

**REGISTERED COMPANY NUMBER: 10471484 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1170522**

**Report of the Trustees and**  
**Unaudited Financial Statements for the Year Ended 31 December 2020**  
**for**  
**Classrooms in the Clouds**  
**(A Company Limited by Guarantee)**

Marshall Accountancy Ltd  
St Mary's House  
Crewe Road  
Alsager  
Stoke-On-Trent  
ST7 2EW

## **Classrooms in the Clouds**

### **Contents of the Financial Statements for the Year Ended 31 December 2020**

	<b>Page</b>
<b>Reference and Administrative Details</b>	1
<b>Report of the Trustees</b>	2 to 14
<b>Independent Examiner's Report</b>	15
<b>Statement of Financial Activities</b>	16
<b>Balance Sheet</b>	17
<b>Notes to the Financial Statements</b>	18 to 22
<b>Detailed Statement of Financial Activities</b>	23

## **Classrooms in the Clouds**

### **Reference and Administrative Details for the Year Ended 31 December 2020**

<b>TRUSTEES</b>	M A Cashin S Hagen M Hagen L McLaren R A W Middleton D G Sherpa
<b>REGISTERED OFFICE</b>	10 Grammar School Lane Wirral Merseyside CH48 8AY
<b>REGISTERED COMPANY NUMBER</b>	10471484 (England and Wales)
<b>REGISTERED CHARITY NUMBER</b>	1170522
<b>INDEPENDENT EXAMINER</b>	Marshall Accountancy Ltd St Mary's House Crewe Road Alsager Stoke-On-Trent ST7 2EW

**Classrooms in the Clouds**  
**Report of the Trustees**  
**for the Year Ended 31 December 2020**

The Trustees of Classrooms in the Clouds are pleased to present their Report and Accounts for the period ending 31 December 2020. These accounts have been prepared in accordance with Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard for Smaller Entities (effective January 2015) and the Charities Act 2011, and the Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

**Objectives and Activities**

Classrooms in the Clouds exists because there are children in Nepal currently receiving an inadequate education, or in many cases, no education at all due to social, financial, practical, geographical or other reasons. Many children are out working, taking care of younger siblings, elderly or disabled relatives. There may be no school in their village, or if there is it may only go to the end of primary school, with no high school nearby. The only option for many is boarding school in Kathmandu which is simply unaffordable and impractical for all but a small minority. Attendance at school dwindles as children get older. The Nepalese government recognises that early years education has been undervalued. We need to provide incentives, facilities, teachers and professional development opportunities as well as tackling gender barriers to ensure children remain students for as long as possible to help them reach their full potential.

**Purpose**

To raise funds and materials to assist in the provision of education to the children of Nepal.

**Mission**

Our mission is to provide affordable, accessible and sustainable education to the children of Nepal, particularly those in most



need.

**Aims**

Classrooms in the Clouds strive to create a safe environment where children are able to achieve their full potential in all aspects of their learning. In particular, they will have the chance to achieve their Secondary Education Examination (SEE).

We aim to improve conditions in 4 main ways:

- Building good quality, new classrooms;
- Providing gender appropriate hygiene facilities and tackle gender barriers;



- Sponsoring, training and supporting new teachers with an emphasis on attracting more local female teachers;
- Developing partnerships with local school communities to realise the potential of the additional facilities and training.

## Values

Our **Core Values** shape *what* we do:

- **Creating Opportunity** for communities in need;
- **Socially Aware** – we will endeavour to source materials locally and utilise local labour as far as practically possible;
- **Sustainable** – we will work with local communities to understand and meet their needs, develop a long term, strong relationship and ensure their commitment to a project;
- **Everyone Matters** – we want to reach and influence those most in need and particularly to raise the expectations of women;
- **Release Potential** – we believe we can help children realise their potential, thereby improving their life chances;
- **Maximise the use of Assets** – we recognise the focal point a school provides for a community and we want the benefits from our building projects to be maximised by widespread community use.

Our **Personal Values** shape *how* we do:

- **Passion** – attract passionate people who make a positive difference to those in need;



- **Pragmatism** – aspiring to be the best whilst being realistic, practical and solution focussed;
- **Responsibility** – self-disciplined, taking ownership of issues and problems and leading by example;
- **Cultural Empathy** – being interested in people and cultures, displaying empathy and embracing diversity;
- **Openness to Experience** – receptive to learning opportunities, seeking out new experiences and taking a broad view.

We are a long term partner of school communities;

We are increasing our emphasis and support for women and girls in education;

We are developing the building blocks of education by improving the early years teaching in terms of the built environment and skills and resources.



## Activities

We establish long-term partnerships with the schools we support operating in a culturally empathetic way. Specifically we:

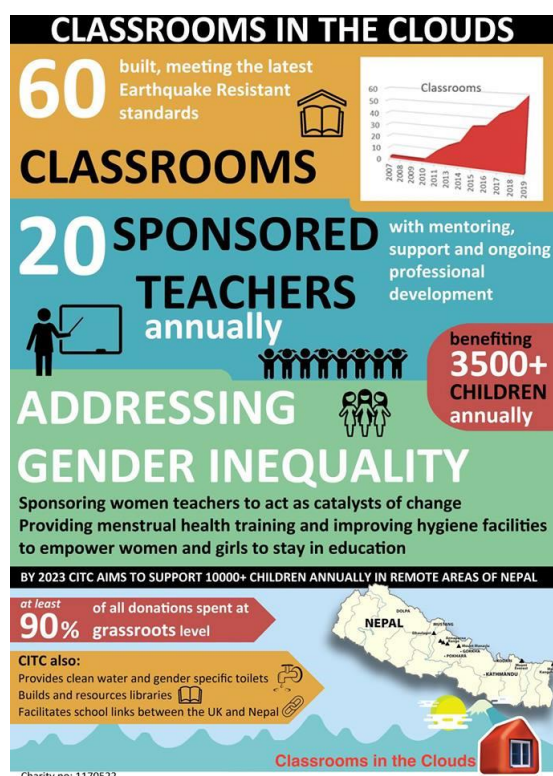
- Build classrooms in existing schools;
- Sponsor teachers, with an emphasis on female teachers, give professional development and mentor/support progress;
- Take measures to reduce gender inequality such as menstrual health training, clean water, gender specific



toilets and empowerment of women initiatives.

*Reusable Menstrual Health Kit being Made by Local Women, trained by CITC Nepal*

## Achievements and performance

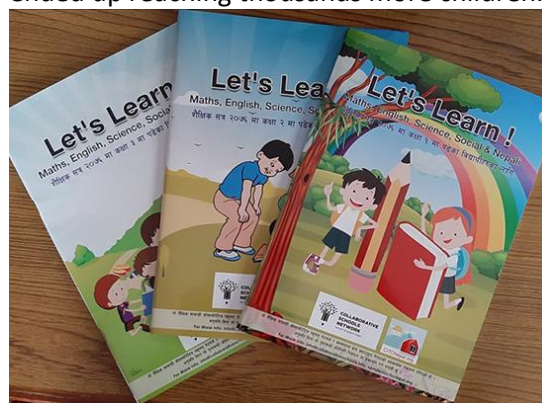


### COVID-19

The period under review is dominated by the worldwide COVID-19 pandemic. In Nepal it is difficult to gauge exactly how the virus spread as testing is unreliable and the health system stretched in normal circumstances. The biggest negative impact, however, has been the economic one. The Nepal government declared 2020 as the year to visit Nepal but tourism has been decimated. The remittances from migrant workers - mostly working in India and the Middle East - has all but dried up. This accounted for somewhere between 30 and 50% of the GDP! Some experts are predicting the impact to be worse than the earthquakes of 2015.

CITC sponsored teachers carried on working with children in the community during the Nepal lockdown. This is hugely appreciated by local communities who have been devastated by the impact of COVID-19 on the country.

Working with a partner, lesson books were developed for primary children so they could continue to study from home. CITC sponsored teachers made regular contact with them, allowing education to continue when it was stopped in most other areas. So successful was it that many schools/municipalities in the region requested the resources and CITC ended up reaching thousands more children.



Inevitably at times like this people in the West look inwards and it is no surprise that charitable giving in the UK has focussed on home. Classrooms In The Clouds, therefore, faces the twin challenges of more need than ever in Nepal and a fight for maintaining its income. The work of CITC in Nepal has never been more important in terms of giving young people hope and skills for the future so they can be the guardians of their beautiful country.



**The building project at Shree Kanku** (6 classroom 2-storey block, WCs, clean water and furniture/furnishings) was also threatened by the restrictions placed on building workers by the government in Nepal. Through embedding strong safety measures on site, the project was completed within the year and came in on budget.



The practical response from the local community was better than anything previously seen. There is a huge pride taken by local people and the boost they have received from an investment never before seen in this area. CITC is particularly grateful for the support from Cheshire Fire and Rescue Service Fire Cadets.



The Chair of Trustees with the CITC Nepali Trustee and NGO President, Dawa Sherpa, visit all potential projects before agreeing funding to be reassured a school community is committed to improving the education for their young people. The CITC Education Development Manager is the project manager and works within the CITC governance processes. Within that process as a means to minimise the risk of corruption and quality failings, CITC commission a dedicated technical building team of known skills and an NGO board member is permanently on site to monitor the build and provide direct communication with the local community. CITC regard the building project as a 'community project supported by CITC'. To underpin this philosophy, a 'Community buy-in' is expected for any projects that we support. This helps foster ownership and responsibility in the community, and also aids in the sustainability of projects, reducing donor dependency.

CITC asks for 20% of the value of the total estimated cost of each project, and whilst it is known that the local people will rarely have money to donate, this buy-in can be achieved in many other ways, such as portering materials, labouring, collection of sand and gravel, food and lodgings for the workers.

In last year's report, detail was provided of the massive building project at Shree Sagarmatha, Bung (8 classrooms in 2018 to the 4 built in 2016 plus long term sponsorship of 2 teachers one of whom became 'Head of Early Years'). The outcomes report explained the improvements:

*'The construction of separate child-friendly learning space for Early Years' students has become a model for the schools in the region. The idea of an autonomous learning area for primary grade children has ignited the importance of safe physical space for those young minds in a big school setting where they also have secondary students in the same territory. Besides the physical space, there is also a significant improvement in the social and temporal domains. The successful implementation of grade teaching, good teamwork, and good leadership for the Early Years Section have all been the key factors behind the academic and non-academic improvements noticed at the Early Years. Parents and community members have observed positive behavioural changes in their child's perspective toward learning. Children in the early years are loving school and have been improving their academic performance and flourishing their leadership experiences in the nurturing environment created by the teachers and staff at Shree Sagarmatha. The impact is such that the nearby schools in the region, which were earlier reluctant about implementing progressive teaching approaches, are now eager to follow the footsteps of Shree Sagarmatha.'*



*'CITCNepal has been training and providing support to the teachers at Early Years on implementing a grade-based teaching model. In a span of a year, remarkable changes have been noticed in students learning. The grade-wise learning achievement of Early Years has improved by more than 15% in a year.*

*The Chair of the Rural Municipality said, "I see small children so excited while going to school and are so well connected to their teachers, which was not noticeable when we had subject-based teaching in the primary grades. I have also remarked very excellent teamwork among the Early Grade Teachers compared to the subject based teachers in higher grades. Early Grade Teachers spend more time with children and provide individual care, which*



*promotes the individual development of the children. I think it is the strength, the beauty of the Early Years at Shree Sagarmatha. As a parent and school invigilator, I have seen an improved performance of the grade teachers, which has direct influence on the children's learning. So, our team in the rural municipality has discussed if we could support other schools to practice grade teaching. Hopefully, we can influence or motivate some of the school to begin grade teaching new academic sessions and eventually convince more schools."*



**Teacher Sponsorship** - By the end of the year, the CITCNepal team completed a selection process for 5 new teachers that means there are, for the first time, 20 sponsored female teachers working out of schools. CITC continues to mirror the Nepal Government teacher salaries and benefits. CITC have a sustainable model for teacher sponsorship whereby teachers are supported in their studies to achieve a Bachelor Degree in Education. This provides a gateway to obtaining a government-funded teaching role or another permanent role. Since 2009, over half the CITC sponsored teachers have gone on to find permanent employment or enter full-time study.



In 2020 CITC provided specialist training in child-centred learning, lesson planning, menstrual health and first aid. CITC invests in teacher materials and workbooks designed by a partner in Kathmandu called The Collective Schools Network.



These are a great teaching aid for teachers who have extremely busy lives outside school in their rural communities. The lesson plans mean it is easier to follow the curriculum over the school year and plot individual student progress.

CITC supports a 'cluster' of schools in the lower Solu Khumbu, meaning sponsored teachers support each other as they extend their skills and experience. They use social media to share best practice. To support the teachers and maintain a strong relationship with CITC supported schools, CITCNepal has employed an Educational Development Manager who is responsible for project delivery, 2 peripatetic Education Support Workers and a finance officer based in Kathmandu. Roles include the professional development of sponsored teachers, monitoring and reporting on children's progress in supported schools, liaison with education officials and NGOs at a national, regional and local level and overseeing building projects.



## Financial Review

During the period under review we have faced bigger challenges raising income than ever before. The majority of our income of £211,737 has again been voluntary income primarily from individuals, corporate and foundation donations, sponsored challenges and local fund raising events. The impact of Covid 19 and the introduction of lockdowns and various tiers throughout the UK has undoubtedly led to the reduction in number of fund raising activities taking place. Added to this during 2020, it has not been possible for individuals from Nepal to visit the UK and both share their experiences of what they have achieved and to represent the charity and hence foster increased financial support. What is comforting is that our core supporters have stayed loyal and able to contribute funds to enable the charity to carry on with much of its work. We are extremely grateful to all who have continued to donate to us during these unprecedented times.

We raise money in a variety of ways, including:

- **Individual donations;**



*Joanna Tye raised £1,693 by completing 10,000 steps in one day, a huge personal challenge due to battling with Seronegative Rheumatoid Disease*



*Long Time Supporters Shayne and Hazel Adams, Kaboodle, Ludlow and Church Stretton*

- **Joint fundraisers;**



*Cheshire Fire and Rescue Service*

- **Sponsored challenges;**



*Cycling to The Lost Mountain, Pyrenees*

- **Grants from trusts and foundations;**



*International Rotary foundation*



*British and Foreign School Society*

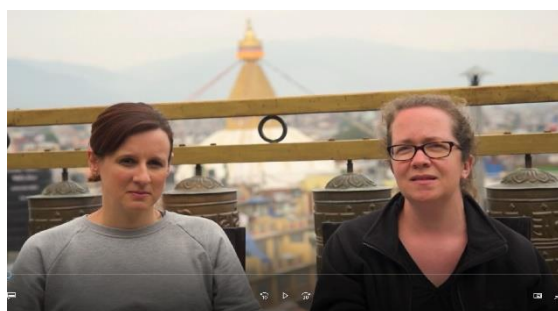
- **Corporate Fundraising;**

Hengistbury Investment Partners LLP  
Charitable Trust

- **Links with UK schools**



*The Bishops' Blue Coat High School, Chester*



*Lindsay Mason & Sally Sixsmith, Dudley Schools Partnership*

- **Donations of time and expertise**



*Art project in Bung delivered by professional UK artist Lynda Roberts – providing art training and skills to teachers*



*Part of the renovated library in Kharikhola, one of many transformations led by long term CITC supporter Cathie Bremner Owen*



The attached financial statements show that the money held by the charity at 31 December 2020 was £243,991.

### **Reserves Policy**

The Trustees have identified the appropriateness of establishing a defined reserve policy for the charity. The purpose of a reserve policy is to help ensuring that the long term objectives of the charity can be met with some form of financial security.

A **Reserve Fund** has been established as an amount sufficient to maintain ongoing operations and programmes for **12** months. The **Reserve Fund** serves a dynamic role and will be reviewed and adjusted in response to internal and external changes. The target minimum **Reserve Fund** is equal to **£75,000** representing twelve months of operating expenses averaged annually over the last 2 years.

### **Funding Reserves**

Trustees of Classrooms In The Clouds agree that the Reserve Fund will be established by designating £75,000 from restricted funds as the beginning balance. Trustees will consider the size of the Reserve Fund annually.

### **Investing Reserves**

The **Reserve Fund** will be funded and available in cash or cash equivalent funds, in accordance with the risk preferences, liquidity needs and investment objectives of the charity. The reserves will be comingled with the general cash accounts of the charity but segregated in financial reporting.

### **Using Reserves**

Trustees will identify reasons for accessing the **Reserve Fund** and confirm that the use is consistent with the purpose of the reserves as described in this Policy having:

- analysed the need
- considered other funding sources; and
- created a plan for replenishment.

The Treasurer is responsible for ensuring that the **Reserve Fund** is maintained and used only as described in this Policy.



## Structure, Governance and Management

CITC is governed by its Constitution dated 25 August 2007. In 2017, CITC completed its registration with the Charity Commission for England and Wales. A new company limited by guarantee (Company Number 10471484; Charity Number 1170522) was created. Classrooms In The Clouds Nepal is a registered NGO in Nepal.

There are currently 6 members. All Trustees of the Management Committee will resign at each AGM where each shall then be eligible for re-election. In addition, Trustees may be added at any time with the consent of the Management Committee, provided there are never any more than 7 members of the Management Committee. 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 trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards. This requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any 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 charity will continue in business.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and enable them to ascertain to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the constituting deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In the interest of transparency and accountability to our donors we publish our annual report, accounts and impact report on the website. The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The table below outlines the governance processes followed by CITC:

<b>Organisation/Role</b>	<b>Who</b>	<b>Responsibility</b>
Classrooms in the Clouds	Trustees	Executive Responsibility for CITC strategy including financial decisions and partnerships
Classrooms in the Clouds Nepal	NGO Committee	Delivery and supervision of Projects as agreed by CITC 'on the Ground'
Classrooms in the Clouds	Trustees	Responsible for meeting the legal requirements of a registered charity
Classrooms in the Clouds Nepal	NGO Committee	Responsible for meeting the legal requirement of a Nepal registered NGO
Classrooms in the Clouds	Trustees	Delivering the CITC fundraising strategy and developing relationships with donors and supporters based on integrity, respect and transparency
Classrooms in the Clouds Nepal	NGO Committee	Promoting the aims and objectives of CITC with visitors to Nepal to encourage additional supporters
Classrooms in the Clouds	Trustees	Develop systems and procedures to ensure due diligence of all spending and other matters in order to maximise charity effectiveness
Classrooms in the Clouds Nepal	NGO Committee	To support CITC by working within their systems and procedures
Classrooms in the Clouds	Trustees	To receive and carefully consider petitions and other requests and examine them against local need and charity aims
Classrooms in the Clouds Nepal	NGO Committee	To support the decision making process of CITC by providing timely, relevant and thorough background information on petitions received
Classrooms in the Clouds	Trustees	To make their project decisions on a sound financial basis
Classrooms in the Clouds Nepal	NGO Committee	To deliver projects within the financial assumptions of CITC and report any indication of variances against the agreed plan
Treasurer		To advise on all matters relating to finance and take all reasonable measures to ensure local/international financial rules are followed

## Long Terms Future plans

Set out below are details of our medium and longer term goals. Undoubtedly their achievement are going to be subject to the return of the West to more normal conditions and positive economic factors. The Trustees are aware of the potential need to reconsider whether some of these goals are realistically achievable within the time scales detailed

By 2023 we plan to reach more children by:

- Being recognised by the public, in the corporate world and by other charitable organisations as an effective, sustainable and passionate charity;
- Attracting regular, significant donation;
- Attracting another corporate partner;
- An infrastructure in Nepal that is efficient and sustainable with a CITC base in Lukla;
- Be able to complete 2 building projects a year typically providing 12 new classrooms;
- Where necessary, projects will include gender specific toilets and clean water as part of our support for women and girls;
- By 2022, sponsor up to 25 teachers a year, supporting their professional development;
- Specifically target improvements in the quality of early years education;
- Refine our monitoring and evaluation processes to provide robust evidence of the success of our projects.
- Ensure that we enhance our communication to supporters around the world and make our annual financial reports available to anyone who would like to see them.
- To grow CITC so it can support multiple projects across the Himalayan region of Nepal;
- 'Cluster' CITC supported activity to foster an atmosphere that encourages professional development and self-achievement;
- Work where appropriate with other NGOs who support our aims and objectives;

- Develop health and well-being initiatives where they can be shown to support our education ambitions;
- Build a core funding base from corporate donations and 'committed givers' supplemented by individual fundraising events and activities.

**Trustee Details**

Name	Position	Nationality	Address
*Michael Hagen	Chair Trustee	UK	**10 Grammar School Lane, Wirral, CH48 8AY
Sarah Hagen	Secretary Trustee	UK	10 Grammar School Lane, Wirral, CH48 8AY
Ron Middleton	Treasurer Trustee	UK	24 Kelmscott Road, Harborne, B17 8QN
Dawa Geljen Sherpa	Trustee/President CITCNepal	Nepal	Kathmandu
Mark Cashin	Trustee	UK	c/o Cheshire FRS HQ, Winsford, CW7 2FQ
Lawrie McLaren	Trustee	Belgium	Av Emile de Beco 29, Brussels B-1050

\*Principal Officer

\*\*Charitable Company registered address

Approved by order of the board of trustees on 26 June 2021 and signed on its behalf by:

.....  
M Hagen - Trustee



**Independent Examiner's Report to the Trustees of  
Classrooms in the Clouds**

**Independent examiner's report to the trustees of Classrooms in the Clouds ('the Company')**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2020.

**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 the Company 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.

E E Marshall-Birks FCA  
ICAEW  
Marshall Accountancy Ltd  
St Mary's House  
Crewe Road  
Alsager  
Stoke-On-Trent  
ST7 2EW

Date: .....

## Classrooms in the Clouds

### Statement of Financial Activities for the Year Ended 31 December 2020

	Notes	Unrestricted fund £	Restricted fund £	2020 Total funds £	2019 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	-	211,735	211,735	309,673
Investment income	3	-	2	2	5
Other income		<u>-</u>	<u>-</u>	<u>-</u>	<u>785</u>
<b>Total</b>		-	211,737	211,737	310,463
 <b>EXPENDITURE ON</b>					
Raising funds		-	30,185	30,185	21,185
<b>Charitable activities</b>	4				
Education projects		-	142,500	142,500	212,525
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>		-	172,685	172,685	233,710
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET INCOME</b>		-	39,052	39,052	76,753
 <b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		-	202,738	202,738	125,985
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>-</u>	<u>241,790</u>	<u>241,790</u>	<u>202,738</u>

The notes form part of these financial statements

## Classrooms in the Clouds

### Balance Sheet 31 December 2020

	Notes	Unrestricted fund £	Restricted fund £	2020 Total funds £	2019 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	8	-	686	686	1,371
<b>CURRENT ASSETS</b>					
Cash at bank		-	243,991	243,991	203,535
<b>CREDITORS</b>					
Amounts falling due within one year	9	-	(2,887)	(2,887)	(2,168)
		<u>-</u>	<u>(2,887)</u>	<u>(2,887)</u>	<u>(2,168)</u>
<b>NET CURRENT ASSETS</b>		<u>-</u>	<u>241,104</u>	<u>241,104</u>	<u>201,367</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>-</u>	<u>241,790</u>	<u>241,790</u>	<u>202,738</u>
<b>NET ASSETS</b>		<u>-</u>	<u>241,790</u>	<u>241,790</u>	<u>202,738</u>
<b>FUNDS</b>	10				
Restricted funds				<u>241,790</u>	<u>202,738</u>
<b>TOTAL FUNDS</b>				<u>241,790</u>	<u>202,738</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

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

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

The financial statements were approved by the Board of Trustees and authorised for issue on 26 June 2021 and were signed on its behalf by:

.....  
M Hagen - Trustee

The notes form part of these financial statements

**Notes to the Financial Statements  
for the Year Ended 31 December 2020**

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Financial reporting standard 102 - reduced disclosure exemptions**

The charitable company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

**Income**

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

**Expenditure**

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

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment        -    33% on cost

**Taxation**

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

**Fund accounting**

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

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

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

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.



## Classrooms in the Clouds

### Notes to the Financial Statements - continued for the Year Ended 31 December 2020

#### 2. DONATIONS AND LEGACIES

	2020 £	2019 £
Donations	<u>211,735</u>	<u>309,673</u>

#### 3. INVESTMENT INCOME

	2020 £	2019 £
Deposit account interest	<u>2</u>	<u>5</u>

#### 4. CHARITABLE ACTIVITIES COSTS

	Direct Costs £
Education projects	<u>142,500</u>

#### 5. SUPPORT COSTS

	Finance £	Other £	Totals £
Raising donations and legacies	<u>118</u>	<u>30,067</u>	<u>30,185</u>

#### 6. NET INCOME/(EXPENDITURE)

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

	2020 £	2019 £
Depreciation - owned assets	<u>685</u>	<u>686</u>

#### 7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

##### Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

# Classrooms in the Clouds

## Notes to the Financial Statements - continued for the Year Ended 31 December 2020

### 8. TANGIBLE FIXED ASSETS

	Computer equipment £
<b>COST</b>	
At 1 January 2020 and 31 December 2020	<u>2,057</u>
<b>DEPRECIATION</b>	
At 1 January 2020	686
Charge for year	<u>685</u>
At 31 December 2020	<u>1,371</u>
<b>NET BOOK VALUE</b>	
At 31 December 2020	<u>686</u>
At 31 December 2019	<u>1,371</u>

### 9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Accruals and deferred income	<u>2,887</u>	<u>2,168</u>

### 10. MOVEMENT IN FUNDS

	At 1/1/20 £	Net movement in funds £	At 31/12/20 £
<b>Restricted funds</b>			
Restricted fund	202,738	39,052	241,790
<b>TOTAL FUNDS</b>	<u>202,738</u>	<u>39,052</u>	<u>241,790</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Restricted funds</b>			
Restricted fund	211,737	(172,685)	39,052
<b>TOTAL FUNDS</b>	<u>211,737</u>	<u>(172,685)</u>	<u>39,052</u>

# Classrooms in the Clouds

## Notes to the Financial Statements - continued for the Year Ended 31 December 2020

### 10. MOVEMENT IN FUNDS - continued

#### Comparatives for movement in funds

	At 1/1/19 £	Net movement in funds £	At 31/12/19 £
<b>Restricted funds</b>			
Restricted fund	125,985	76,753	202,738
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<u>125,985</u>	<u>76,753</u>	<u>202,738</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Restricted funds</b>			
Restricted fund	310,463	(233,710)	76,753
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<u>310,463</u>	<u>(233,710)</u>	<u>76,753</u>

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

	At 1/1/19 £	Net movement in funds £	At 31/12/20 £
<b>Restricted funds</b>			
Restricted fund	125,985	115,805	241,790
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<u>125,985</u>	<u>115,805</u>	<u>241,790</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Restricted funds</b>			
Restricted fund	522,200	(406,395)	115,805
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<u>522,200</u>	<u>(406,395)</u>	<u>115,805</u>

**Classrooms in the Clouds**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020**

**11. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 December 2020.



## Classrooms in the Clouds

### Detailed Statement of Financial Activities for the Year Ended 31 December 2020

	2020 £	2019 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Donations	211,735	309,673
<b>Investment income</b>		
Deposit account interest	2	5
<b>Other income</b>		
Foreign currency profits	<u>-</u>	<u>785</u>
<b>Total incoming resources</b>	211,737	310,463
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Education projects	142,500	212,525
<b>Support costs</b>		
<b>Finance</b>		
Bank charges	118	163
<b>Other</b>		
Postage and stationery	-	9
Sundries	110	205
Travelling	-	489
Administrative support	25,295	18,082
Computer software and maintenance costs	403	403
Independent examiners' fee	740	716
Insurance	432	432
Foreign currency losses	2,401	-
Computer equipment	<u>686</u>	<u>686</u>
	<u>30,067</u>	<u>21,022</u>
Total resources expended	<u>172,685</u>	<u>233,710</u>
<b>Net income</b>	<u><u>39,052</u></u>	<u><u>76,753</u></u>