

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 2021
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

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Classrooms in the Clouds

Reference and Administrative Details for the Year Ended 31 December 2021

TRUSTEES

M A Cashin
S Hagen
M Hagen (Chairman)
L McLaren
R A W Middleton
D G Sherpa
A S Roberts (appointed 13/11/2021)
D G Thomas (appointed 13/11/2021)

REGISTERED OFFICE

10 Grammar School Lane
Wirral
Merseyside
CH48 8AY

REGISTERED COMPANY NUMBER 10471484 (England and Wales)

REGISTERED CHARITY NUMBER 1170522

INDEPENDENT EXAMINER

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

Classrooms In The Clouds Trustees' Report

The Trustees of Classrooms in the Clouds are pleased to present their Report and Accounts for the period ending 31 December 2021. 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 2015)', 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;
- **Realise 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

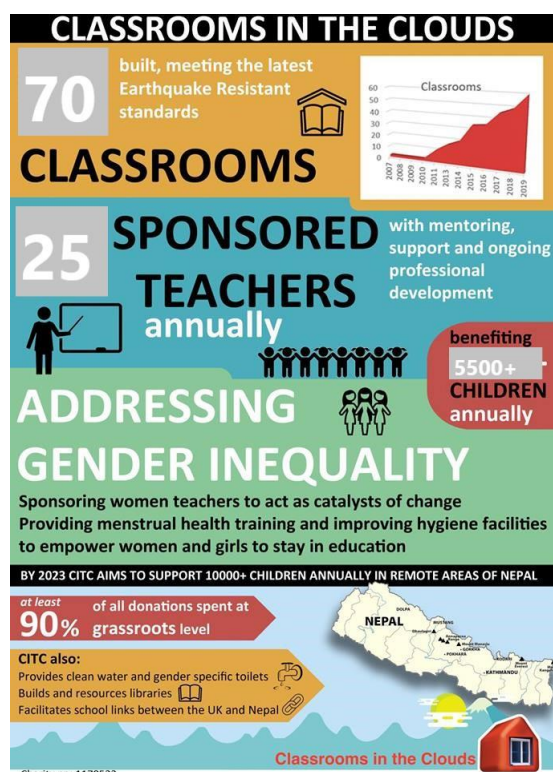
We establish long-term partnerships with the schools we support operating in a culturally empathetic way. Specifically we:

- 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 continues to be 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 was able to allow tourists in 2021 but in reduced numbers. The remittances from migrant workers - mostly working in India and the Middle East - has still not recovered to previous levels. This accounted for somewhere between 30 and 50% of the GDP! Some experts are predicting the impact is worse than the earthquakes of 2015.

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

Whenever schools were closed, CITC sponsored teachers made regular contact with children at home, allowing education to continue when it was stopped in most other areas. CITC was also able to continue with its building programme despite the difficulties..



2021 saw CITC improve its fundraising following the reduction in charitable giving in 2020. 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.

A project at the village of Lokhim to provide 6 classrooms, an early years play area, toilets, clean water and fully resourced classrooms was begun in 2021. The classroom building will be similar in design to Kanku and occupied by primary years children.



Local People Creating Aggregate from Stone

Shree Janata School at Lokhim has poor primary school facilities - appalling sanitation facilities with unhygienic toilets and no safe water system, putting children at risk of diseases - This makes it extremely difficult for girls to manage their menstrual health needs effectively, impacting their confidence.

There is a lack of child friendly furniture and classroom resources resulting in an inadequate learning environment. Other challenges include insufficient teacher training, a lack of lesson plans and workbooks and a lack of opportunities for talented females to enter the teaching profession due to prevalent gender inequalities.

In rural Nepal learning by rote and 'subject based' teaching is prevalent, even for very young children, meaning the needs of the individual child are often overlooked.

Grade teaching - where a teacher has responsibility for one class is innovative in the Solukhumbu region, allowing the teacher to develop a deeper connection with their class and understand the needs of the children, resulting in better outcomes (as seen in CITC's other supported schools).

Lesson planning is also a new concept for the teachers - CITC has gathered evidence demonstrating the huge difference in lesson quality when lesson plan training has been implemented.

Complimenting 6 new classrooms, the project aims to

Improve sanitation, particularly benefitting girls by building earthquake resistant, gender specific toilets

Reduce the risk of disease - enabling access to safe water by building a sustainable, eco-friendly, water filtration system.

Enhance 6 classrooms providing furniture and resources.

Improve the quality of teaching and learning by recruiting, sponsoring and training a female teacher - delivering professional development and continuous mentoring/appraisals

Provide training for all primary teachers at the school including quarterly training workshops covering Early Years, grade teaching, lesson planning and first aid.

Supply lesson plans/workbooks for core subjects in grades 1-5.

CITC has carefully considered the following means to minimise any potential negative environmental impacts of the project:

- Materials will be sourced locally where possible, reducing costs and minimising emissions.
- Use of machinery will be limited with traditional 'hand crafted' methods utilised where possible, using the skills of local labourers. All furniture will be hand crafted on site.
- Waste from toilets will flow into a purpose built septic tank.
- All water will be sourced responsibly from a nearby natural spring.
- Sustainable, natural materials will be used for the water filtration system.
- Previous demolished buildings will be reused, particularly to recycle aggregate.

Training will be provided in sanitation, waste management and hygiene, helping to support community ownership and create environmentally aware students.

In last year's report, detail was provided of the big building project at Shree Kanku (6 classroom 2-storey block, WCs, clean water and furniture/furnishings) . One of the main supporters



were the fire Cadets of Cheshire Fire and Rescue Service. In previous projects the fire cadets have travelled out to Nepal to see the outcome of their fundraising efforts but COVID 19 restrictions meant that was not possible. CITC remains extremely thankful for the efforts of these fire cadets in making a difference to young people's lives in a far away country.



CITC Trustee and president of the CITC NGO in Nepal, Dawa Geljen Sherpa, attended the handover ceremony on behalf of CITC. He heard a great deal about how much the investment in education meant to the local community. Local people had taken a great interest in the construction process and were particularly impressed with the high standards being set. More importantly, there were already signs that children's education was improving as a result of CITC training and the provision of lesson plans

The practical response from the local community to support the construction was outstanding. Literally hundreds of people got involved including transporting materials and breaking down rock for aggregate. This is a vivid example of the importance and pride local people have in the education of their children.



Teacher Sponsorship - By the end of the year, the CITCNepal team carried out the selection process for new teachers that means there are, for the first time, 23 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 practice this success means that



CITC maintains a continuous process of selection and training meaning more and more women achieve their dream of becoming a teacher. 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 Soluhkhumbu, 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

The impact of Covid 19 continues to be felt and has undoubtedly led to the reduction in number of fund raising activities taking place. As a result of fundraising efforts, however, from a number of people and organisations we have seen an improvement in income and would hope to continue that improvement into 2022.

The total income generated for the year ended 31st December 2021 was £257,243 (2020: £211,737).

We raise money in a variety of ways, including:

- **Joint fundraisers;**



Cheshire Fire and Rescue Service



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

- **Sponsored challenges;**



Cycling to The 'Wild Peak'

- **Grants from trusts and foundations;**



British and Foreign School Society

- **Corporate Fundraising;**



Be a gift to the world
International Rotary foundation

Hengistbury Investment Partners LLP
Charitable Trust

- **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 2021 was £320,224.

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 from 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.

2 additional Trustees were appointed during 2021 bringing the total to 8. Both bring additional skills to the charity and their love of Nepal. All Trustees 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:

Organisation/Role	Who	Responsibility
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 Term Plan Future plans

Set out below are details of our medium and longer term goals. Undoubtedly their achievement are going to be subject to the ongoing 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. By 2023 we plan to reach more children by:

- Being recognised as an effective, sustainable and passionate charity;
- Attracting regular, significant donation;
- Attracting corporate partners;
- 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 2023, sponsor up to 30 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	Avenue Des Fleurs 22, Woluwe-St-Pierre, B-1150, Belgium
Annette Roberts	Trustee	UK	7 Carr Holme Gardens, Cabus, PR3 1LY
David Thomas	Trustee	UK	22 Park Close, Oakley, Hants RG23 7LE

*Principal Officer; **Charitable Company registered address

Approved by order of the board of trustees on 25 June 2022 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 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 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

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of ICAEW which is one of the listed bodies.

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 2021

	Notes	Unrestricted fund £	Restricted fund £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	-	257,243	257,243	211,735
Investment income	3	-	-	-	2
Total		-	257,243	257,243	211,737
EXPENDITURE ON					
Raising funds		-	29,743	29,743	30,185
Charitable activities	4				
Education projects		-	152,000	152,000	142,500
Total		-	181,743	181,743	172,685
NET INCOME		-	75,500	75,500	39,052
RECONCILIATION OF FUNDS					
Total funds brought forward		-	241,790	241,790	202,738
TOTAL FUNDS CARRIED FORWARD		-	317,290	317,290	241,790

The notes form part of these financial statements

Classrooms in the Clouds

Balance Sheet 31 December 2021

	Notes	Unrestricted fund £	Restricted fund £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	8	-	-	-	686
CURRENT ASSETS					
Cash at bank		-	320,224	320,224	243,991
CREDITORS					
Amounts falling due within one year	9	-	(2,934)	(2,934)	(2,887)
NET CURRENT ASSETS		-	317,290	317,290	241,104
TOTAL ASSETS LESS CURRENT LIABILITIES		-	317,290	317,290	241,790
NET ASSETS		-	317,290	317,290	241,790
FUNDS	10				
Restricted funds				317,290	241,790
TOTAL FUNDS				317,290	241,790

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

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

These financial statements have been 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 25 June 2022 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 2021**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

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 2021

2. DONATIONS AND LEGACIES

	2021 £	2020 £
Donations	<u>257,243</u>	<u>211,735</u>

3. INVESTMENT INCOME

	2021 £	2020 £
Deposit account interest	<u>-</u>	<u>2</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs 2021 £
Education projects	<u>152,000</u>
	2020 £
	<u>142,500</u>

5. SUPPORT COSTS

	Finance 2021 £	Other 2021 £	Totals 2021 £
Raising donations and legacies	<u>282</u>	<u>29,461</u>	<u>29,743</u>
	2020 £	2020 £	2020 £
	<u>118</u>	<u>30,067</u>	<u>30,185</u>

6. NET INCOME/(EXPENDITURE)

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

	2021 £	2020 £
Depreciation - owned assets	<u>686</u>	<u>685</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Classrooms in the Clouds

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

8. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 January 2021 and 31 December 2021	<u>2,057</u>
DEPRECIATION	
At 1 January 2021	1,371
Charge for year	<u>686</u>
At 31 December 2021	<u>2,057</u>
NET BOOK VALUE	
At 31 December 2021	<u>-</u>
At 31 December 2020	<u>686</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Accruals and deferred income	<u>2,934</u>	<u>2,887</u>

10. MOVEMENT IN FUNDS

	At 1/1/21 £	Net movement in funds £	At 31/12/21 £
Restricted funds			
Restricted fund	241,790	75,500	317,290
TOTAL FUNDS	<u>241,790</u>	<u>75,500</u>	<u>317,290</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Restricted funds			
Restricted fund	257,243	(181,743)	75,500
TOTAL FUNDS	<u>257,243</u>	<u>(181,743)</u>	<u>75,500</u>

Classrooms in the Clouds

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

10. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

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

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

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

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

	At 1/1/20 £	Net movement in funds £	At 31/12/21 £
Restricted funds			
Restricted fund	202,738	114,552	317,290
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>202,738</u>	<u>114,552</u>	<u>317,290</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 £
Restricted funds			
Restricted fund	468,980	(354,428)	114,552
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>468,980</u>	<u>(354,428)</u>	<u>114,552</u>

Classrooms in the Clouds

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

11. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2021.

Classrooms in the Clouds

Detailed Statement of Financial Activities for the Year Ended 31 December 2021

	2021 £	2020 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	257,243	211,735
Investment income		
Deposit account interest	-	2
Total incoming resources	257,243	211,737
EXPENDITURE		
Charitable activities		
Education projects	152,000	142,500
Support costs		
Finance		
Postage and stationery	125	-
Bank charges	157	118
	282	118
Other		
Sundries	122	110
Administrative support	25,283	25,295
Computer software and maintenance costs	418	403
Independent examiners' fee	764	740
Insurance	432	432
Legal and professional fees	733	-
Foreign currency losses	1,023	2,401
Computer equipment	686	686
	29,461	30,067
Total resources expended	181,743	172,685
Net income	75,500	39,052

This page does not form part of the statutory financial statements