

Company registered number: 09578830
Charity registered number: 1165054

TELLES FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



TELLES FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees' submit their annual report and the unaudited financial statements for the year ended 31 December 2020.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Charity's Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, Governance and Management

The Telles Foundation (the 'Charity') was established on 7 May 2015, as a charitable company limited by guarantee. The Charity is governed by both its Articles and Memorandum of Association dated 7 May 2015 as amended by special resolutions the last of which was dated 22 June 2019 and by its Bye-Laws dated 7 May 2015 as amended by special resolutions the last of which was dated 22 December 2020. The Trustees obtain ongoing training as determined appropriate.

The names of all those who were the Charity's Trustees on the date the report was approved are listed on page 1.

The Trustees of the Charity are directors for company law purposes and are appointed in accordance with the Articles of Association of the Charity by the members. When new Trustees are appointed they undergo an orientation to brief them on: their legal obligations under Charity and company law, the Charity Commission guidance on public benefit; the content of the Memorandum and Articles of Association, the committee and decision-making processes; and the Charity's grant making plans and recent financial performance of the Charity.

The Trustees of the Charity have delegated aspects of the day to day management and administration to the Management and Operations Committee (the **M&O Committee**), which is governed by its Terms of Reference. Administration services are provided to the Charity by BDB Pitmans LLP. As a result, the Charity did not employ any personnel. The Key Management Personnel of the Charity are therefore deemed to be the Trustees. None of the Trustees received remuneration or other benefit from their work with the Charity in their capacity as Trustees.

Risk management

The Trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The Charity maintains a Risk Register which identifies the key issues faced by the Charity and steps to mitigate those risks. The Charity also has in place an Anti-Money Laundering Policy, a Conflicts of Interests Policy and a Safeguarding Policy.

COVID-19

COVID-19 has had no significant impact on the Charity's internal operations or finances. It has, however, affected the educational organisations supported by the Charity, some of whom are unable to facilitate face to face teaching in the same way as they did before the pandemic, which in turn has required those organisations to alter their staffing and on-line provisions, as well as their funding requirements. As a result it has been necessary in some cases (for example in relation to the Sonho Grande Institute (ISG) and the Instituto Social para Motivar, Apoiar e Reconhecer Talentos (Ismart) grants) for the Charity to adjust the size and timings of its grants (as set out in Note 12 of the accounts).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Related parties

As explained in Note 17 to the accounts, the Charity:

- has provided grant funding to ISG; Marina Medley De Sà was - during the relevant financial year - one of the four Board members of ISG and, as a result, this grant relationship meets the definition of a related party transaction.
- has provided grant funding to Ismart; Marcel Herrmann Telles was - during the relevant financial year - one of the four Board members of Ismart and, as a result, this grant relationship meets the definition of a related party transaction;
- accrued a \$20,000,000 grant (to which no restrictions or conditions were attached) from a related party of Marcel Telles.

The Trustees have in place a Conflicts of Interests Policy, which governs the way in which potential, perceived and actual conflicts of interests are declared by the Trustee concerned and managed by the Board. As part of this, the Trustees declare conflicts of interests at Board meetings and also complete a Conflicts of Interest Declaration Form.

Objectives and activities

The Charity's objects are restricted specifically to the advancement and promotion for the public benefit of education, particularly but not exclusively in Brazil and in areas of social and economic deprivation, by such means as the Trustees may in their discretion think fit.

The focus of the Trustees during the reporting period was to continue its grant making activities in line with the Charity's grant making policy taking into account the impact of the COVID-19 pandemic as mentioned above.

The Trustees have also focused on consolidating the Charity's governance and developing a strategic plan, including engaging external consultants in relation to the provision of strategic consultancy services to the Charity.

Achievements and performance

The Charity consolidated its grant making activities during the year ended 31 December 2020, including by continuing to make grants to ISG and Ismart, the two 'strategic grant recipients' identified by the Board, in relation to which the Charity intends to maintain long-term grant relationships.

During the year the Charity committed to make \$19,239,532 of grants (net of adjustments) to the following educational institutions:

- \$581,577 was granted to Wake Forest University, to provide scholarships to undergraduate students, who would not otherwise have access to that university education as it would have been beyond their means.
- \$891,235 was granted to Babson College, to fund the Babson Brazilian Scholars Program, which supports Brazilian students from financially disadvantaged backgrounds.
- \$41,611 was granted to Generation: You, Inc., an education not-for-profit. The grant is being used by the recipient to help fund the launch of the Junior Java Developer programme which involves training and placing 36 learners in partnership with Fundação Bradesco.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

The Charity has been carefully monitoring the impact of the COVID-19 pandemic on its grant making activities. The main impact is that some grant recipients have had to reduce, delay and/or significantly alter their educational offering in light of the 'lockdown' restrictions. As a result the Charity, in agreement with the grant recipients, has amended (for example delayed) some of the Charity's grant payments.

Reserves policy & going concern

At the year end the Charity held unrestricted reserves of \$18,287,884 (2019: \$17,566,226) which represents the Charity's free resources. The Charity does not hold a set level of reserves. All operational expenses are met under an arrangement with the Charity's funding partner. Therefore, the trustees do not consider there is a need for a formal reserves policy. However, the Charity's aim is to hold at least 6 months' worth of cash reserves to cover operational expenses at any one time. The Board considers that it has adequate financial reserves to continue to deliver on its plans and has a reasonable expectation that the Charity will have adequate resources to continue in operational existence for the foreseeable future.

Plans for future periods

The Charity has started to develop its website and logo with the aim of publicly promoting its charitable grant making purposes and to engage more effectively with grant recipients. The Charity has continued to build on its grant making activities, including by making grants to new recipients such as Fundação Estudar and École 42 and plans to increase its income and grant expenditure in future periods.

The Charity will continue to monitor the impact that COVID-19 is having on its grant recipients and to review whether it is necessary to make any further adjustments to grant commitments.

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees (who are also the Directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic 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. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

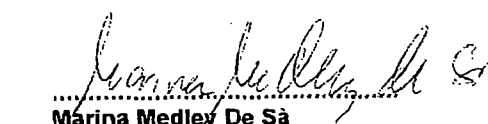
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject 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 business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charity's auditor is 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 auditor is aware of that information.

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


.....
Marina Medley De Sa
Trustee
Date: *July 2nd, 2021*

TELLES FOUNDATION
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TELLES FOUNDATION

Opinion

We have audited the financial statements of Telles Foundation (the 'Charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 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 charitable company's affairs as at 31 December 2020 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 United Kingdom, including the Financial Reporting Council'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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TELLES FOUNDATION (CONTINUED)

Other Information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report, other than the financial statements and our Auditors' Report 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 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.

Opinion 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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

TELLES FOUNDATION
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TELLES FOUNDATION (CONTINUED)

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.

Auditors' 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 Auditors' 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.

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:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.


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 Auditors' Report.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TELLES FOUNDATION (CONTINUED)

Use of our report

This report is made solely to the charitable company's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's Members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its Members, as a body, for our audit work, for this report, or for the opinions we have formed.



Stuart McKay BSc FCA DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants & Statutory Auditor

6th Floor

2 London Wall Place

London

EC2Y 5AU

Date: 09/07/2021

TELLES FOUNDATION
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STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted funds 2020 \$	Total funds 2020 \$	Total funds 2019 \$
Income from:				
Donations	4	20,000,000	20,000,000	30,000,000
Investments	5	18,152	18,152	25,026
Total income		20,018,152	20,018,152	30,025,026
Expenditure on:				
Charitable activities	6	19,379,182	19,379,182	13,241,006
Total expenditure		19,379,182	19,379,182	13,241,006
Net gains on investments	9	81,105	81,105	80,567
Net movement in funds before other recognised gains		720,075	720,075	16,864,587
Other recognised gains:				
Gain on foreign exchange		1,583	1,583	15,185
Net movement in funds		721,658	721,658	16,879,772
Reconciliation of funds:				
Total funds brought forward		17,566,226	17,566,226	686,454
Net movement in funds		721,658	721,658	16,879,772
Total funds carried forward		18,287,884	18,287,884	17,566,226

All income and expenditure derive from continuing activities and are Unrestricted.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 15 to 23 form part of these financial statements.

TELLES FOUNDATION
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REGISTERED NUMBER: 09578830

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 \$	2020 \$	2019 \$	2019 \$
Fixed assets					
Investments	9		5,001,137		23,044,948
			<u>5,001,137</u>		<u>23,044,948</u>
Current assets					
Debtors	10	20,000,000		-	
Investments	11	1,000,094		1,534	
Cash at bank and in hand	15	1,514,590		2,688,005	
		<u>22,514,684</u>		<u>2,689,539</u>	
Creditors: amounts falling due within one year	12	(8,860,310)		(8,168,261)	
Net current assets / (liabilities)			<u>13,654,374</u>		<u>(5,478,722)</u>
Creditors: amounts falling due after more than one year	13		(367,627)		-
Total net assets			<u><u>18,287,884</u></u>		<u><u>17,566,226</u></u>
Charity funds					
Unrestricted funds			<u>18,287,884</u>		<u>17,566,226</u>
Total funds			<u><u>18,287,884</u></u>		<u><u>17,566,226</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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



Marina Medley De Sá

Trustee

Date: July 2nd, 2021

The notes on pages 15 to 23 form part of these financial statements.

TELLES FOUNDATION
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Net cash used in operating activities	14	(18,317,923)	24,731,393
Cash flows from investing activities			
Investment income	5	18,152	25,026
Proceeds from sale of fixed asset investments	9	70,228,084	21,573,700
Purchase of fixed asset investments	9	(52,103,168)	(44,538,081)
Net movement on current asset investments	11	(998,560)	(1,534)
Net cash provided by/(used in) investing activities		17,144,508	(22,940,889)
Change in cash and cash equivalents in the year		(1,173,415)	1,790,504
Cash and cash equivalents at the beginning of the year		2,688,005	897,501
Cash and cash equivalents at the end of the year	15	1,514,590	2,688,005

The notes on pages 15 to 23 form part of these financial statements.

TELLES FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Telles Foundation is an incorporated Charity and is registered with the Charity Commission (Charity Registered Number 1165054) and Registrar of Companies (Company Registration Number 09578830) in England and Wales.

In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per Member of the Charity.

The address of the registered office is given in the Administrative information on page 1 of these financial statements.

The nature of the Charity's operations and principal activities are detailed in the Trustees Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Telles Foundation meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in US dollars which is the functional currency of the Charity and rounded to the nearest dollar.

2.2 Going concern

The Trustees have reviewed the financial position of the Charity and are content that the accounts should be prepared using the going concern assumption. They have considered a period of at least 12 months from the date of this report, and consider that there are no material uncertainties over going concern for the foreseeable future, including considering the impact of COVID-19.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity.

Charitable activities and Governance costs are costs incurred on the Charity's operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into dollars at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into dollars at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

2.7 Investments

Fixed asset investments are a form of basic financial instrument and are initially recognised at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are continuously measured at fair value with changes recognised in 'Net gains / (losses) on investments' in the Statement of Financial Activities. As investments are continuously revalued there are no realised gains or losses recorded. Investment income is accounted for in the period in which the charitable company is entitled to receipt.

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)

2.9 Cash at bank and in hand

Cash at bank and 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.

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.11 Financial instruments

The Charity only holds basic Financial Instruments. The financial assets and financial liabilities of the Charity are as follows:

Debtors – other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 10.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Note 12.

2.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgement

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.

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NOTES TO THE FINANCIAL STATEMENTS
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4. Income from donations

	Unrestricted funds 2020 \$	Total funds 2020 \$
Grants	<u>20,000,000</u>	<u>20,000,000</u>
	<i>Unrestricted funds 2019 \$</i>	<i>Total funds 2019 \$</i>
Donations	<u>30,000,000</u>	<u>30,000,000</u>

5. Income from investments

	Unrestricted funds 2020 \$	Total funds 2020 \$
Bank and investment interest receivable	<u>18,152</u>	<u>18,152</u>
	<i>Unrestricted funds 2019 \$</i>	<i>Total funds 2019 \$</i>
Bank and investment interest receivable	<u>25,026</u>	<u>25,026</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

6. Analysis of expenditure on charitable activities - by type

	Grant funding of activities 2020 \$	Support costs 2020 \$	Total funds 2020 \$
Charitable activities	19,239,532	139,650	19,379,182

The grants committed during the year have been detailed within the Trustees Report and in Note 12.

There were no staff in either the current or previous accounting periods.

	Grant funding of activities 2019 \$	Support costs 2019 \$	Total funds 2019 \$
Charitable activities	13,108,536	132,470	13,241,006

Analysis of support costs

	Total funds 2020 \$	Total funds 2019 \$
Governance costs	129,223	127,418
Other costs	10,427	5,052
Total 2020	139,650	132,470

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

7. Governance costs

	2020 \$	2019 \$
Auditor's remuneration - Audit of the financial statements	11,108	11,096
Auditor's remuneration - Accounts preparation	4,213	3,963
Auditor's remuneration - Tax services under accrual in previous year	1,187	1,149
Professional fees	112,715	111,210
	<u>129,223</u>	<u>127,418</u>

8. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - \$NIL).

During the year ended 31 December 2020, no Trustee expenses have been incurred (2019 - \$NIL).

9. Fixed asset investments

	Listed investments \$
Cost or valuation	
At 1 January 2020	23,044,948
Additions at cost	52,103,168
Disposals at carrying value	(70,228,084)
Revaluations	81,105
At 31 December 2020	<u>5,001,137</u>

Fixed asset investments are all held within US government bonds and have a historical cost of \$5,001,137 (2019 - \$23,023,767).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

10. Debtors

	2020	2019
	\$	\$
Due within one year		
Accrued income	20,000,000	-
	<u>20,000,000</u>	<u>-</u>

11. Current asset investments

	2020	2019
	\$	\$
Liquid investments	1,000,094	1,534
	<u>1,000,094</u>	<u>1,534</u>

12. Creditors: Amounts falling due within one year

	2020	2019
	\$	\$
Accruals	36,569	16,208
Grants payable	8,823,741	8,152,053
	<u>8,860,310</u>	<u>8,168,261</u>

Analysis of grants payable

	Grants payable at 1 January 2020	New grant commitments In the year	Adjustments	Grant payments made in 2020	Grants payable at 31 December 2020
	\$	\$	\$	\$	\$
Total	8,152,053	21,108,459	(1,868,928)	(18,200,216)	9,191,368

13. Creditors: Amounts falling due after more than one year

	2020	2019
	\$	\$
Grants payable	367,627	-
	<u>367,627</u>	<u>-</u>

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14. Reconciliation of net movement in funds to net cash flow from operating activities

		2020 \$	2019 \$
Net income for the period (as per Statement of Financial Activities)		720,075	16,864,587
Adjustments for:			
Gains on investments	9	(81,105)	(80,567)
Investment income	5	(18,152)	(25,026)
Increase in debtors	10	(20,000,000)	-
Increase in creditors	13, 12	1,059,676	7,957,214
Gains on foreign exchange		1,583	15,185
Net cash (used in)/provided by operating activities		(18,317,923)	24,731,393

15. Analysis of cash and cash equivalents

	2020 \$	2019 \$
Cash in hand	1,514,590	2,688,005
Total cash and cash equivalents	1,514,590	2,688,005

16. Analysis of changes in net debt

	At 1 January 2020 \$	Cash flows \$	At 31 December 2020 \$
Cash at bank and in hand	2,688,005	(1,173,415)	1,514,590
Liquid investments	1,534	998,560	1,000,094
	2,689,539	(174,855)	2,514,684

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17. Related party transactions

During the year the Telles Foundation recognised a grant from a related party of the Trustees which was unrestricted and without conditions amounting to \$20,000,000 (2019 - \$30,000,000 of donations).

During the year the Telles Foundation paid grants to two organisations which have one of the Trustees on their board (2019 - grants to two organisations).

	2020 \$	2019 \$
Marina Medley De Sá - Sonho Grande Institute	15,189,119	2,765,508
Marcel Herrmann Telles - Ismart	592,553	8,974,282
	<u>15,781,672</u>	<u>11,739,790</u>