

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 2022

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

Sovereign House Gh

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Sovereign House Gh

Reference and Administrative Details

Trustees	Irene Lockett Philip Joseph Lockett Dele Moses Oderinde Elyse Merriman Fortune Muwonge
Charity Registration Number	1168568
Company Registration Number	09551467
Registered Office	HQ Building Clippers Quay Salford M50 3XP
Principal Office	Langworthy Cornerstone Building 451 Liverpool Street Salford M6 5QQ
Independent Examiner	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 2022.

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

Salford, UK

The Computer Learning Programme restarted when restrictions were lifted and continued delivering digital and life skills to the children throughout the year.

Due to increased demand and having to put some children back on waiting list, the charity sought to introduce new technology, changing the platform that the children accessed their accounts on, allowed some of the children who have access to computers at home to log in and continue their learning at home. This was welcomed by parents, as they could see the progress of their children, and work through the different digital skills. This helped us to bring back more beneficiaries and cut down the number of children on waiting list. We were able to add additional days per week to the program, which allowed us to increase our intake.

Sadly, additional premises we worked on for the Computer Learning Program fell through and we continue to look for a permanent place to operate from.

We are still working on developing the technology to enable the charity to offer the Computer Learning Program to many more children who can access it from home, as well as bring in on-line tutoring in the near future.

Although it had been a difficult year for everyone, especially the children, stronger resilient characteristics have emerged, strengthening the trust between the work of the charity and the community. Parents and families continue to engage with us, appreciating the essence of the digital skills they are learning and the support they receive, leading to the charity being recognised as one of the trusted voices within the community. We believe that a community that thrives, enhances the life chances of its people and youth, so that they can be successful and give back to the development of the community. We continue to work within the community on that belief, bringing new initiatives to the skill-set that the children and young people are learning.

For the parents who appreciated the help they received from their children who have been on the programme, such as being able to access governmental and other services, they are asking if adult classes will start, this is something we are looking into and will bring on in the near future as there is demand.

The children have learned new skills in IT, including cyber-security, threats and protection, Microsoft apps, hardware computing and components, designing and making presentations amongst other software programmes. All the children and young people continue to learn the essence of digital footprints on social media, and how to be safe to protect themselves and their family, including what to do if they are being bullied on social media.

Ghana

One of the key achievements was completing the internal works of the blue-print children's 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.

The educational curriculum for the country was completely changed after lock-down restrictions were lifted, which posed challenges for many families, who were already stretched to just buy the new textbooks alone. This also affected the children we sponsor, raising the cost of their education.

Extra classes continue for the children who missed out during lock-down and not having IT equipment to learn from home, added to this was the introduction of the new curriculum's so the extra classes are enabling them to catch up on their education.

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Trustees' Report

During the pandemic, most private schools were able to provide lessons online, using mobile phones or laptops, whereas the public/governmental schools did not have the resources in place to deal with the year's events. This was highlighted with our children who have educational sponsorship to attend private school to those without sponsorship. With the disparity in the results of the difference between children who attend public or private schools, we were able to change the schools of some of our children to send them to private schools.

Sovereign House GH, like many other charities had a challenging year, the effect of the pandemic and the economy for many charities saw their donations drop dramatically. The charity has to alter its fundraising strategy to accommodate the changing phase as a result of the pandemic.

2021-2022 was a hard year for many, it brought a year of unprecedented changes to everyday lives for the beneficiaries, staff and volunteers and the sense of uncertainty was felt by all. It also brought increased demand to our services, with limited resources.

Through the challenges, we received some awards which brought smiles to everyone for the recognition of their hard work.

Financial review

Total incoming resources were £89,322. Outgoing expenditure totalled £30,467 resulting in a net surplus of £58,855 for the year.

The balance sheet, which includes property, shows net assets of £230,592 as at 30 April 2022.

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.

Plans for future periods

Aims and key objectives for future periods

As an organisation, we are committed to the continued improvement of our objects and financial position.

Continued efforts are being made to grow further the support base in the form of regular givers.

The continuous adoption of cost-efficient measures is still at the top of our agenda and every effort is being made to continue minimised expenses whilst focusing on fundraising.

The work of the charity and the funds it raises are directed towards the objects of the charity as set out by the Charity Commission's guidance on public benefit.

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Trustees' Report

Activities planned to achieve aims

Ghana

We are planning on opening our children's home next year to bring the children into their new home.

UK

We are putting plans in place to accommodate more classes, expanding our range of subjects being taught, the possibility of providing online lessons and having additional venues. We continue to look for a permanent space to expand the programme as the demand for it is remarkably high and there is a long waiting list with enquiries about joining still being made.

We have restructured our IT systems and continue to put measures in place for future use.

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 Charitable Incorporated Organisation has control over the Company Limited by Guarantee. The purpose of the Charitable Incorporated Organisation 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.

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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 10th January 2023 and signed on its behalf by:



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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 the incoming resources and application of resources, including its income and expenditure, of the charitable company 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 accounting standards, comprising FRS 102 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 proper accounting records that can 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees of the charity on 10th January 2023 and signed on its behalf by:



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 2022.

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 the Company 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 Hoghton Street
Southport
Merseyside
PR9 0PG

30 January 2023

Sovereign House Gh

Statement of Financial Activities for the Year Ended 30 April 2022 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £
Income and Endowments from:				
Donations and legacies	3	24,147	65,126	89,273
Investment income	4	49	-	49
Total income		24,196	65,126	89,322
Expenditure on:				
Raising funds	5	(683)	-	(683)
Charitable activities	6	(11,871)	(17,913)	(29,784)
Total expenditure		(12,554)	(17,913)	(30,467)
Net income		11,642	47,213	58,855
Transfers between funds		91	(91)	-
Net movement in funds		11,733	47,122	58,855
Reconciliation of funds				
Total funds brought forward		25,553	146,184	171,737
Total funds carried forward	15	37,286	193,306	230,592
	Note	Unrestricted funds £	Restricted funds £	Total 2021 £
Income and Endowments from:				
Donations and legacies	3	22,046	36,898	58,944
Total income		22,046	36,898	58,944
Expenditure on:				
Charitable activities	6	(5,995)	(14,740)	(20,735)
Total expenditure		(5,995)	(14,740)	(20,735)
Net income		16,051	22,158	38,209
Transfers between funds		364	(364)	-
Net movement in funds		16,415	21,794	38,209
Reconciliation of funds				
Total funds brought forward		9,138	124,390	133,528
Total funds carried forward	15	25,553	146,184	171,737

The notes on pages 13 to 25 form an integral part of these financial statements.

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**Statement of Financial Activities for the Year Ended 30 April 2022
(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 2021 is shown in note 15.

The notes on pages 13 to 25 form an integral part of these financial statements.

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(Registration number: 09551467) Balance Sheet as at 30 April 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	186,793	143,750
Current assets			
Debtors	12	1,505	-
Cash at bank and in hand	13	44,725	29,172
		46,230	29,172
Creditors: Amounts falling due within one year	14	(2,431)	(1,185)
Net current assets		43,799	27,987
Net assets		230,592	171,737
Funds of the charity:			
Restricted income funds			
Restricted funds		193,306	146,184
Unrestricted income funds			
Unrestricted funds		37,286	25,553
Total funds	15	230,592	171,737

For the financial year ending 30 April 2022 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 notes on pages 13 to 25 form an integral part of these financial statements.

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(Registration number: 09551467)
Balance Sheet as at 30 April 2022

The financial statements on pages 9 to 25 were approved by the trustees, and authorised for issue on 30 January 2023 and signed on their behalf by:

A handwritten signature in cursive script, appearing to read 'Lockett', is written over a horizontal dotted line.

Irene Lockett
Trustee

The notes on pages 13 to 25 form an integral part of these financial statements.

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Notes to the Financial Statements for the Year Ended 30 April 2022

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:

HQ Building
Clippers Quay
Salford
M50 3XP

The principal place of business 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.

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.

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Notes to the Financial Statements for the Year Ended 30 April 2022

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.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

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.

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Notes to the Financial Statements for the Year Ended 30 April 2022

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:

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

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.

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Notes to the Financial Statements for the Year Ended 30 April 2022

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.

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.

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Notes to the Financial Statements for the Year Ended 30 April 2022

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.

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.

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Notes to the Financial Statements for the Year Ended 30 April 2022

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.

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Notes to the Financial Statements for the Year Ended 30 April 2022

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

	Unrestricted funds General £	Restricted funds £	Total funds £
Donations and legacies;			
Donations from individuals	966	41,114	42,080
Gift aid reclaimed	8,187	-	8,187
Grants, including capital grants;			
Government grants	14,994	24,012	39,006
Total for 2022	<u>24,147</u>	<u>65,126</u>	<u>89,273</u>
Total for 2021	<u>22,046</u>	<u>36,898</u>	<u>58,944</u>

4 Investment income

	Unrestricted funds General £	Total funds £
Interest receivable and similar income;		
Interest receivable on bank deposits	49	49
Total for 2022	<u>49</u>	<u>49</u>

Sovereign House Gh

Notes to the Financial Statements for the Year Ended 30 April 2022

5 Expenditure on raising funds

a) Costs of generating donations and legacies

	Note	Unrestricted funds General £	Total funds £
Marketing and publicity		683	683
Total for 2022		<u>683</u>	<u>683</u>
			Total costs £

6 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total funds £
Directly attributable	8,971	15,503	24,474
Support costs	1,683	2,410	4,093
Governance costs	1,217	-	1,217
Total for 2022	<u>11,871</u>	<u>17,913</u>	<u>29,784</u>
Total for 2021	<u>5,995</u>	<u>14,740</u>	<u>20,735</u>

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Notes to the Financial Statements for the Year Ended 30 April 2022

	Activity undertaken directly £	Activity support costs £	Total expenditure £
Direct costs	5,643	-	5,643
Wages and salaries	14,041	-	14,041
Staff pensions	260	-	260
Education sponsorship	1,613	-	1,613
Volunteer expenses	1,088	-	1,088
Depreciation	1,829	-	1,829
Accountancy fees	-	1,217	1,217
Rent	-	3,662	3,662
Insurance	-	185	185
Bank charges	-	194	194
Sundry costs	-	52	52
Total for 2022	<u>24,474</u>	<u>5,310</u>	<u>29,784</u>
Total for 2021	<u>17,681</u>	<u>3,054</u>	<u>20,735</u>

£11,871 (2021 - £5,995) of the above expenditure was attributable to unrestricted funds and £17,913 (2021 - £14,740) to restricted funds.

7 Net incoming/outgoing resources

Net incoming resources for the year include:

	2022 £	2021 £
Depreciation of fixed assets	<u>1,829</u>	<u>542</u>

8 Trustees remuneration and expenses

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

9 Staff costs

The aggregate payroll costs were as follows:

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Notes to the Financial Statements for the Year Ended 30 April 2022

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries	14,041	7,445
Pension costs	260	268
Other staff costs	1,088	631
	<u>15,389</u>	<u>8,344</u>

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

10 Taxation

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

11 Tangible fixed assets

	Land and buildings £	Computer equipment £	Total £
Cost			
At 1 May 2021	141,586	2,706	144,292
Additions	<u>37,893</u>	<u>6,979</u>	<u>44,872</u>
At 30 April 2022	<u>179,479</u>	<u>9,685</u>	<u>189,164</u>
Depreciation			
At 1 May 2021	-	542	542
Charge for the year	<u>-</u>	<u>1,829</u>	<u>1,829</u>
At 30 April 2022	<u>-</u>	<u>2,371</u>	<u>2,371</u>
Net book value			
At 30 April 2022	<u>179,479</u>	<u>7,314</u>	<u>186,793</u>
At 30 April 2021	<u>141,586</u>	<u>2,164</u>	<u>143,750</u>

Included within the net book value of land and buildings above is £Nil (2021 - £Nil) in respect of freehold land and buildings and £179,479 (2021 - £141,586) in respect of leaseholds.

12 Debtors

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Notes to the Financial Statements for the Year Ended 30 April 2022

	2022 £
Prepayments	420
Accrued income	1,085
	<u>1,505</u>

13 Cash and cash equivalents

	2022 £	2021 £
Cash on hand	14	51
Cash at bank	44,711	29,121
	<u>44,725</u>	<u>29,172</u>

14 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	41	-
Other creditors	1	-
Pension scheme creditor	135	-
Accruals	2,254	1,037
Deferred income	-	148
	<u>2,431</u>	<u>1,185</u>

15 Funds

	Balance at 1 May 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 30 April 2022 £
Unrestricted funds					
<i>General</i>					
Unrestricted income fund	25,554	24,196	(12,555)	91	37,286
Restricted funds					
Community Fund	511	10,000	(10,719)	1,320	1,112
Salford CVS Wellbeing	369	-	(271)	(98)	-
VRU Children's Fund	-	-	(78)	78	-
Ghana Childrens Home and Mission House	3,325	41,114	(40,024)	-	4,415

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Notes to the Financial Statements for the Year Ended 30 April 2022

	Balance at 1 May 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 30 April 2022 £
Salford CVS (volunteers' Week Fund)	-	485	(487)	2	-
Kickstart	-	8,160	(7,708)	-	452
Salford CVS (Volunteers' expenses)	-	750	(359)	-	391
New Ground Storage	-	467	(318)	-	149
Salford Council Devolved Budget	-	4,000	(2,287)	-	1,713
Soil Association	-	150	(155)	5	-
Asset - Computer Equipment	391	-	6,600	(1,398)	5,593
Asset - Ghana Childrens Home Building	141,587	-	37,893	-	179,480
Total restricted funds	146,183	65,126	(17,913)	(91)	193,305
Total funds	171,737	89,322	(30,468)	-	230,591
	Balance at 1 May 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 30 April 2021 £
Unrestricted funds					
General					
Unrestricted income fund	9,138	22,046	(5,995)	364	25,553
Restricted					
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	(11,937)	-	-
Ghana Childrens Home and Mission House	-	24,961	(21,636)	-	3,325
Salford Council (laptop and software)	(234)	-	-	234	-
Asset - Computer Equipment	-	-	489	(98)	391
Asset - Ghana Childrens Home Building	120,739	-	20,848	-	141,587
Total restricted funds	124,388	36,898	(14,739)	(364)	146,183
Total funds	133,526	58,944	(20,734)	-	171,736

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Notes to the Financial Statements for the Year Ended 30 April 2022

Transfers between funds represents small under/over spends of restricted funds which have been transferred to unrestricted funds.