



FUTURE HOPE (U.K.)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

Registered Number 1157547

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THE TRUSTEES' ANNUAL REPORT

The Trustees present their report and financial statements for the year ended 31 March 2021.

The name of the organisation is Future Hope (U.K.). Future Hope (U.K.) is a Charitable Incorporated Organisation (CIO). The CIO was formed on 25 April 2014 and was registered with the UK Charity Commissioners on 19 June 2014 with number 1157547. The assets and liabilities of the pre-existing Future Hope (U.K.) Trust (Registered Charity Number 1001769) were transferred to Future Hope (U.K.) CIO on 28 January 2015. Future Hope (U.K.) Trust was struck off the Register of Charities by the UK Charity Commissioners on 1 January 2016 leaving only the CIO, Future Hope (U.K.) existing. The aims and activities of Future Hope (U.K.), the CIO, remain unchanged from the previous charity Future Hope (U.K.) Trust, which was entered on the Register of Charities on 2 February 1991 under the original charitable trust deed.

REFERENCE AND ADMINISTRATIVE INFORMATION OF THE CHARITY, ITS TRUSTEES AND ADVISORS

CHARITY NAME & REGISTERED NUMBER

The official registered name of this charity is Future Hope (U.K.). Future Hope (U.K.) is registered in England & Wales under charity registration number 1157547.

GOVERNING DOCUMENT

The Governing Document of Future Hope (U.K.) is a Constitution registered on 19 June 2014.

ADDRESS OF REGISTERED AND PRINCIPAL OFFICE

*6 Queensdale Place
London W11 4SQ
Telephone 0207 371 1769
Email: john.franke@futurehope.net*

ADDRESS OF THE ADMINISTRATIVE OFFICE (for all donations)

*107 Abbotsbury Road
London W14 8EP
Email address: erica@futurehope.net
Website: www.futurehope.net*

TRUSTEES

Jeremy Ranjan Ghose – Chairman

Lucinda Jane Tite

John Adrian Franke

Alastair James Bryce

Sudhir Maheshwari

Alexander Michael Livingstone (Date of Appointment 30 June 2021)

BANKERS

HSBC plc

21 Kings Mall

London W6 0QF

INDEPENDENT AUDITOR

Johnston Carmichael LLP

227 West George Street

Glasgow

G2 2ND

FOR FURTHER INFORMATION Visit www.futurehope.net

If you would like further information about the activities of Future Hope (U.K.) or would like to make a donation to help street children, please contact the Administrative Office at the address given above. Future Hope (U.K.) publishes newsletters periodically which provide details of fund raising activities and of how funds are being applied to assist street children. All those who have made a donation or otherwise expressed an interest in the activities of Future Hope (U.K.) automatically receive copies of these newsletters, either a printed copy or on-line versions subject to the preference selected. If you wish to obtain a print copy of the most recent newsletter, please send a stamped addressed envelope to Future Hope (U.K.) at the Administrative Office address given above. For on-line newsletters please register at the website.

SUPPORTERS OF FUTURE HOPE

The Trustees are pleased to record their sincere thanks to all those who have contributed to the activities of Future Hope (U.K.) during the year ended 31 March 2021.

STRUCTURE, GOVERNANCE & MANAGEMENT

The Charitable Incorporated Organisation (CIO) Future Hope (U.K.) was formed on 25 April 2014 and was registered on 19 June 2014 with number 1157547. The governing instrument of Future Hope (U.K.) is a Constitution dated 19 June 2014. The assets and liabilities of the original charity Future Hope (U.K.) Trust were transferred to Future Hope (U.K.) CIO on 28 January 2015.

The charity is overseen by a Board of Trustees who meet regularly to monitor the progress of the charity, to ensure there are proper controls in place, to approve donations for charitable purposes and to agree appropriate accounting policies (and ensure these are properly applied), investment strategy and reserves policy.

Trustees are appointed by the Board of Trustees as vacancies arise. The names of the Trustees are set out on page 3. Trustees are appointed in accordance with the provisions of the Constitution by a majority vote of the Trustees serving at the time.

Fundraising, administration and donor stewardship is provided by Timothy Grandage and Erica Grandage with support from consultants as required with the overall objective of providing efficient and cost-effective administration. Charitable support payments are made via secure internet banking arrangements subject to control and approval mechanisms agreed by the Trustees.

The Trustees are encouraged to obtain training as required to enable them to effectively carry out their responsibilities.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The principal objectives of Future Hope (U.K.) remain directed towards helping underprivileged children worldwide and in particular the relief of poverty, distress and suffering; provision of shelter, care, food and clothing, medical supplies and basic treatment, and the provision of education and training to help the children develop into self-supporting adults. Future Hope (U.K.) raises public awareness of issues facing street children through talks given at schools and colleges, social functions and other meetings with current and potential donors and supporters.

Future Hope (U.K.) considers that the relief and prevention of poverty is of public benefit to all.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Future Hope (U.K.)'s aims and objectives and in planning future activities for the year.

Future Hope (U.K.) and its predecessor charities have provided support for over 25 years to Future Hope (India). Future Hope (India) provides opportunity through its homes, schools, sports and medical programmes for more than 300 of the most vulnerable children from the streets and slums of Kolkata, India. Future Hope (India) addresses the individual needs of these children and helps them to become independent, self-supporting members of society.

The Trustees have made no binding commitment to provide funds to Future Hope (India), nor to any other charitable entity. For the avoidance of doubt, Future Hope (India) is a separate Charitable Trust operating in India independently of Future Hope (U.K.).

Future Hope (India) is supported by a number of other charitable bodies in addition to Future Hope (U.K.). These are located in other countries and are also separate independent organisations unconnected to Future Hope (U.K.).

Future Hope (U.K.) does not hold any assets in the capacity of Custodian Trustee for other charities.

ACHIEVEMENTS AND PERFORMANCE, INCORPORATING THE FINANCIAL REVIEW

In a year where the fundraising activities of many charities were adversely affected by the Covid 19 pandemic, Future Hope (U.K.) managed to maintain its ongoing funding levels, as well as raising further sums for Covid relief.

In the 12 months to 31 March 2021, Future Hope (U.K.) raised £712,625 of which approximately £168,000 paid for 25% of the annual operating costs of Future Hope India, while £256,000 supported activities directly related to Covid relief in Kolkata and surrounding areas. An additional £280,000 was remitted to Future Hope India to cover 41% of its projected operating expenses for 2021-2022 (£682,000) as a contingency measure ahead of the introduction of new Foreign Contribution Regulation Act guidelines.

The principal sources of donations in the UK are individuals, corporates, and Trusts & Foundations. Future Hope (U.K.) continued its growth of regular (direct debit/standing order) donations again in the year to March 2021, increasing 4.5% on the previous year. Due to the completion of the term of one specific Trust relationship, funding from this sector declined by 52% in the year but this was offset by new corporate support (increasing 39% on the previous year).

In the past year Future Hope (U.K.) has sustained the focus on maintaining its loyal supporter base and using donor referral to gain new supporters. With the UK in lockdown or otherwise under restrictions, face-to-face contact was not possible for much of the year, written communication and online initiatives became critically important for the fundraising team.

Regular formal communication took the form of the Annual Newsletter 2021 which was sent out in April 2021, reaching over 800 key supporters in the UK and directly raising more than £100,000. Bi-monthly email newsletters themed on Future Hope's values maintained contact with all key supporters throughout the year, with open rates approximately 60% delivering an increase in online donations, both single and direct debit, via CAF on the website.

The Annual Supporters Evening was held online via video call to overcome the restrictions on gathering due to the pandemic. With approximately 150 households attending, the event provided an opportunity for Sujata Sen (CEO of Future Hope India) to engage supporters with an update on progress in Kolkata as well as introducing some of the students.

Other online events targeted specific groups, using existing supporters to build new relationships. In July 2020 the Future Hope Big Virtual Quiz reached former Future Hope volunteers, their friends and families. Elsewhere, Curry4Kolkata Kids events in London & Birmingham and talks to several other organisations provided the opportunity for Tim Grandage to introduce Future Hope to many new individuals.

The Future Hope India Covid Relief Project

Future Hope's mission has always been to give street and slum children a better tomorrow, so at a time of crisis, an extensive network of connections was utilised to deliver life-saving emergency support.

The Covid Relief Project was created in response to the Covid 19 pandemic, which caused hunger and desperation for many on the streets and slums of Kolkata. With India suffering high rates of Covid 19 infection, and the city frequently under lockdown restrictions, livelihoods were lost, especially for daily wage earners who were already living below the poverty line.

Future Hope (U.K.) raised funds to provide Future Hope India with the financial capability to purchase, pack and deliver life-saving ration packs to over 70,000 individuals and for over 5,000 hot meals to be distributed in Delhi. This was achieved with the support of Future Hope's Trustees, Foundations with specific Covid Relief allocations and the ongoing supporter base.

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' REPORT AND THE FINANCIAL STATEMENTS

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

The law applicable to charities in England & Wales 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 (FRS 102);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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 trust deed. 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 Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DISCLOSURE OF INFORMATION TO AUDITOR

The Trustees who held office at the date of the approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the charity's Auditor is unaware; and each Trustee has taken all the steps that he/she ought to have taken as a Trustee to make himself/herself aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

On behalf of the Trustees:



Jeremy Ghose
Chairman

26 / 01 / 2022
Dated:

REGISTERED AND PRINCIPAL OFFICE
6 Queensdale Place
London W11 4SQ

INDEPENDENT AUDITOR’S REPORT TO THE TRUSTEES OF FUTURE HOPE (U.K.)

OPINION

We have audited the financial statements of Future Hope (U.K.) (“the charity”) for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity’s affairs as at 31 March 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; and
- have been prepared in accordance with the requirements of 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

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

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

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

OTHER INFORMATION

The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or

- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

EXTENT TO WHICH THE AUDIT IS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

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

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- United Kingdom Generally Accepted Accounting Practice (FRS 102);
- Charities Act 2011;
- Charities SOPR (FRS 102);
- Charities (Accounts and Reports) Regulations 2008.

We gained an understanding of how the charity is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of submitted returns and board meeting minutes.

We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk.

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing minutes of meetings of those charged with governance;
- Performing audit work procedures over the risk of management override of controls, including testing of adjustments for appropriateness.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the charity's trustees, as a body in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.



Johnston Carmichael LLP
Statutory Auditor

28 / 01 / 2022
Dated:

227 West George Street
Glasgow G2 2ND

Johnston Carmichael LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES

for the year ending 31 March 2021

	Notes	<i>Unrestricted funds</i> 2021 £	<i>Unrestricted funds</i> 2020 £
INCOME			
Donations and legacies	5	712,629	469,362
Investment income		3,827	4,700
TOTAL INCOME & ENDOWMENTS		716,456	474,062
EXPENDITURE			
Expenditure on raising funds	6	(44,525)	(42,078)
Expenditure on charitable activities	7	(747,935)	(506,469)
TOTAL EXPENDITURE		(792,460)	(548,547)
Net gains/(losses) on investments	8	49,215	(20,435)
Net (expenditure)/income		(26,790)	(94,920)
Net movement in funds		(26,790)	(94,920)
RECONCILIATION OF FUNDS			
Fund balance brought forward at beginning of year		670,377	765,297
Fund balance carried forward at end of year		643,587	670,377

*Notes on pages 17-23 form part of the financial statements.
This Statement should be read in conjunction with the notes to the accounts*

BALANCE SHEET

as at 31 March 2021

		2021	2020
	Notes	£	£
FIXED ASSETS			
Investments	8	250,419	199,747
CURRENT ASSETS			
Cash at bank and in hand		359,357	436,593
Debtors: Gift Aid recoverable		36,569	32,016
Loans & other receivables	9	<u>4,488</u>	<u>7,628</u>
TOTAL CURRENT ASSETS		<u>400,414</u>	<u>476,237</u>
CURRENT LIABILITIES			
Creditors falling due within one year	10	(7,246)	(5,608)
NET CURRENT ASSETS		<u>393,168</u>	<u>470,629</u>
NET ASSETS		643,587	670,377
The Funds of the charity :			
Unrestricted		643,587	670,377
TOTAL CHARITY FUNDS		<u>643,587</u>	<u>670,377</u>

26 / 01 / 2022

Approved by the Board of Trustees on and signed on its behalf by:

Jeremy Ghose

Jeremy Ghose
Chairman

*Notes on pages 17-23 form part of the financial statements.
This Statement should be read in conjunction with the notes to the accounts*

**STATEMENT OF CASH FLOWS
for the year ending 31 March 2021**

	Notes	2021 £	2020 £
Cash generated by/(used in) operating activities	<i>11</i>	(79,606)	(85,656)
Cash flows from investing activities			
Investment and other income		3,827	4,700
Proceeds from sale of investments		15,368	22,540
Purchase of investments		(35,992)	(10,079)
Movement in cash held on investment		<u>19,167</u>	<u>(14,943)</u>
Cash provided by investing activities		2,370	2,218
Increase /(decrease) in cash and cash equivalents in the year		<u>(77,237)</u>	<u>(83,438)</u>
Cash and cash equivalents at the beginning of year		436,593	520,031
Total cash and cash equivalents at end of year		<u>359,357</u>	<u>436,593</u>
Comprising :			
Cash at Bank		<u>359,357</u>	<u>436,593</u>

*Notes on pages 17-23 form part of the financial statements.
This Statement should be read in conjunction with the notes to the accounts*

NOTES FORMING PART OF THE ACCOUNTS**1. ACCOUNTING POLICIES AND BASIS OF PREPARATION*****Charity information***

The registered office of Future Hope (U.K.) is 6 Queensdale Place, London, W11 4SQ.

Accounting convention

The principal accounting policies that have been adopted in the preparation of these accounts are given below. The accounts have been prepared under the historical cost convention in accordance with applicable Accounting Standards including FRS 102 and comply with the recommendations of the Statement of Recommended Practice 'Accounting and Reporting by Charities', applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and applicable accounting policies and comply with The Charities Act 2011.

The financial statements are prepared in sterling, the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Income: The following activity categories have been used:

- (i) Income from investments - Bank deposit interest and other investment income is recognised when receivable.
- (ii) Donations and Legacies - recognised when receipt is probable and measurable. The following have been included in Donations and Legacies:
 - Gifts, donations and any related gift relief claimed, legacies
 - Grants provided by government or charitable foundations
- (iii) There are no material gifts in kind or donated services and facilities received and these are therefore not valued and included in the financial statements or disclosed in the notes.

Expenditure

Expenditure is accounted for on the accruals basis and categorised as follows:

- (i) Expenditure on charitable activities includes all expenditure incurred on the objects of the charity.
- (ii) Expenditure on raising funds include costs directly attributable to raising income.

Funds

No funds were restricted by donors in the current year. Were a restriction to occur, funds would be held within restricted funds. All funds held at the year-end were unrestricted and available for use at the discretion of the trustees in furtherance of the charity's objectives.

Investments

Investments are stated at market value at the balance sheet date.

The Statement of Financial Activities (SoFA) includes the net gains and losses arising on investment revaluations and disposals during the year.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Retirement benefits

Payment to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The charge to the SOFA in respect of defined contribution schemes was £596 (2019/20 £1,386).

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

Debtors and creditors

Income is recognised as debtors when receivable and relating to the period, the major component being Gift Relief recoverable from HMRC on donations made by UK taxpayers. Creditors and accruals are recognised where a liability exists at the balance sheet date and mainly comprise expenses incurred in the final month of the year but not paid until the first or second month of the following year.

Going concern

Based on the information available the Trustees are confident that Future Hope (U.K.) will continue to generate funds for at least 12 months from the present reporting date allowing it to cover all local costs and to undertake its programme of charitable activity. The Trustees further note that there are no contractual commitments requiring charitable donations to be made at any point in the future, and hence have not identified any material uncertainty relating to going concern and thus continue to adopt the going concern basis of accounting in preparing the accounts.

Public benefit

The charity is a Public Benefit Entity as defined by FRS102.

Financial instruments

The charity has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price including transaction costs.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors, are recognised at transaction price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity’s contractual obligations expire or are discharged or cancelled.

Critical accounting estimates and judgements

In the application of the charity’s accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. No estimates or judgements are deemed significant.

2. NET INCOME/EXPENDITURE

All income and expenditure and gains and losses for the year are recorded in the SoFA. Expenditures on charitable activities are firstly deducted from net movement in funds in the period, any shortfall being met out of funds brought forward. Any net increase in funds arising in a period not applied for charitable activities in the period is added to funds carried forward.

3. EMPLOYEE ARRANGEMENTS

On September 2016, Future Hope (U.K.) engaged a full-time employee. Payroll and associated NI/tax arrangements have been outsourced to a third party provider under a service agreement.

Expertise and support is obtained where necessary. During the year, Future Hope (U.K.) procured expertise and assistance to support fundraising activities including the organisation of events, providing information and other correspondence to donors or potential donors and some aspects of database management and development. During the year ended 31 March 2021, Future Hope (U.K.) used a number of consultancy organisations to provide the aforementioned support under services agreements, with associated costs reported within Expenditure on Fundraising.

The average number of employees in 2021 is 1 (2019/20: 1).

No employee received remuneration greater than £60,000.

4. TAXATION

Tax recoverable on donations received under Gift Relief is reported gross when the donation is received with the tax deducted included in debtors until it is recovered from HM Revenue and Customs.

Future Hope (U.K.) is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 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.

5. DONATIONS AND LEGACIES

	2021	2020
	£	£
Gifts, donations, legacies and grants	676,060	437,345
Gift relief recoverable from HMRC	36,569	32,016
	<u>712,629</u>	<u>469,362</u>

6. EXPENDITURE ON RAISING FUNDS

	2021	2020
	£	£
Fundraising costs	2,681	2,996
Bank and investment management fees	3,058	2,772
Salaries & HMRC deductions	38,786	36,310
	<u>44,525</u>	<u>42,078</u>

Salary costs include National Insurance contributions of £1,990, and employer pension costs of £596.

7. EXPENDITURE ON CHARITABLE ACTIVITIES

	2021	2020
	£	£
Donations to Future Hope (India)	733,952	492,499
Volunteer Expenses	7,626	8,813
Audit Fees	6,000	4,800
Governance Costs & other Fees	357	357
	<u>747,935</u>	<u>506,469</u>

8. INVESTMENTS (Includes cash/deposit accounts with Investment Manager)

	2021	2020
	£	£
Balance brought forward	199,747	217,700
Purchase of investments	35,992	10,079
Sale of investments	(15,368)	(22,540)
Movement in cash holding	(19,167)	14,943
(Loss)/gain on revaluation	49,215	(20,435)
	<u>250,419</u>	<u>199,747</u>
Balance carried forward		

**8. INVESTMENTS (Includes cash/deposit accounts with Investment Manager)
(continued)**

Analysis of investment market value at 31 March 2021:

	2021	2020
	£	£
Equities		
UK	66,904	50,538
Global/Overseas	118,599	78,850
Bond Funds		
UK	44,223	34,857
Global/Overseas	8,582	4,912
Property – UK investment fund	4,909	4,222
Cash	7,201	26,368
Total	250,419	199,747

The following investments represented more than 5% of the total market value of investments held at 31 March (items marked * were more than 5% in the previous year):

	2021	2020
	£	£
Baillie Gifford American W1	19,144	0
Fidelity UK Moneybuilder Inc	17,393	16,546
Jupiter Fund Mgrs UK Mid Cap	15,821	0
Cash*	7,201	26,368
JP Morgan UK Corp Bonds*	11,202	10,477

9. DEBTORS

	2021	2020
	£	£
Loan receivable	4,398	5,598
Prepayment of Payroll Expenses	90	2,030
	4,488	7,628

10. CREDITORS

	2021 £	2020 £
Audit fees	6,000	4,800
Salaries due and payable	1,246	808
	<u>7,246</u>	<u>5,608</u>

11. CASH USED IN OPERATING ACTIVITIES

	2021 £	2020 £
Net income/(expenditure)	(26,790)	(94,920)
Deduct interest/investment income	(3,827)	(4,700)
Add back losses/deduct gains on investments	(49,215)	20,435
Decrease/(increase) in debtors	(1,413)	5,358
(Decrease)/increase in creditors	1,639	(1,112)
	<u>(79,606)</u>	<u>(85,656)</u>

12. TRUSTEES' REMUNERATION AND EXPENSES

The Trustees received no remuneration in the year or the prior year, nor claimed for reimbursement of any expenses in the year. There were no governance costs incurred by the charity other than audit fees payable to Johnston Carmichael.

13. RELATED PARTY TRANSACTIONS

There were no related party transactions in the current or preceding year.

14. OTHER INCOME

No value has been attributed in the accounts to gifts in kind or intangible income. Although, in common with most charities, Future Hope (U.K.) relies to a certain extent on assistance of this type in achieving its objectives, the value ascribed to them in the period is close to zero and, in the opinion of the Trustees, is not material in the context of the accounts as presented.

15. FINANCIAL INSTRUMENTS

Financial assets measured at fair value amounted to £250,419 (2019/20 - £199,747)