</u>		<u>18,243,089</u>
CURRENT ASSETS					
Debtors	8	3,853,200		3,907,177	
Cash at Bank and in Hand		<u>1,761,003</u>		<u>928,248</u>	
		5,614,203		4,835,425	
CREDITORS					
Amounts falling due within one year	11	<u>189,839</u>		<u>151,041</u>	
NET CURRENT ASSETS			5,424,364		4,684,384
TOTAL NET ASSETS			<u>29,698,572</u>		<u>22,927,473</u>
THE FUNDS OF CHARITY					
Endowment Capital Fund			20,328,019		14,016,922
Corporate Revenue Reserves			<u>9,370,553</u>		<u>8,910,551</u>
TOTAL FUNDS			<u>29,698,572</u>		<u>22,927,473</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. The company was entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies, but as this company is a charity it is subject to audit under the Charities Act 2011.

Directors' responsibilities:

- The members have not required to obtain an audit of its accounts for the period in accordance with Section 476 of the Companies Act.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved and authorized for issue by the Trustees on 14 December 2021 and signed on their behalf by:



Mr. P N Nathwani
(Director)

The notes on pages 16 to 24 form part of these financial statements.

THE KAYS FOUNDATION
CONSOLIDATED AND CHARITY
STATEMENT OF CASH FLOWS

YEAR ENDED 5 APRIL 2021

	GROUP		COMPANY	
	2021	2020	2021	2020
	£	£	£	£
Cash flows from operating activities:				
Net (expenditure)/income for the reporting period	6,416,322	(6,420,148)	1,281,837	2,761,032
Net(gains)/losses on investments	(5,943,511)	5,231,536	(1,469,029)	914,404
Foreign exchange movements in investments	104,162	(1,827,625)	80,116	(250,220)
Add: Non-operating investment management cost	51,742	(338,909)	51,742	(338,909)
Less: Non-operating investment income reinvested	180,998	180,583	180,998	180,583
Decrease/(increase) in trade and other receivables	198,253	(279,681)	71,852	32,569
(Decrease)/increase in trade and trade payables	(1,837,160)	(483,846)	38,798	124,122
Decrease/(increase) in investments	-	-	-	-
Net cash from/(used in) operating activities	(829,194)	(3,938,090)	236,314	3,423,581
Cash flows from investing activities				
Proceeds from sale of tangible assets	-	-	-	-
Proceeds from disposal of loans to Participating interests	-	-	-	-
Purchases of other investments other than loans	44,405,357	28,376,716	34,455,751	33,902,626
Proceeds from sale of investments	(51,643,292)	(36,667,157)	(33,859,310)	(36,667,157)
Net cash from/(used in) investing activities	(7,237,935)	(8,290,441)	596,441	(2,764,531)
Bank loan and overdrafts	9,306,986	9,528,000	-	-
Amount from creditors amounts due for more than one year	-	-	-	-
Net cash used in financing activities	9,306,986	9,528,000	-	-
Net increase/(decrease) in cash and cash equivalents	1,239,857	(2,700,531)	832,755	659,050
Cash and cash equivalents at beginning of year	1,107,749	3,808,280	928,248	269,198
Cash and cash equivalents at end of year	2,347,606	1,107,749	1,761,003	928,248

The notes on pages 16 to 24 form part of these financial statements.

THE KAYS FOUNDATION
NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2021

1a. General Information

The charity is a private company limited by guarantee, registered as a charity in England and Wales. The address of the registered office is 173 Cleveland Street, London, W1T 6QR

1b. Principal Accounting Policies

Statement of compliance

The company's own 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 Charities Act 2011.

The consolidated accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Advantage has been taken of paragraph 3(3) of Schedule 4 of the Companies Act 2006 to allow the format of the financial statements to be adapted to reflect the special nature of company's operations as a charity.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP the restatement of comparative items was required.

Preparation of accounts on a going concern basis

The trustees believe that due to the availability of reserves, there are no material uncertainties about the charity's ability to continue for at least the next 12 months from the date of this report. In particular, the Trustees have considered the potential implications of the Coronavirus (COVID-19) pandemic and are confident that the charity will be able to remain operational throughout the pandemic.

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary, Port Perry Investments Limited on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The surplus of the parent charity was £460,001 (2020: £2,510,812).

Critical accounting judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the charities accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The particular accounting policies adopted are set out below.

Accounting convention

The financial statements are prepared under the historical cost basis as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income and expenditure,

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

Incoming resources

All incoming resources are recognised once the charity has entitlement to income, it is probable that income will be received, and the amount of income receivable can be measured reliably. The following specific policies are applied to particular categories of income:

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1b. Principal Accounting Policies *(continued)*

- Rental income is recognised when due.
- Donations are recognised when gift is made.
- Where donations are received otherwise than in cash, they are valued at the market value of the underlying assets as at the date of gift, as required by the Charities SORP.

Recognition of liabilities

Liabilities are recognised on accruals basis in accordance with the Charities SORP.

Resources expended

Charitable expenditure

Charitable expenditure includes all expenditure directly related to the objects of the charity and comprises the following;

Cost of generating charitable activities

The cost of generating charitable activities includes charitable payments made and any related support costs for making such payment.

Governance cost

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

Unrealised and realised gains

Realised gains and losses are included in the accounts on the date at which a contractual obligation is entered into.

Unrealised gains and losses are computed by reference to the market value of the investments at the balance sheet date, compared to the brought forward cost or valuation, and gains and losses arising on similar categories of investments are netted off.

Taxation

The company is a registered charity and as such is entitled to the exemption from tax to the extent that the income falls within section 505 ICTA 1988 and section 256 CGTA and is applied for charitable purposes only. Value Added tax is not recoverable by the company and is therefore included in the relevant costs in the Statement of Financial Activities.

Finance and operating leases

Rentals payable in respect of operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial activities as incurred.

Finance leases are accounted for in accordance with the requirements of FRS 102.

Investments

Listed and other marketable investments which are included within current assets are measured at fair value with changes in fair value being recognised. Other unlisted equity investments included within fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Realised gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are shown in the Statement of Financial Activities under Net Incoming Resources.

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.

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1b. Principal Accounting Policies *(continued)*

Investment properties

Investments properties are shown at their fair values. Movements in the fair values of investment properties are shown as unrealised gains and losses in the Statement of Financial Activities.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

Funds

Unrestricted funds are donations and other income receivable or generated for the objects of the charity.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or trust deed.

Related party transactions

The company has taken advantage of the fact that disclosure is not required of transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group.

Foreign currency translation

The charities functional and presentation currency is pound sterling. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are recognised in the SOFA.

Legal status

The Kays Foundation is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

2. Incoming Resources

	Endowment Capital Fund £	Unrestricted Income Funds £	Total Funds 2021 £	Total Funds 2020 £
Investment Property Rental Income	-	931,898	931,898	975,135
Investment Income	-	834,326	834,326	1,241,887
Bank Deposit Interest	-	421	421	-
	-	1,766,645	1,766,645	2,217,022

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3a. Charitable Activities

	Endowment Funds £	Unrestricted Funds £	Total 2021 £	Total 2020 £
Grant making	-	265,617	265,617	205,915
Charity and Group Total	-	265,617	265,617	205,915

3b. Cost of Generating Funds
Estate Management Costs

Ground Rent	-	25,536	25,536	27,506
Insurance	-	(2,066)	(2,066)	17,846
Training and conference costs	-	610	610	1,172
Property management fees	-	20,682	20,682	18,143
Repairs and maintenance	-	48	48	48
Letting Fees	-	11,051	11,051	15,784
Administration expenses	-	46,904	46,904	47,700
Directors salaries & NI	-	151,615	151,615	140,345
Wages & salaries	-	27,254	27,254	32,390
Travel and subsistence	-	2,525	2,525	20,302
Other establishment	-	-	-	2,181
Legal Fees	-	42,956	42,956	124,706
Total Estate Management Costs	-	327,115	327,115	448,123

Finance Costs

Financial Costs	-	62,360	62,362	54,122
Bank Charges	-	11,708	11,707	42,824
Bank Loan Interest	-	225,134	225,134	227,883
Investment management cost	-	53,770	53,770	506,941
Total Finance Costs	-	352,972	352,972	831,770
Group Total Cost of Generating Funds	-	680,087	680,087	1,279,893

4. Governance Cost

Professional Fees	-	1,500	1,500	15,000
Accountancy Fees	-	82,179	82,179	65,200
Auditors' Remuneration (Charity)	-	13,836	13,836	12,000
Charity and Group Total	-	97,515	97,515	92,200

5. Group Tangible Fixed Assets

	Investment Properties £
At Fair Value	
6 April 2020	14,709,000
Additions	-
Disposal	-
Revaluation	516,000
5 April 2021	15,225,000

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The fair value of the investment properties have been arrived at by adjusting for any movements as deemed appropriate by the directors to 5 April 2021 by reference to professional valuation carried out. No depreciation or amortisation is provided in respect of these properties. The historical cost of these investment properties amounted to £12,344,414 (2020: £12,344,414) at the balance sheet date.

6. Investments
Group Investments

	Listed Investments		Other	
	Company	Subsidiary	Investments	Total
<u>Unlisted Investments</u>	£	£	£	£
<u>Shareholding</u>				
At 6 April 2020	-	-	39	39
Additions/transfer	-	-	-	-
Disposal/other movement	-	-	-	-
(a)	-	-	39	39
<u>Loan Advances</u>				
At 6 April 2020	-	-	5,957,194	5,957,194
Advanced in the year	-	-	538,016	538,016
Repaid in the year	-	-	(1,061,288)	(1,061,288)
At 5 April 2021	-	-	5,433,922	5,433,922
Total unlisted investments held at cost as at 5 April 2020	(a+b)	-	5,433,961	5,433,961
<u>Listed investments</u>				
At 6 April 2020	771,313	8,247,567	-	9,018,880
Net Cash injection during the year	-	-	-	-
Additions/ disposals/ movements	1,078,466	2,619,267	-	3,697,733
Total listed investments held at fair value as at 5 April 2020	(c)	1,849,779	10,866,834	12,716,613
<u>Balance carried forward</u>				
At 5 April 2021	1,849,779	10,866,834	5,433,961	18,150,574
At 5 April 2020	771,313	8,247,567	5,957,233	14,976,113

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Company Investments

		Unrestricted Funds	Endowment Funds	Total Funds Year to 5 Apr 21	Total Funds Year to 5 Apr 20
		£	£	£	£
Group undertakings		-	11,514,540	11,514,540	20,552,580
(Profit)/loss on revaluation of investment in subsidiary undertaking			5,475,928	5,475,928	(9,038,037)
Other investments	(a+b)	5,433,961	-	5,433,961	5,957,233
Listed investments	(c)	1,849,779	-	1,849,779	771,313
Total Company investment		7,283,740	16,990,468	24,274,208	18,243,089

Analysis of Investments

(i) Other Investments – Group and Company

Company	Shareholding %	Cost of shares	Investments as at 5 April 2020	Loan Advances (Repaid) / advanced	Total Investments as at 5 April 2021
Edinburgh Sainsbury Group Holdings Limited	10%	10	902,800	(902,788)	12
Royal Docks Hotel Group Holdings Limited	5%	5	5	-	5
Marine Point Group Holdings Limited	5%	5	538,496	(7,000)	531,496
M22 Portfolio Property Limited	10%	10	666,843	(27,000)	639,843
Theobalds Park Property Limited	5%	5	1,075,000	-	1,075,000
Project Spirit Property Limited	4%	4	1,707,999	(124,500)	1,583,499
Marine Point Freehold Group Holdings Limited		-	217,495	-	217,495
Akili Network USA			848,595	538,016	1,386,611
(a+b)		39	5,957,233	(523,272)	5,433,961

In respect of the investment in Akili Network USA LLC, the Foundation has an investment of £1,386,611 (2020: £848,595) in Akili Network USA LLC at the balance sheet date. The investment is split between shares and convertible debt. At the balance sheet date, an amount of £17,875 (2020: £Nil) had been accrued as interest on the convertible debt.

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(ii) Listed Investments – Group and Company

The listed investments relates to portfolios held with a financial institution and it comprises of cash, listed and marketable investments less borrowings from the same financial institution.

The fair value of listed and marketable investments have been included within the portfolio determined with reference to the quoted market price at reporting date.

Within the portfolio, the group has borrowings of £3,750,339 (2020: 6,057,798) which is secured against the asset held within the portfolios. These borrowings have been netted against the value of assets held.

Effective from 21 August 2017, the Foundation has entered into an interest rate swap for a notional amount of \$2,500,000 to be fixed at 1.89% per annum until the termination date of 21 August 2022.

Effective from 22 August 2017, the Foundation has entered into an interest rate swap for a notional amount of \$2,500,000 to be fixed at 2.0259% per annum until the termination date of 24 August 2024.

(ii) Endowment funds – Company

The above investment in the company represents a gift received in the form of an expendable endowment of 100% shareholder in Port Perry Investments Limited of 2 Ordinary Shares. Port Perry Investment Limited is a company incorporated in the Isle of Man and its principal activity is that of property and other investments. The valuation of the investment was carried out at the balance sheet date by the directors' on net asset basis.

7. Group Debtors

	2021	2020
	£	£
Other Debtors	336,144	446,371
Prepayments and Accrued Income	60,812	66,375
	<u>396,956</u>	<u>512,746</u>

8. Company Debtors

	2021	2020
	£	£
Other Debtors	1,620	1,620
Loan receivable from group undertaking	3,812,987	3,850,000
Prepayments and Accrued Income	38,593	55,557
	<u>3,853,200</u>	<u>3,907,177</u>

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9. Group Creditors

Amounts falling due within one year

	2021	2020
	£	£
Bank Loans	184,000	184,000
Social security and other taxes	51,726	78,145
Derivative financial liability	274,024	2,139,883
Other creditors	249,558	191,428
Accruals and deferred income	168,256	106,679
	927,564	2,700,135

The following liabilities disclosed above under creditors falling due within one year are secured by the group:

Bank Loans	184,000	184,000
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10. Group Creditors

Amounts falling due after more than one year

	2021	2020
	£	£
Bank loans	5,494,000	5,678,000
	5,494,000	5,678,000

The following liabilities disclosed above under creditors falling due after more than one year are secured by the group:

Bank Loans	5,494,000	5,678,000
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11. Company Creditors

Amounts falling due within one year

	2021	2020
	£	£
Accruals and deferred income	49,887	22,000
Social security and other taxes	3,783	169
Derivative financial liability	136,169	107,794
Other creditors	-	21,077
	189,839	151,041

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12. Group Endowment Capital Fund

	2021	2020
	£	£
Balance brought forward	22,627,993	27,859,529
Revaluation of fixed assets	516,000	629,000
Gains/(Losses) on revaluation and fair value movements in investments	5,291,880	(6,145,867)
Share of Profits/(Losses) from Investments	(503,156)	(120,597)
Gain on disposal of tangible asset	638,787	405,928
	<u>28,571,504</u>	<u>22,627,993</u>

13. Auditors remuneration

	2021	2020
	£	£
Fees payable for the audit of the financial statements	<u>13,836</u>	<u>12,000</u>

14. Staff costs

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

	2021	2020
	£	£
Wages and salaries	177,607	170,951
Employer contributions to pension plans	1,262	1,784
	<u>178,869</u>	<u>172,734</u>

The average number of persons employed by the group during the year amounted to 5 (2020: 5).

15. Related Parties

During the period, the charity has provided an interest bearing loan to its subsidiary. The balance outstanding at the balance sheet date was £3,812,987 (2020: £3,850,000), and interest of £96,793 (2020: £27,577) was charged on the outstanding balance.

No remuneration was paid to the trustees during the year (2020: £Nil).

No expenses were reimbursed to the trustees during the year (2020: £Nil).