

Company registration number: 09551467

Charity registration number: 1168568

# **Sovereign House Gh**

(A company limited by guarantee)

**Annual Report and Financial Statements**

**for the Year Ended 30 April 2021**

Stubbs Parkin Limited  
Chartered Accountants and Registered Auditors  
55 Houghton Street  
Southport  
Merseyside  
PR9 0PG

## **Sovereign House Gh**

### **Contents**

Reference and Administrative Details	1
Trustees' Report	2 to 6
Statement of Trustees' Responsibilities	7
Independent Examiner's Report	8
Statement of Financial Activities	9 to 10
Balance Sheet	11
Notes to the Financial Statements	12 to 23

## **Sovereign House Gh**

### **Reference and Administrative Details**

<b>Trustees</b>	Mrs Irene Lockett
	Mr Philip Joseph Lockett
	Mr Dele Moses Oderinde
	Mr Fortunate Muwonge
	Ms Elyse Julianna Merriman
<b>Charity Registration Number</b>	1168568
<b>Company Registration Number</b>	09551467
<b>Registered Office</b>	Langworthy Cornerstone Building 451 Liverpool Street Salford M6 5QQ
<b>Independent Examiner</b>	Stubbs Parkin Limited Chartered Accountants and Registered Auditors 55 Hoghton Street Southport Merseyside PR9 0PG

## **Sovereign House Gh**

### **Trustees' Report**

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 30 April 2021.

#### **Objectives and activities**

##### ***Objects and aims***

The object of the charity is to empower orphans and disadvantaged children to realise their full potential through enhancing IT skills, housing, education, healthcare and community development. The charity works with children in Ghana and the UK.

##### ***Public benefit***

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

## **Sovereign House Gh**

### **Trustees' Report**

#### **Achievements and performance**

Sovereign House Gh, like many other charities saw the immediate effects of the pandemic. Restrictions put in place forced us to temporarily stop our lessons, cancel planned events for our students and we were unable to conduct fundraising events.

Salford, UK

The Computer Learning Programme continued delivering digital and life skills to the children through the first quarter of the year.

Due to the government lockdown on 23 March 2020, we ceased the classes and moved the programme online, creating online classes for the children with their teacher and enabling them to interact with each other and their teachers.

After consulting with the parents, only eighteen out of the sixty-three children attending pre-covid had access to laptops or tablets. This became a challenge for the weekly classes to continue. We therefore created and uploaded the lessons onto the children's online accounts so that the children could do the work as and when they could, making it difficult sometimes to access answers immediately to questions they face as the teachers checked in once a week.

The Director stayed connected with the parents, sometimes discussing issues the children and families faced during the pandemic, sometimes not related to the Computer Learning Programme.

Having fostered trust with the families, it was an opportunity to maintain the relationship and stay in touch with the families. It was quite challenging times for all.

Classes restarted in person in September 2020 when the lockdown restrictions were lifted. We had to cut down the number of children per class to conform to the health and safety requirements in place. Also, due to the shortages of volunteers (as most volunteers were from universities) we had to cut down the classes per week to four instead of the seven (pre covid). We could only take six children maximum per class, thereby reducing the number of children who could access the programme. The rest of the children were put back on waiting lists with the assurance that they would be first in line to come back when we have the resources to expand.

There was another lockdown in November 2020 so the in-person classes ceased and we continued with the online access. The in-person classes restarted in May 2021.

It had been a difficult year for everyone, especially the children, but stronger, resilient characteristics have emerged and the children and families have appreciated the essence of the Computer Learning Programme. Parents have come back to us about the positive support that they received during the lockdown with the efforts we put in place to engage with their children, helping with their emotional and mental wellbeing.

## **Sovereign House Gh**

### **Trustees' Report**

Some parents have appreciated the help they received from their children who have been on the programme to access governmental and other services, most of which have migrated online due to the pandemic. With some having had no IT experience at all, these parents were faced with the difficulty of accessing these services or how to even get to speak to someone about it. Their children helped with the skills they have picked up and we helped in whatever capacity we could. These outcomes have stood out for us and the team, making us realise and appreciate the impact the Computer Learning Programme is making within families in Salford.

The children have learned new skills in IT, including data programming and the essence of it for the advance class, 2 x intermediate classes have learnt journaling their thoughts and how to programme these thoughts into outputs using different software programmes. 2 x junior classes have learnt the building blocks of software programming and how algorithms work in programming. All the classes have gone through the essence of E-safety, being safe on social media and how to have stronger passwords to protect themselves and family.

Various discussions have gone on about covid, testing, vaccinations and how to keep safe, as well as their perspectives of the pandemic.

#### **Ghana**

One of the key achievements was completing the second storey construction of the blue-print childrens home for orphaned children in Ghana, to give them the needed foundation, providing stability and security, so that the children could grow within a family oriented and cared for environment.

Despite the challenges posed by the pandemic, the internal works began and much progress was made on the building.

A few fundraising activities had to be cancelled, with some changed to online, which affected some of the scheduled programmes.

Our work in Ghana has also impacted the children who were not able to go to school because of the pandemic restrictions. We were able to provide some of them with mobile phones and laptops so they continue their studies from home.

Sadly, many children from disadvantaged backgrounds in Ghana were not fortunate to be given mobile devices to learn and missed out on their education and this was reflected in their exam results. Extra lessons have been secured for these children to catch up with their studies.

The disparity of the results is also highlighted in the difference between children who attend public or private schools. The latter of which were able to afford private lessons online, whereas the public schools did not have the resources in place to deal with the years events. This has highlighted our children who have educational sponsorship to attend private school to those without sponsorship.

#### **Financial review**

Total incoming resources were £58,944. Outgoing expenditure totalled £20,735 resulting in a net surplus of £38,209 for the year.

The balance sheet, which includes property, shows net assets of £171,737 as at 30 April 2021

## **Sovereign House Gh**

### **Trustees' Report**

#### ***Policy on reserves***

The Trustees are building up the reserves level of the charity and will continue to do so for the coming years. The Trustees are confident that by promoting the Charity's projects and the increased efforts at fundraising will help achieve the set target, whilst applications for grant funding will continue to deliver the objectives of the Charity. Thus, the Directors/Trustees are of the view that the Charity will continue to excel in its objectives in the near future.

#### ***Principal funding sources***

Sovereign House Gh relies on donors, grants and voluntary income as its principal source of funding.

#### **Structure, governance and management**

##### ***Nature of governing document***

Sovereign House Gh is a charitable Incorporated Organisation and is a registered charity governed by its constitution and the compliance requirements of the Charity Commission.

##### ***Arrangements for setting key management personnel remuneration***

The Charity employs staff and continues to collaborate with volunteers. Day to day management of the Charity's operations is delegated to the Executive Director who is also a Trustee. She works with both staff and volunteers with various expertise to run the Charity. She did not receive remuneration during the year.

##### ***Organisational structure***

The CIO has control over the Company Limited by Guarantee. The purpose of the CIO is to broaden the governance structure, enhance transparency and provide a wider platform in delivering on the Charity's stated objectives for the public benefit

#### **Financial instruments**

##### ***Objectives and policies***

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

##### ***Cash flow risk***

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

## **Sovereign House Gh**

### **Trustees' Report**

#### ***Credit risk***

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

#### ***Liquidity risk***

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

#### **Small companies provision statement**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on 31 January 2022 and signed on its behalf by:



.....  
**Mrs Irene Lockett**  
**Trustee**



## **Sovereign House Gh**

### **Statement of Trustees' Responsibilities**

The trustees (who are also the directors of Sovereign House Gh for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations. The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

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 charitable company 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 apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 31 January 2022 and signed on its behalf by:



.....  
Mrs Irene Lockett  
Trustee

## **Sovereign House Gh**

### **Independent Examiner's Report to the trustees of Sovereign House Gh ("the Company")**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 30 April 2021.

#### **Responsibilities and basis of report**

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of Sovereign House Gh are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

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

1. accounting records were not kept in respect of Sovereign House Gh as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for 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)].

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



Stubbs Parkin Ltd  
Chartered Accountants and Registered Auditors

55 Houghton Street  
Southport  
Merseyside  
PR9 0PG

31 January 2022

## Sovereign House Gh

### Statement of Financial Activities for the Year Ended 30 April 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	22,046	36,898	58,944
Total income		22,046	36,898	58,944
<b>Expenditure on:</b>				
Raising funds	4	(558)	(2,496)	(3,054)
Charitable activities	5	(5,437)	(12,244)	(17,681)
Total expenditure		(5,995)	(14,740)	(20,735)
Net income		16,051	22,158	38,209
Transfers between funds		755	(755)	-
Net movement in funds		16,806	21,403	38,209
<b>Reconciliation of funds</b>				
Total funds brought forward		9,138	124,390	133,528
Total funds carried forward	13	25,944	145,793	171,737
	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	11,594	30,036	41,630
Total income		11,594	30,036	41,630
<b>Expenditure on:</b>				
Raising funds	4	(3,854)	-	(3,854)
Charitable activities	5	-	(10,317)	(10,317)
Total expenditure		(3,854)	(10,317)	(14,171)
Net income		7,740	19,719	27,459
Transfers between funds		(11,331)	11,331	-
Net movement in funds		(3,591)	31,050	27,459
<b>Reconciliation of funds</b>				
Total funds brought forward		12,729	93,339	106,068
Total funds carried forward	13	9,138	124,389	133,527

The notes on pages 12 to 23 form an integral part of these financial statements.

**Sovereign House Gh**

**Statement of Financial Activities for the Year Ended 30 April 2021  
(Including Income and Expenditure Account and Statement of Total Recognised Gains and  
Losses)**

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

The funds breakdown for 2020 is shown in note 13.

The notes on pages 12 to 23 form an integral part of these financial statements.

## Sovereign House Gh

(Registration number: 09551467)

Balance Sheet as at 30 April 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	10	143,750	122,956
<b>Current assets</b>			
Cash at bank and in hand	11	29,172	10,813
<b>Creditors: Amounts falling due within one year</b>	12	<u>(1,185)</u>	<u>(242)</u>
<b>Net current assets</b>		<u>27,987</u>	<u>10,571</u>
<b>Net assets</b>		<u>171,737</u>	<u>133,527</u>
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds		145,793	124,389
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>25,944</u>	<u>9,138</u>
<b>Total funds</b>	13	<u>171,737</u>	<u>133,527</u>

For the financial year ending 30 April 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

### Directors' responsibilities:

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

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements on pages 9 to 23 were approved by the trustees, and authorised for issue on 31/01/2022 and signed on their behalf by:



Mrs Irene Lockett  
Trustee

The notes on pages 12 to 23 form an integral part of these financial statements.

## **Sovereign House Gh**

### **Notes to the Financial Statements for the Year Ended 30 April 2021**

#### **1 Charity status**

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:  
Langworthy Cornerstone Building  
451 Liverpool Street  
Salford  
M6 5QQ

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

##### **Basis of preparation**

Sovereign House Gh meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

##### **Exemption from preparing a cash flow statement**

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

##### **Income and endowments**

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 the income receivable can be measured reliably.

## **Sovereign House Gh**

### **Notes to the Financial Statements for the Year Ended 30 April 2021**

#### ***Donations and legacies***

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

#### ***Grants receivable***

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

#### ***Deferred income***

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

#### ***Expenditure***

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

#### ***Raising funds***

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

#### ***Charitable activities***

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

#### ***Support costs***

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

## **Sovereign House Gh**

### **Notes to the Financial Statements for the Year Ended 30 April 2021**

#### **Government grants**

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

#### **Taxation**

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

#### **Tangible fixed assets**

Individual fixed assets costing £0.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

#### **Cash and cash equivalents**

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

#### **Borrowings**

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

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

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



## **Sovereign House Gh**

### **Notes to the Financial Statements for the Year Ended 30 April 2021**

#### **Foreign exchange**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in the Statement of Financial Activities in the period in which they arise except for:

- 1) exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- 2) exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- 3) in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

#### **Fund structure**

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

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

#### **Financial instruments**

##### *Classification*

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

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

## **Sovereign House Gh**

### **Notes to the Financial Statements for the Year Ended 30 April 2021**

#### ***Recognition and measurement***

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

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

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

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

## **Sovereign House Gh**

### **Notes to the Financial Statements for the Year Ended 30 April 2021**

#### ***Debt instruments***

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

#### ***Investments***

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

## Sovereign House Gh

### Notes to the Financial Statements for the Year Ended 30 April 2021

#### *Derivative financial instruments*

The charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

#### *Fair value measurement*

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

### **3 Income from donations and legacies**

	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total funds £</b>
Donations and legacies;			
Donations from individuals	4,564	24,961	29,525
Gift aid reclaimed	3,732	-	3,732
Grants, including capital grants;			
Government grants	13,750	11,937	25,687
<b>Total for 2021</b>	<b>22,046</b>	<b>36,898</b>	<b>58,944</b>
<b>Total for 2020</b>	<b>11,594</b>	<b>30,036</b>	<b>41,630</b>

## Sovereign House Gh

### Notes to the Financial Statements for the Year Ended 30 April 2021

#### 4 Expenditure on raising funds

##### a) Costs of generating donations and legacies

	Note	Unrestricted funds General £	Restricted funds £	Total funds £
Other direct costs of generating voluntary income		558	2,496	3,054
<b>Total for 2021</b>		<b>558</b>	<b>2,496</b>	<b>3,054</b>
<b>Total for 2020</b>		<b>3,854</b>	<b>-</b>	<b>3,854</b>
				<b>Total costs £</b>

#### 5 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total funds £
Direct costs	2,327	4,643	6,970
Wages and salaries	1,250	6,195	7,445
Staff pensions	-	268	268
Education sponsorship	-	788	788
Volunteer expenses	281	350	631
Depreciation - CLP equipment	542	-	542
Accountancy fees	1,037	-	1,037
<b>Total for 2021</b>	<b>5,437</b>	<b>12,244</b>	<b>17,681</b>

£5,437 (2020 - £Nil) of the above expenditure was attributable to unrestricted funds and £12,244 (2020 - £10,318) to restricted funds.

## **Sovereign House Gh**

### **Notes to the Financial Statements for the Year Ended 30 April 2021**

#### **6 Net incoming/outgoing resources**

Net incoming resources for the year include:

	<b>2021</b>
	<b>£</b>
Depreciation of fixed assets	<u>542</u>

#### **7 Trustees remuneration and expenses**

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

#### **8 Staff costs**

The aggregate payroll costs were as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Staff costs during the year were:</b>		
Wages and salaries	7,445	-
Pension costs	268	-
Other staff costs	<u>631</u>	<u>406</u>
	<u>8,344</u>	<u>406</u>

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

## Sovereign House Gh

### Notes to the Financial Statements for the Year Ended 30 April 2021

#### 9 Taxation

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

#### 10 Tangible fixed assets

	Land and buildings £	Computer equipment £	Total £
<b>Cost</b>			
At 1 May 2020	120,739	2,217	122,956
Additions	<u>20,847</u>	<u>489</u>	<u>21,336</u>
At 30 April 2021	<u>141,586</u>	<u>2,706</u>	<u>144,292</u>
<b>Depreciation</b>			
Charge for the year	<u>-</u>	<u>542</u>	<u>542</u>
At 30 April 2021	<u>-</u>	<u>542</u>	<u>542</u>
<b>Net book value</b>			
At 30 April 2021	<u>141,586</u>	<u>2,164</u>	<u>143,750</u>
At 30 April 2020	<u>120,739</u>	<u>2,217</u>	<u>122,956</u>

Included within the net book value of land and buildings above is £Nil (2020 - £Nil) in respect of freehold land and buildings and £141,586 (2020 - £120,739) in respect of leaseholds.

#### 11 Cash and cash equivalents

	2021 £	2020 £
Cash on hand	51	91
Cash at bank	<u>29,121</u>	<u>10,722</u>
	<u>29,172</u>	<u>10,813</u>

#### 12 Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals	1,037	242
Deferred income	<u>148</u>	<u>-</u>
	<u>1,185</u>	<u>242</u>

## Sovereign House Gh

### Notes to the Financial Statements for the Year Ended 30 April 2021

#### 13 Funds

	Balance at 1 May 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 30 April 2021 £
<b>Unrestricted funds</b>					
<i>General</i>					
Unrestricted income fund	9,138	22,046	(5,995)	755	25,944
<b>Restricted funds</b>					
Community Fund	2,383	-	(1,872)	-	511
Salford CVS Wellbeing	1,000	-	(631)	-	369
Salford CVS - Covid Crisis Fund	500	-	-	(500)	-
VRU Children's Fund	-	11,937	(11,448)	(489)	-
Ghana Childrens Home and Mission House	120,739	24,961	(788)	-	144,912
Salford Council (laptop and software)	(234)	-	-	234	-
<b>Total restricted funds</b>	<b>124,388</b>	<b>36,898</b>	<b>(14,739)</b>	<b>(755)</b>	<b>145,792</b>
<b>Total funds</b>	<b>133,526</b>	<b>58,944</b>	<b>(20,734)</b>	<b>-</b>	<b>171,736</b>
	Balance at 1 May 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 30 April 2020 £
<b>Unrestricted funds</b>					
<i>General</i>					
Unrestricted income fund	12,729	10,984	(4,296)	(10,280)	9,137
<b>Restricted</b>					
Community Fund	-	9,998	(7,615)	-	2,383
Salford CVS Wellbeing	-	1,000	-	-	1,000
Salford CVS - Covid Crisis Fund	-	500	-	-	500
Ghana Childrens Home and Mission House	93,239	17,211	-	10,289	120,739
Salford Council (laptop and software)	21	170	(425)	-	(234)
Salford CVS (volunteers' Week Fund)	-	332	(328)	(4)	-
Salford4Good	-	995	(994)	(1)	-



## Sovereign House Gh

### Notes to the Financial Statements for the Year Ended 30 April 2021

	<b>Balance at 1 May 2019</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Transfers</b>	<b>Balance at 30 April 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Corporate Sponsorship	-	440	(440)	-	-
Salford CVS (Volunteers' expenses)	79	-	(75)	(4)	-
<b>Total restricted funds</b>	<b>93,339</b>	<b>30,646</b>	<b>(9,877)</b>	<b>10,280</b>	<b>124,388</b>
<b>Total funds</b>	<b>106,068</b>	<b>41,630</b>	<b>(14,173)</b>	<b>-</b>	<b>133,525</b>