

REGISTERED COMPANY NUMBER: 09405449 (England and Wales)
REGISTERED CHARITY NUMBER: 1162494

ALQUITY TRANSFORMING LIVES FOUNDATION
REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Mercer Lewin Ltd
Chartered Accountants and Registered Auditors
41 Cornmarket Street
Oxford
OX1 3HA

ALQUITY TRANSFORMING LIVES FOUNDATION

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FOR THE YEAR ENDED 30 JUNE 2021**

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ALQUITY TRANSFORMING LIVES FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 June 2021. The trustees have adopted the provisions of 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 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charity receives a regular donation from Alquity Investment Management Limited, based on its revenues, and this forms the primary source of funding for the charity. In the current period and looking forward, the Trustees are focusing on projects that promote the creation of sustainable livelihoods (SDG 8) and employment readiness programmes (SDG 4).

While there has been a significant decline in the number of people living in extreme poverty in recent decades, we have been observing slower economic growth and widening inequalities in the global economy, which have been exacerbated by Covid-19. In 2019, 22.3 per cent of the world's youth were not engaged in either education, employment or training (NEET), a share that has shown no reduction in over a decade. Worldwide, young women are twice as likely as young men to be jobless and not engaged in education or training. In 2019, the global NEET rate was 31.1 per cent for young women, compared with 14.0 per cent for young men. Since more women than men have been pushed out of the labour force during the pandemic, the crisis is likely to worsen the NEET gender gap. According to the United Nations Development Program (UNDP) Covid led to a rise in the overall estimate of people worldwide still without employment in 2020 to over 200m.

Roughly half of the world's population still lives on the equivalent of about US\$2 a day (UN).

Far too often, women are left behind and under-represented in political and economic decision-making processes and in the labour market. Women's labour force participation rate is 63 per cent compared to 94 per cent for men. Globally, the gender pay gap stands at 23%; without any decisive action, it could take another 68 years to achieve equal pay (UN).

With this context in mind, the focus of the Foundation is on social and economic challenges that changes in corporate behaviour alone cannot address. The Foundation's grants and financial support aim to:

- help develop fairer, more sustainable economies that deliver inclusive long-term growth in the countries where Alquity invests,
- support local entrepreneurs and SMEs to develop or grow their businesses,
- support social inclusion, particularly of women and girls.

Historically, the Foundation has given out grants to charity partners focusing on:

- Providing access to formal education and employment,
- Targeting sections of the community discriminated against or excluded due to social norms and pressures,
- Providing support and access to finance to overcome poverty traps and help responsibly run small and medium enterprises to scale and create employment opportunities.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Transforming Lives Awards

In 2019, the foundation decided to deliver its giving via an Awards programme. The Transforming Lives Awards programme was delivered throughout 2019 with the aim of identifying and recognising high impact and high potential non-profits and social enterprises focused on addressing issues related to SDG 8 (sustainable livelihoods) and the upper part of SDG 4 (employment readiness education). The Awards were split by region to recognise the source of the awards monies, deriving from the specific regions in which the Alquity Investment Management Funds invest. The initial broad target was to have between six and nine winners spread across Asia, Africa and Latin America.

ALQUITY TRANSFORMING LIVES FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2021

ACHIEVEMENT AND PERFORMANCE – continued

The Awards were delivered in collaboration with several reputable and expert partners.

Philanthropy University, the Awards' convening partner, was responsible for overseeing and managing the Awards process itself.

Charities Aid Foundation (CAF) was involved in carrying out due diligence checks and assessing and reviewing the Award applicants' proposals.

A number of high-profile organisations such as The World Bank (Solutions for Youth Employment), Acumen and Ashoka were involved as referral partners, putting forward strong organisations meeting the Awards' eligibility and assessment criteria.

Other organisations, including Alquity Investment Management Limited clients, such as Banque BRED, Banque Bonhôte, IPP Financial Advisors, Water Unite and UBS Optimus Foundation, joined as funding partners, either contributing to the costs of running the process and Awards event, or co-investing into the Award winning organisations' work.

It is the intention of the Trustees to run a further Transforming Lives Awards Program, although this has been delayed due to the impact of Covid. We now anticipate the next program being in 2023.

The structure of the program was as below:

Stage 1 - Pre-application Sourcing

The focus during this phase was the identification and sourcing of applicants meeting our criteria, using both an open registration method and a proactive sourcing approach, seeking referrals from trusted networks and partners within the sector. This phase also involved a unique peer-to-peer review, with organisations having a say on who should be considered throughout the process. A total of 361 organisations applied and following our initial eligibility checks and peer review process 122 organisations were invited to submit a full application form.

Stage 2 - In-depth Assessment

Organisations were requested to submit a full application form, answering questions on their strategy, operations, finances and approach to sustainability and innovation. Based on our assessment of the applicants' organisational capacities, a shortlist of 30 organisations was put forward for further due diligence checks and assessments conducted with the support of the Charities Aid Foundation (CAF).

Stage 3 - Due diligence and field assessments

Additional due diligence checks carried out on the shortlist included a review of financial accounts, governance, reference checks from external partners and a review of online and media presence. All 30 shortlisted applicants - approximately 10 per region - were visited in person and assessed over a period of two to three days each. The field visit was the opportunity to meet the team in person, validate the information provided in the form and observe some of the programmes in action. As a result, full assessment and due diligence reports were compiled on the 30 shortlisted applicants.

Stage 4 - Regional Panels

A group of regional and thematic experts were convened to analyse finalists' reports and make recommendations on the top 5 organisations per region, as well as on the size of the Awards. Throughout the Panel sessions, bespoke and constructive feedback was collected and provided to unsuccessful applicants at the end of the process.

Stage 5 - Global Judging Panel

A Global Judging Panel, composed of senior high-profile individuals, reviewed regional experts' rankings, discussed the merits of each application and made recommendations on the eight Award winners.

ALQUITY TRANSFORMING LIVES FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2021

ACHIEVEMENT AND PERFORMANCE – continued

Stage 6 - Final approval by Alquity Transforming Lives Foundation's Board

The final stage of the process involved a final review by the Board of Trustees of the Foundation and a ratification of Award winners and Award sizes. The funding support on offer represented a combination of unrestricted grants, start-up capital, loan, or second round equity funding to help organisations expand their operations and accelerate their growth, based on their needs.

The Alquity Investment Management and the Foundation hosted the Future World Forum and an Awards ceremony in London on the 9th September 2019 to recognise and celebrate the Award winners. The total award funding that has been disbursed in the 2019/20 financial year represents \$530,000. This included co-investments from Water Unite and UBS Optimus Foundation.

Covid 19 Response Fund

In April 2020, following the rise of Covid 19 cases globally and the devastating health, social and economic impact of the pandemic, the Alquity Transforming Lives Foundation launched a campaign to accelerate its support for those most affected, already suffering discrimination, hardship and economic exclusion, only been made worse by the effects of the pandemic.

In the current financial year, the Trustees have recognised the challenges that Covid has represented for all our award winners. We therefore ran our 40/40 campaign where we worked with partner organisations to award additional donations to our award winners to help sustain them through a difficult period, including them pivoting their operations.

Covid Response Awards:

Award winners in Africa:

GLOBAL MAMAS - globalmamas.org

Global Mamas works to create a life of prosperity for African women and their families. Women are empowered to create and sell high quality handmade products using traditional methods and become financially independent. Global Mamas' producers make on average 75% more than the minimum wage and 30% more than the average worker in the same industry in Ghana.

Global Mamas' Transforming Lives Award in 2019 represented a grant of US\$60,000. The Award funding was used to buy a land and construct a Global Mamas Fair Trade Zone (FTZ), an eco-friendly facility that will showcase an alternative approach to manufacturing that is good for people and the planet. Construction work started in December 2020 and will be completed by the end of 2021. The ambition is to generate life-long employment for 200 women by the end of 2022.

Due to Covid it was not possible for Global Mamas cohort of women to meet and sell their products in the traditional way. The Foundation therefore granted an additional award of \$15,000 for help build and develop an online shopping portal so as to allow goods to be sold this way, therefore protecting livelihoods and the Global Mamas community.

Award Winners in Latin America:

LUTA PELA PAZ - lutapelapaz.org

Luta Pela Paz uses boxing and martial arts combined with education and personal development to realise the potential of young people in communities affected by crime and violence. The organisation works with youth in Maré favela, Rio, where they use a methodology that provides a series of holistic and integrated services to give young people the tools to build peaceful, positive and productive lives. A key component of their method is employability - providing training, psycho-social support and access to opportunities.

ALQUITY TRANSFORMING LIVES FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2021

ACHIEVEMENT AND PERFORMANCE – continued

Luta Pela Paz' Transforming Lives Award represents a grant of US\$60,000. The Award funding was used to provide employability and psychosocial support to students throughout the year. The team carried out regular check-ins with students and young people within the community, employability-related pre-recorded videos, and live webinars, including a popular webinar on mental health and the workplace. Over the year, the employability staff worked with 242 young people, helping 26 into work and the psychosocial support team provided critical support during the pandemic, carrying out regular home visits and telephone support. In response to the Covid19 crisis, Luta Pela Paz also designed specific employability-related programmes, notably one in collaboration with Laboratoria, to run a pilot bootcamp training programme for young women in Maré. This pilot will be supported by the Alquity Foundation in 2021.

Due to Covid many of the young Luta Pela Paz students have been unable to attend classes or to afford devices and data packages to allow them to attend remotely. The Foundation therefore granted an additional award of \$10,000 to help support in areas to pivot the learning options and technology available. We are also delighted to report that Luta Pela Paz collaborated with another Transforming Lives Award winner, Laboratoria, to enhance the online learning options for their young people.

FINANCIAL REVIEW

Financial position

In the year the Foundation received £86,581.82 in donations from Alquity investment Management and others. It has made awards of c. \$25,000 through the Covid Response Awards. In addition, reserves have been built up ready to progress with the next Transforming Lives Awards program in 2023.

Reserves

At all times, the Foundation will seek to ensure it has a minimum of £50,000 of cash (or cash-like instruments) reserves. In addition, it is the intent that any future committed grants would be covered by the reserves and a maximum of 50% of the annualised, current 3-month donation accrual rate. If 50% of the current rate is insufficient, then the donations stream will be used to accumulate a cash balance until such time as this metric is met.

The foundation has deposited some of its cash reserves with Oikocredit, at an initial % coupon whilst allowing cash to be returned at any time within 14 days. Importantly Oikocredit uses deposited money to provide loans to microfinance institutions in the developing world and thereby helping to transform lives.

The Trustees requested AIML's investment team to perform due diligence on Oikocredit, providing confidence that it should be viewed as a suitable substitute for holding cash with very little risk.

In the later part of 2020, in the light of Covid, Oikocredit has reduced and then suspended the coupon payment. The deposit still achieves impact, and we would receive little cash interest on deposit and so for the time being we continue to hold some reserves with Oikocredit, but the Trustees will keep this under review.

RISKS

The major risks to which the Foundation is exposed have been reviewed with the Trustees and actions have been established to mitigate them.

Trustees noted that the main risks faced by the Foundation were the risk of the Alquity Investment Management Company going into administration with the Company being the Foundation's primary funder. In the context of the Covid19 global pandemic and its implications on business performance, the Board of Trustees of the Foundation, agreed that accrued donations due from the Company to be paid to the Foundation may be deferred and held by the Company to navigate these unprecedented times.

ALQUITY TRANSFORMING LIVES FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2021

FINANCIAL REVIEW – continued

It was considered in the best interests of the Foundation for the donations to be deferred, as by holding the Company to its payment commitments the survival of the Company and consequently of the Foundation itself could be jeopardised. It was noted by the Trustees that all funding commitments made by the Foundation could successfully be met, regardless of this resolution, as the Foundation held sufficient reserves.

The Company has recently completed a number of transactions including the first stage of a fund raise and also a partnership with a significant Swedish asset management group. The trustees have agreed for donations to resume as normal and for the deferred element to be paid across to the Foundation on the basis of rising revenues for the company so that the deferral can be cleared over a period in a sustainable way. The Company has agreed to pay 1% interest on the monies outstanding. The trustees will keep this position under review.

FUTURE PLANS

Looking ahead, the Foundation will be working closely with Award winners to identify specific social projects in response to the Covid 19 pandemic and its devastating impact on communities. Grants will be disbursed to successful charity partners in the next financial year.

Following the recent developments at Alquity Investment Management Ltd and the exciting launch in 2021 of the Alquity Global Impact Fund, the Trustees will also be reflecting on how these changes may influence the scope of the Foundation's work moving forward as well as its geographic focus.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

09405449 (England and Wales)

Registered Charity number

1162494

Registered office

9 Kingsway
London
WC2B 6XF

Trustees

D M Brocklebank Chair
V A P Giridhar Gopal
P H Robinson Co-chair
R Shah Audit and Risk Chair

Auditors

Mercer Lewin Ltd
Chartered Accountants and Registered Auditors
41 Cornmarket Street
Oxford
OX1 3HA

ALQUITY TRANSFORMING LIVES FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Alquity Transforming Lives Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Mercer Lewin Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 29 March 2022 and signed on its behalf by:



R/Shah - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ALQUITY TRANSFORMING LIVES FOUNDATION

Opinion

We have audited the financial statements of Alquity Transforming Lives Foundation (the 'charitable company') for the year ended 30 June 2021 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 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 Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ALQUITY TRANSFORMING LIVES FOUNDATION

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 discussed the framework in which the charitable company operates with senior management and in conjunction with our experience of the industry in which the charitable company operates, sought to identify laws and regulations which are critical to the charitable company's business. As a registered charity, the company is obliged to comply with regulations issued by The Charity Commission of England and Wales. Compliance with those regulations, including the need to make reports to the commission/regulator, was reviewed.
- As part of routine audit procedures, the possibility of non-compliance with general laws (e.g., employment law, health and safety regulations) were considered, in response to the assessed risks in relation to these laws and regulations.
- The risks of fraud were discussed with senior management, including details of any known instances. Our records of the company's systems and procedures was reviewed by the audit team (including the audit engagement partner) to identify possible areas where fraud might occur.
- The above procedures were undertaken by the audit team as a whole, led by the audit engagement partner. In this way the audit engagement partner was able to obtain assurance the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations and the possibility of irregularities arising from fraud.
- To address the risk of fraud through management bias and override of controls, we:
 - performed analytical procedures to identify any unusual or unexpected relationships;
 - tested journal entries to identify unusual transactions;
 - assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
 - investigated the rationale behind significant or unusual transactions.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ALQUITY TRANSFORMING LIVES FOUNDATION

Our responsibilities for the audit of the financial statements – continued

- In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

- There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

- Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Management Committee and other management and the inspection of regulatory and legal correspondence, if any.

- Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

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

Use of our report

This report is made solely to the charitable company's 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 charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Mercer Lewin Ltd
Chartered Accountants and Registered Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
41 Cornmarket Street
Oxford
OX1 3HA

Date: 30 March 2022

ALQUITY TRANSFORMING LIVES FOUNDATION

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2021**

| | Notes | Unrestricted fund £ | Restricted fund £ | 2021 Total funds £ | 2020 Total funds £ |
|------------------------------------|-------|---------------------------|-------------------------|-----------------------------|-----------------------------|
| INCOME AND ENDOWMENTS FROM | | | | | |
| Donations and legacies | | 86,583 | - | 86,583 | 222,767 |
| EXPENDITURE ON | | | | | |
| Charitable activities | | | | | |
| Sustainable development | | 70,482 | - | 70,482 | 399,571 |
| Support costs | | 1,433 | - | 1,433 | 2,400 |
| Total | | <u>71,915</u> | <u>-</u> | <u>71,915</u> | <u>401,971</u> |
| NET INCOME/(EXPENDITURE) | | 14,668 | - | 14,668 | (179,204) |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | <u>366,559</u> | <u>-</u> | <u>366,559</u> | <u>545,763</u> |
| TOTAL FUNDS CARRIED FORWARD | | <u><u>381,227</u></u> | <u><u>-</u></u> | <u><u>381,227</u></u> | <u><u>366,559</u></u> |

The notes form part of these financial statements

ALQUITY TRANSFORMING LIVES FOUNDATION

BALANCE SHEET 30 JUNE 2021

| | Notes | Unrestricted fund £ | Restricted fund £ | 2021 Total funds £ | 2020 Total funds £ |
|--|-------|---------------------------|-------------------------|-----------------------------|-----------------------------|
| CURRENT ASSETS | | | | | |
| Debtors | 5 | 235,739 | - | 235,739 | 155,974 |
| Investments | 6 | 168,372 | - | 168,372 | 168,372 |
| Cash at bank | | <u>39,105</u> | <u>-</u> | <u>39,105</u> | <u>57,660</u> |
| | | 443,216 | - | 443,216 | 382,006 |
| CREDITORS | | | | | |
| Amounts falling due within one year | 7 | (61,989) | - | (61,989) | (15,447) |
| | | <u>381,227</u> | <u>-</u> | <u>381,227</u> | <u>366,559</u> |
| NET CURRENT ASSETS | | | | | |
| | | <u>381,227</u> | <u>-</u> | <u>381,227</u> | <u>366,559</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>381,227</u> | <u>-</u> | <u>381,227</u> | <u>366,559</u> |
| NET ASSETS | | <u>381,227</u> | <u>-</u> | <u>381,227</u> | <u>366,559</u> |
| FUNDS | 8 | | | | |
| Unrestricted funds | | | | <u>381,227</u> | <u>366,559</u> |
| TOTAL FUNDS | | | | <u>381,227</u> | <u>366,559</u> |

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2021.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

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

The financial statements were approved by the Board of Trustees and authorised for issue on 29 March 2022 and were signed on its behalf by:


.....
R Shah - Trustee

The notes form part of these financial statements

ALQUITY TRANSFORMING LIVES FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

TAXATION

The charity is exempt from corporation tax on its charitable activities.

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. NET INCOME/(EXPENDITURE)

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

| | 2021 | 2020 |
|------------------------|--------------|--------------|
| | £ | £ |
| Auditors' remuneration | <u>1,433</u> | <u>2,400</u> |

ALQUITY TRANSFORMING LIVES FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021**

3. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2021 nor for the year ended 30 June 2020.

TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 30 June 2021 nor for the year ended 30 June 2020.

4. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted fund £ | Restricted fund £ | Total funds £ |
|------------------------------------|---------------------------|-------------------------|-----------------------|
| INCOME AND ENDOWMENTS FROM | | | |
| Donations and legacies | 222,767 | - | 222,767 |
| EXPENDITURE ON | | | |
| Charitable activities | | | |
| Sustainable development | 399,571 | - | 399,571 |
| Support costs | 2,400 | - | 2,400 |
| Total | 401,971 | - | 401,971 |
| NET INCOME/(EXPENDITURE) | (179,204) | - | (179,204) |
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | 545,763 | - | 545,763 |
| TOTAL FUNDS CARRIED FORWARD | <u>366,559</u> | <u>-</u> | <u>366,559</u> |

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 £ | 2020 £ |
|-------------------------------|----------------|----------------|
| Alquity Investment Management | <u>235,739</u> | <u>155,974</u> |

6. CURRENT ASSET INVESTMENTS

| | 2021 £ | 2020 £ |
|-------------------------------|----------------|----------------|
| Programme related investments | 118,372 | 118,372 |
| OIKO investment | <u>50,000</u> | <u>50,000</u> |
| | <u>168,372</u> | <u>168,372</u> |

ALQUITY TRANSFORMING LIVES FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 £ | 2020 £ |
|-----------------|---------------|---------------|
| Trade creditors | 108 | (1) |
| Accruals | <u>61,881</u> | <u>15,448</u> |
| | <u>61,989</u> | <u>15,447</u> |

8. MOVEMENT IN FUNDS

| | At 1/7/20 £ | Net movement in funds £ | At 30/6/21 £ |
|---------------------------|----------------|----------------------------------|--------------------|
| Unrestricted funds | | | |
| General fund | 366,559 | 14,668 | 381,227 |
| | <u>366,559</u> | <u>14,668</u> | <u>381,227</u> |
| TOTAL FUNDS | <u>366,559</u> | <u>14,668</u> | <u>381,227</u> |

Net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 86,583 | (71,915) | 14,668 |
| | <u>86,583</u> | <u>(71,915)</u> | <u>14,668</u> |
| TOTAL FUNDS | <u>86,583</u> | <u>(71,915)</u> | <u>14,668</u> |

Comparatives for movement in funds

| | At 1/7/19 £ | Net movement in funds £ | At 30/6/20 £ |
|---------------------------|----------------|----------------------------------|--------------------|
| Unrestricted funds | | | |
| General fund | 545,763 | (179,204) | 366,559 |
| | <u>545,763</u> | <u>(179,204)</u> | <u>366,559</u> |
| TOTAL FUNDS | <u>545,763</u> | <u>(179,204)</u> | <u>366,559</u> |

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 222,767 | (401,971) | (179,204) |
| | <u>222,767</u> | <u>(401,971)</u> | <u>(179,204)</u> |
| TOTAL FUNDS | <u>222,767</u> | <u>(401,971)</u> | <u>(179,204)</u> |

ALQUITY TRANSFORMING LIVES FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021**

8. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

| | At 1/7/19 £ | Net movement in funds £ | At 30/6/21 £ |
|---------------------------|----------------|----------------------------------|--------------------|
| Unrestricted funds | | | |
| General fund | 545,763 | (164,536) | 381,227 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL FUNDS | <u>545,763</u> | <u>(164,536)</u> | <u>381,227</u> |

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 309,350 | (473,886) | (164,536) |
| | <hr/> | <hr/> | <hr/> |
| TOTAL FUNDS | <u>309,350</u> | <u>(473,886)</u> | <u>(164,536)</u> |

9. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 30 June 2021.

ALQUITY TRANSFORMING LIVES FOUNDATION

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2021

| | 2021 £ | 2020 £ |
|---------------------------------|---------------|------------------|
| INCOME AND ENDOWMENTS | | |
| Donations and legacies | | |
| Donations | <u>86,583</u> | <u>222,767</u> |
| Total incoming resources | 86,583 | 222,767 |
| EXPENDITURE | | |
| Charitable activities | | |
| Sundries | - | 7,471 |
| Donations payments | 18,796 | 294,053 |
| Website costs | (222) | 216 |
| Marketing | 985 | 523 |
| Awards process costs | - | 18,140 |
| Travel and subsistence | <u>-</u> | <u>5,379</u> |
| | 19,559 | 325,782 |
| Support costs | | |
| Management | | |
| Wages | 44,299 | 63,517 |
| Social security | 5,320 | 1,811 |
| Pensions | <u>-</u> | <u>101</u> |
| | 49,619 | 65,429 |
| Finance | | |
| Bank charges | 112 | 337 |
| Exchange rate gains/losses | <u>1,192</u> | <u>8,023</u> |
| | 1,304 | 8,360 |
| Governance costs | | |
| Auditors' remuneration | <u>1,433</u> | <u>2,400</u> |
| Total resources expended | <u>71,915</u> | <u>401,971</u> |
| Net income/(expenditure) | <u>14,668</u> | <u>(179,204)</u> |

This page does not form part of the statutory financial statements