

PESTALOZZI INTERNATIONAL

England & Wales · Charity number 1172364

Details

Other names PESTALOZZI WORLD CHILDREN'S TRUST

Status Registered

Legal form CIO

Registered 2017-03-31

Register [View on the Charity Commission register](#)

Contact

Address Pestalozzi International
F8 Worth Corner Business Centre
Turners Hill Road
Pound Hill
West Sussex
RH10 7SL

Phone 01293307847

Email admin@pestalozzi.international

Website www.pestalozzi.international

Activities

Objects: SUCH CHARITABLE PURPOSES GENERALLY AS THE TRUSTEES SHALL FROM TIME TO TIME DECIDE AND IN PARTICULAR (BUT WITHOUT LIMITATION TO THE GENERALITY OF THE FOREGOING) TO ADVANCE THE EDUCATION OF CHILDREN OF ANY NATIONALITY AND WHETHER ORPHANS CHILDREN OF BROKEN HOMES CHILDREN OF POOR PARENTS OR GUARDIANS REFUGEE CHILDREN OR OTHERWISE AND TO MAINTAIN AND PROVIDE ASSISTANCE AND CARE (WHETHER FINANCIAL OR OTHERWISE) FOR SUCH CHILDREN DURING SUCH TIME THAT THEY ARE BEING EDUCATED

Activities: We deliver child-centred education in the Global South for some of the most marginalised children in the world. We are inspired by Johann Pestalozzi's "Head, Heart and Hands" approach, which focuses on developing academic abilities, essential vocational skills and children's confidence. We are "Heart-led" and emphasise nurturing social, emotional, and ethical well-being in all we do.

Classification

- **How:** Acts As An Umbrella Or Resource Body
- **What:** Education/training
- **Who:** Children/young People

Geography

- India
- Malawi
- Nepal
- Thailand
- Zambia

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,567,496	£2,296,988	£2,737,791	11
2023-12-31	£2,621,160	£1,646,733	£2,342,814	6
2022-12-31	£631,105	£1,563,645	£1,453,468	4
2021-12-31	£582,576	£526,222	£2,487,903	4
2020-12-31	£573,480	£506,216	£2,252,441	3

Trustees

Name	Role	Appointed
KEN GREATBATCH	Chair	2014-12-16
Aaron Eckhoff		2025-05-12
Alain Rizk		2022-11-03
Catherine Stevens		2023-04-27

PESTALOZZI INTERNATIONAL

England & Wales - Charity number 1172364

Accounts

Charity registration number 1172364

PESTALOZZI INTERNATIONAL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

PESTALOZZI INTERNATIONAL

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr K Greatbatch Ms C Stevens Mr A Rizk Mr A M Eckhoff	(Appointed 12 May 2025)
Charity number	1172364	
Address	Unit F8 Worth Corner Business Centre Turners Hill Road Crawley West Sussex RH10 7SL	
Auditor	Sumer Audit Amelia House Crescent Road Worthing West Sussex BN11 1RL	
Bankers	HSBC 16 King Street Covent Garden London WC2 8JF	
	Barclays Bank UK plc 1 Churchill Place London E14 5HP	

PESTALOZZI INTERNATIONAL

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PESTALOZZI INTERNATIONAL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees present their annual report and financial statements for the year ended 31 December 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Constitution, the Charities Act 2011 and "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).

Objectives and activities

Our supporters recognise that children's potential is universal, but opportunities are not. In the regions of Zambia, India, and Nepal where we work, high school completion rates can be as low as 3%. Together, we aim to enhance the social mobility of disadvantaged children, enabling them to transition from limited opportunities to fulfilling lives of purpose and contribution.

Our programmes across Africa and Asia are designed to inspire future leaders, entrepreneurs and changemakers. Grounded in the Pestalozzi approach, we develop the Head, Hands, and Heart-cultivating knowledge, practical skills, and character. We believe that combining these qualities in young people with lived experience of poverty is essential to meeting the complex challenges of the developing world.

We recognise that poverty is not only material but also psychological - it limits confidence, ambition, and the belief that change is possible. At our core, we are Heart-led, and our success lies in nurturing determination, aspiration, and resilience, empowering young people to see themselves as capable of shaping their futures.

We deliver a child-centred education that honours local cultures while nurturing each young person's unique talents and passions. By encouraging creative and critical thinking, broadening horizons, and guiding informed life choices, we empower students to progress into tertiary education and meaningful employment.

The effects of our education reach far beyond individual students. By unlocking potential and fostering self-reliance, we help young people become compassionate, capable leaders who drive social and economic development within their communities and beyond.

Public benefit

The trustees have paid due regard to the guidance issued by the Charity Commission when deciding which activities the charity should undertake.

Future Leaders

Our flagship programme offers residential scholarships in India, Nepal, and Zambia to bright children aged 10–18 from the poorest rural backgrounds. It provides a holistic education that nurtures intellectual, emotional, and practical skills, preparing them to become leaders and changemakers within their communities.

Selected from disadvantaged rural areas, the children live in small family-style houses with a Houseparent who supports their material and emotional needs throughout their time on campus. We partner with like-minded schools in India and Nepal, while in Zambia we operate our own institution, the Pestalozzi Education Centre. Each campus has dedicated study spaces, including libraries and computer rooms, and offers a variety of skills-building and recreational activities when children are not at school.

Across our three campuses, twelve nationalities are represented, creating diverse and inclusive communities that foster cross-cultural understanding, tolerance, and cooperation. For every boy, two girls are selected, and roughly one-third of our scholars are refugees. Upon graduation, our students receive coaching to help them secure merit-based tertiary scholarships from external organisations.

All campuses are staffed entirely by local professionals, including trained counsellors, social workers, experienced teachers, and alumni. Their deep understanding of the children's cultural and social contexts is essential to providing sensitive care and achieving positive, lasting outcomes for our scholars.

PESTALOZZI INTERNATIONAL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

SkillsHub

Our Zambian vocational training centre equips teenagers and young adults from disadvantaged backgrounds - especially those not in school - with in-demand skills in digital technology, agriculture, and other trades ("Hands"). With a distinctive focus on Mindset and Life Skills ("Heart"), the programme prepares participants to thrive in the modern workforce, care for themselves, and contribute meaningfully to their local economies.

SkillsHub makes vocational training accessible to all by integrating remedial Foundation courses in numeracy and literacy ("Head"), delivered through tablet-based learning. These foundational modules ensure that every learner reaches the minimum proficiency needed to master a vocational skill. Each training session begins with a nutritious meal, enabling learners to focus fully and dedicate their time to learning.

Beyond technical knowledge, the programme fosters confidence, self-reliance, and employability - alongside an entrepreneurial spirit that ensures "when the learning stops, the earning starts." SkillsHub connects graduates with a network of employers offering apprenticeships, as well as microfinance providers and pathways to further education, helping them build sustainable livelihoods.

The programme serves young people aged 15–23 from the lowest wealth quintile, primarily those living in informal settlements around Lusaka. It also supports Pestalozzi's own Future Leaders, who study at the neighbouring Pestalozzi Education Centre.

Alumni Initiatives

Our Future Leaders alumni have founded or play significant management roles in over 50 NGOs. Pestalozzi International is proud to support the alumni's social impact missions with grants designed to help them scale up their work. All organisations supported fall within the charitable aims of our organisation.

Impact to Date

Pestalozzi International remains deeply grateful to our dedicated supporters, whose generosity makes our work and its impact possible.

Key achievements to date include:

- Over 2,700 children have graduated from our Future Leaders Programme, equipped with both a lived understanding of poverty and the skills, confidence, and character needed to drive progress in their communities.
- More than 1,800 girls have completed the programme, becoming powerful role models and advocates for girls' education.
- Over 70% of alumni actively give back to their communities, with more than half working in public service roles that improve lives and promote social progress.
- Alumni careers contribute to all 17 Sustainable Development Goals, with more than 90% of graduates remaining in their home countries to drive local change.
- Among those working abroad, many are contributing to global progress in fields such as cancer research and through international organisations like the World Bank.
- More than 33,000 children have benefited from Pestalozzi International's outreach programmes, extending our impact far beyond our campuses.

Achievements and performance

Significant activities and achievements against objectives

2024 Reach

A total of 2,012 children benefited from Pestalozzi International programmes in 2024 in India (106), Nepal (93), Thailand (100), Bosnia (3), UK (5) and Zambia (1,705).

Programme-wise, the breakdown includes Future Leaders (438), SkillsHub (140), Alumni Initiatives (726), Pestalozzi Education Centre school pupils (700), and United World Colleges Atlantic/Mostar scholars (8).

PESTALOZZI INTERNATIONAL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Merger with Pestalozzi International Foundation

Effective 13 September 2024, the Pestalozzi International Foundation (PIF) merged with the Pestalozzi World Children's Trust (PW). As part of the merger, PIF's assets were transferred to PW, and the unified organisation now operates under the name Pestalozzi International, supporting PW's existing programmes.

Founded in 1957, PIF operated the renowned Pestalozzi Children's Village in Sedlescombe, Sussex, until 2019. The Village provided scholarships for children from the Global South to study in the UK and later at United World Colleges across Europe and the UK. This programme was already in its final phase at the time of the merger and is scheduled to conclude in 2025.

The merger represents a strategic step to amplify our shared impact. By combining resources, expertise, and legacy, Pestalozzi International is now better positioned to deliver holistic education and vocational training to talented young people from the most disadvantaged backgrounds worldwide.

Pestalozzi International is now the only global NGO applying a modern interpretation of Pestalozzian principles in the Global South - approaches deeply rooted in local cultures and relevant to their societies. Together, we continue to honour the rich Swiss and UK Pestalozzian heritage while building a future-oriented model of education and empowerment.

The merger occurred during this financial year, and a restated comparative for 2023 has been prepared to reflect the combined financial activities of both organisations.

Future Leaders

Zambia (245 children)

Record-breaking exam results were achieved this year, with 84% of graduates already enrolled in tertiary education through highly competitive scholarships awarded by third parties. Scholarship destinations include the United States, South Africa, Kenya, Costa Rica, and the United Kingdom. The Pestalozzi Education Centre now serves more than 700 fee-paying students, generating a growing financial contribution that helps sustain our programmes in Zambia.

India (106 children)

A total of 106 children transitioned from the Pestalozzi Village to Cambrian Hall as boarders, supported by their existing continuity of care staff. Graduates from this year have gone on to pursue diverse fields of study, including Nursing, Special Needs Education, Hospitality, Dentistry, and Commerce. A three-week Winter Camp was also held, focusing on Pestalozzi Values and Leadership Development for all students.

Nepal (87 children)

In Nepal, the first cohort of students selected eight years ago achieved outstanding exam results and successfully transitioned to college life. The programme continues to strengthen, now managed by an almost entirely alumni-led team. This year, 28 new children were selected - more than double the number from previous years - reflecting the program's steady growth and success.

SkillsHub

The SkillsHub pilot was launched in late 2024 with an initial cohort of 140 young people. The SkillsHub is a multifunctional vocational training centre focused on equipping young people with practical skills in digital technology and agricultural science. It specifically targets NEET youth (Not in Education, Employment, or Training) from surrounding communities in Lusaka, Zambia, who are at high risk of unemployment and exclusion from formal economic opportunities.

In Zambia:

- 97% of children from the lowest wealth quintile do not complete secondary school.
- 74% never enter sustained, salaried employment.

Most formal vocational training programmes require secondary-level education, thereby excluding those who need them most.

PESTALOZZI INTERNATIONAL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

To address this gap, SkillsHub democratises access to vocational training by integrating remedial Foundation courses in literacy and numeracy (“Head”). These courses bring learners up to the minimum standard needed to acquire a skill and succeed in further training.

Beyond technical instruction, the programme nurtures confidence, self-reliance, employability, and entrepreneurship (“Heart”), ensuring that when the learning stops, earning starts. Training is tailored to in-demand sectors (“Hands”), enabling participants to build sustainable livelihoods quickly. SkillsHub also connects graduates to a network of employers, helping them secure meaningful work and long-term financial stability.

This diversification of programming in Zambia marks an exciting milestone for Pestalozzi International, as we expand our focus on driving greater economic and social impact. We were delighted to receive funding in early Summer 2024, which made this innovative project a reality.

Alumni Initiatives

In 2024, a total of 726 children gained access to transformative educational opportunities through direct support of Alumni Initiatives. These programmes, founded and led by Pestalozzi alumni, continue to embody our values and expand our global impact.

Key organisations supported in 2024 include:

- Thai Pestalozzi Foundation (TPF) – Founded by several alumni of the UK Village, TPF provides secondary and tertiary scholarships to more than 100 children each year. The foundation also runs summer camps that teach and reinforce Pestalozzi Values, nurturing holistic personal development.
- Samaanta Foundation (Nepal) – Established by alumna Jyoti Pandey, Samaanta promotes equality and empowerment by offering higher education and skills development opportunities to talented public school graduates from low-income backgrounds who are at risk of dropping out.
- Our Moon Education (Zambia) – Founded by alumnus Justin Mushitu, Our Moon supports school leavers from disadvantaged backgrounds to access university scholarships. Its programmes foster intellectual curiosity, compassion, and leadership, preparing students to become socially responsible changemakers.
- Chipembele Wildlife Education Trust (Zambia) – Alumna Thandiwe Mweeta developed the Aspiring Conservation Leader (ACL) Programme, which helps school leavers bridge the gap between education and employment in conservation careers. The ACL programme includes training sessions, a field-based camp, participation in ongoing Chipembele projects, work placements, and a career development trip to Lusaka.

Financial review

The merger between Pestalozzi World and the Pestalozzi International Foundation (PIF) took effect on 13 September 2024. As a result, Pestalozzi International's financial statements for 2024 present a consolidated position, with a restated 2023 comparative to reflect the activities of both organisations.

Pestalozzi International's income is derived primarily from private individuals, as well as Trusts and Foundations.

In 2024, total income was £1,567,496, a decrease from £2,844,500 in 2023. This variance is mainly attributable to the extraordinary transfer of reserves and additional funds raised from the Swiss Trust in 2023 and a loan due from Zambia. This extraordinary receipt was recorded as a "donation and gift" (see note 3 to the Financial Statements).

Swiss Trust contributions were £492,638 (2023: £2,200,677).

US Trust donations totalled £443,238 (2023: £324,336), with fluctuations reflecting the timing of fundraising activities, which were more concentrated in the latter part of the year.

Together, income from partner fundraising trusts accounted for 60% of total income in 2024 (2023: 79%).

Donations and legacies from UK trusts and individuals increased significantly to £599,458 (2023: £297,840), reflecting stronger fundraising performance and the receipt of legacy gifts in the UK market.

PESTALOZZI INTERNATIONAL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

A restricted fund of £8,500 was utilised during the financial year to support the new intake of students in Zambia.

Total expenditure on charitable activities for the year was £2,296,988 (2023: £2,107,034).

Scholarship costs rose slightly to £1,566,708 (2023: £1,491,369), primarily due to inflationary pressures, partially offset by the phasing out of PIF's UWC programme and reduced funding in India.

Monitoring and Evaluation costs decreased to £177,182 (2023: £192,748).

As a result, Direct Charitable Spend increased marginally to £1,743,890 (2023: £1,684,117).

Investment in staff capacity, along with merger-related expenses, led to higher support and fundraising costs of £553,098 (2023: £422,917). These extraordinary merger costs included legal and accountancy services, travel and meetings, IT system integration, office expansion, rebranding, and the launch of a new website.

As the 2024 accounts consolidate two organisations, reflecting only three months of merged operations, duplication of costs occurred (e.g., insurance, audit or examination fees, and IT subscriptions), which contributed to elevated support cost totals.

The financial outcome before gains and losses on investments and foreign exchange losses showed an in-year deficit of £729,492 (2023: surplus of £737,466).

After accounting for a loss on revaluation of investments of £2,137 (2023: £62,773) and foreign exchange losses of £21,751 (2023: £22,308), the overall deficit for the year, was £753,380, compared with a surplus of £652,385 in the previous year.

Going concern

The Trustees have considered the appropriateness of adopting the going concern basis in preparing the financial statements for the year ended 31 December 2024. This assessment has been made in accordance with the requirements of the Charities SORP (FRS 102).

Assessment Process

The Trustees, supported by senior management, have undertaken a comprehensive review of the charity's financial position, performance and cash flow forecasts for a period of at least twelve months from the date of approval of these financial statements. This assessment included a review of:

- Projected income and expenditure budgets for the next three financial years.
- Detailed cash flow forecasts prepared on a rolling 12-month basis.
- The current reserves position and liquidity of the charity.
- The robustness of internal financial controls and budgetary oversight procedures.

The risks and uncertainties likely to affect the charity's operations and their potential impact on future funding and delivery of charitable activities.

Reserves policy

The reserves policy is reviewed annually by the finance committee and approved by the Board of Trustees.

As of 31 December 2024, Pestalozzi International (PI) held total funds of £2,737,791 (2023: £3,491,171).

PI's policy is to maintain reserves equivalent to 12–18 months of operating costs. Current free reserves of £2,737,791 represent approximately 14.5 months of budgeted expenditure, aligning with this policy. Because income is typically back-loaded across the financial year, these reserves are essential for effective cash flow management. They also allow the Trustees discretion to approve capital expenditure grants when appropriate.

PESTALOZZI INTERNATIONAL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Each Future Leaders scholar represents a funding commitment of up to eight years, reflecting the long-term nature of our support. The Trustees recognise that these commitments are exposed to inflationary pressures, foreign exchange fluctuations, and potential shortfalls in future income. Accordingly, maintaining a prudent level of reserves is both necessary and justified - more so than for charities with shorter-term obligations.

Major risks

The Trustees have identified the principal risks and uncertainties to which the charity is exposed. These are regularly reviewed, and policies, systems and procedures have been established and implemented to mitigate or manage any potential impact on the charity should those risks materialise.

Given the context within which PI works, the principal risks for PI are:

Safeguarding: PI requires an absolute duty of care and accountability to children supported by Pestalozzi International programmes. PI's Safeguarding Policy and Code of Practice for working with children and young people sets out in detail how any Pestalozzi International representative, including staff, board members, volunteers, consultants, and partners, must conduct themselves in their interactions with children at all of the programmes we support.

Loss or Misappropriation of Charity Assets: Pestalozzi International's Policies and Procedures are reviewed annually and contain control procedures for approving financial transactions, purchasing processes, the requirement for an annual Audit, regular reporting against budgets, and quarterly reporting to the Board of Trustees across our funding and implemented partner organisations. Our staff undertake annual monitoring trips.

Lack of regular donations: A comprehensive fundraising plan is in place to meet our future costs. The charity maintains a reserves policy of between 12 and 18 months of operating costs, which are partially invested in UK and overseas investment portfolios, as well as foreign currency deposits and sterling on deposit. This will provide the charity with a steady income each year and ensure that funds are available to meet any direct charitable and management & administration expenses.

Foreign currency: The risks associated with holding a single dominant currency for a global charity are mitigated by holding deposits in gold and other major currencies.

Stability of the political environment: In 2024, the stability of the governments of Zambia, India and Nepal continued; however, the precedent of national turbulence in these countries means PI remains vigilant of this risk. The Board of Trustees noted the increasing difficulties that the Foreign Contributions Regulation Act in India presents for international NGOs and has decided not to fund Future Leaders in India from the UK moving forward. Instead, the value of the partner trust's land and assets will be realised to provide for the completion of the children's education at a dedicated Pestalozzi boarding house at Cambrian Hall School in Dehradun.

Plans for future periods

The charity's financial outlook for the period ahead is strong. Projections from our partner trusts are resilient, and significant legacy income is anticipated.

An extraordinary major fundraising event in November 2025 will be attended by 50 major international donors. Additional community and schools fundraising initiatives, together with a newly launched gifts-in-wills campaign, will further diversify and strengthen future income streams.

Prior to the merger, PIF had been incurring deficits on operating expenses; however, PI now carries no liabilities for PIF programmes in future periods, being able to direct the funding of their supporters only to PW's historic programming overseas.

Expenditure in 2025 is expected to remain stable, with inflationary pressures mitigated by increasing self-sufficiency at the Zambian School and the cessation of funding for the Indian programme. A surplus is projected in both 2025 and 2026.

PESTALOZZI INTERNATIONAL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

After reviewing forecasts, budgets, and cash flow projections, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future—that is, for at least 12 months from the date of approval of these financial statements. Accordingly, the Trustees consider that it remains appropriate to prepare the accounts on a going concern basis.

Structure, governance and management

On 13 September 2024, Pestalozzi International Foundation (Charity Number 1098422) merged with Pestalozzi World Children's Trust (Charity Number 1172364). Assets were transferred to Pestalozzi World, which was renamed Pestalozzi International on the same date.

The full name of the charity is Pestalozzi International, and it was registered with the Charity Commission on 31 March 2017. The charity was formed as a charitable incorporated organisation (CIO) and is governed by its founding constitution.

The charity previously operated under charity number 1046599 as an unincorporated trust, constituted under a trust deed dated 24 January 1995. Its activities and assets were transferred to the new CIO, effective 1 January 2018.

The Trustees confirm that they have complied with the duty in Section Four of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

The charity's governing instrument is the Constitution. The Board of Trustees is independent of the charity's membership. The Board of Trustees is responsible for managing the charity's finances in support of the objectives defined by the charity's Executive. There are a minimum of three and a maximum of twelve trustees.

Recruitment and appointment of trustees

If a vacancy arises, the trustees may appoint any eligible person as a trustee. When selecting individuals for appointment as trustees, the trustees will consider the skills, knowledge, and experience necessary for the effective operation of the charity.

Upon appointment, trustees are provided with an induction to the charity. This includes a briefing paper, as well as meetings with the Chair, CEO, and other stakeholders as deemed appropriate. Regard is given to the training and development needs of any trustees that may arise.

The Board of Trustees meets quarterly and is supported by key management personnel. Four meetings were held in 2024. The Trustees come from a range of professional backgrounds, and bring new skills and highly relevant experience.

Organisational structure

The Chief Executive is responsible for the day-to-day operation of the charity on behalf of the Board of Trustees. The remuneration of key management is reviewed annually by the Board and is set against established pay scales, benchmarked against similar-sized entities. The Trustees give their time freely, and no remuneration was paid in the year. Details of Trustee expenses are disclosed in note 8 to the accounts.

Key Management Personnel during the year were:

James Haughton (Chief Executive Officer)
Eddie West-Burnham (Chief Operating Officer)

PESTALOZZI INTERNATIONAL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees who served during the year and up to the date of signature of the financial statements were:

Mr K Greatbatch

Ms C Stevens

Mr A Rizk

Mr S Wakely

(Resigned 9 November 2024)

Mrs C Daggart

(Resigned 9 November 2024)

Mr F von Hurter

(Resigned 9 November 2024)

Mr A M Eckhoff

(Appointed 12 May 2025)

The trustees' report was approved by the Board of Trustees.

Kenneth Greatbatch

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Mr K Greatbatch

Trustee

31 October 2025

Date:

PESTALOZZI INTERNATIONAL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees 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).

The law applicable to charities in England and Wales 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 year.

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

- select suitable accounting policies and then 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 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 charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust 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.

PESTALOZZI INTERNATIONAL

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF PESTALOZZI INTERNATIONAL

Opinion

We have audited the financial statements of Pestalozzi International (the 'charity') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

PESTALOZZI INTERNATIONAL

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF PESTALOZZI INTERNATIONAL

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of noncompliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and noncompliance with laws and regulations, our procedures included the following:

- Obtaining an understanding of the legal and regulatory framework in which the charity operates, focusing on those laws and regulations that had a direct effect on the financial statements and operations;
- Obtaining an understanding of the charity's policies and procedures on fraud risks, including knowledge of any actual, suspected or alleged fraud; and
- Discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud through our knowledge and understanding of the charity and our sector specific experience.

As a result of these procedures, we considered the opportunities and incentives that may exist within the company for fraud. We are also required to perform specific procedures to respond to the risk of management override. As a result of performing the above, we identified the following areas as those most likely to have an impact on the financial statements: compliance with the Charities Act 2011 and the Charities SORP (FRS102).

In addition to the above, our procedures to respond to risks identified included the following:

- Making enquiries of management, about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of the board and senior management; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Due to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed noncompliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

PESTALOZZI INTERNATIONAL

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF PESTALOZZI INTERNATIONAL

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Kristina Perry

**Kristina Perry FCCA (Senior Statutory Auditor)
for and on behalf of Sumer Audit
Chartered Accountants
Statutory Auditor
Worthing**

31 October 2025
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Sumer Audit is the trading name of Sumer Auditco Limited

PESTALOZZI INTERNATIONAL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
	Notes						
Income and endowments from:							
Donations and legacies	3	1,526,834	8,500	1,535,334	2,790,353	32,500	2,822,853
Other trading activities	4	1,500	-	1,500	6,275	-	6,275
Investments	5	30,662	-	30,662	15,056	-	15,056
Other income		-	-	-	316	-	316
Total income		1,558,996	8,500	1,567,496	2,812,000	32,500	2,844,500
Charitable activities	6	2,288,488	8,500	2,296,988	2,059,534	47,500	2,107,034
Net losses on investments	12	(2,137)	-	(2,137)	(62,773)	-	(62,773)
Net income/(expenditure)		(731,629)	-	(731,629)	689,693	(15,000)	674,693
Other recognised gains and losses:							
Other losses	10	(21,751)	-	(21,751)	(22,308)	-	(22,308)
Net movement in funds		(753,380)	-	(753,380)	667,385	(15,000)	652,385
Reconciliation of funds:							
Fund balances at 1 January 2024		3,491,171	-	3,491,171	2,823,786	15,000	2,838,786
Fund balances at 31 December 2024		2,737,791	-	2,737,791	3,491,171	-	3,491,171

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

PESTALOZZI INTERNATIONAL

BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	11		2,889		1,038
Investments	12		500,064		373,175
			<u>502,953</u>		<u>374,213</u>
Current assets					
Debtors	13	646,825		1,502,913	
Investments	14	1,075,842		-	
Cash at bank and in hand		580,661		1,647,655	
		<u>2,303,328</u>		<u>3,150,568</u>	
Creditors: amounts falling due within one year	15	68,490		33,610	
		<u>68,490</u>		<u>33,610</u>	
Net current assets			2,234,838		3,116,958
Total assets less current liabilities			<u>2,737,791</u>		<u>3,491,171</u>
The funds of the charity					
Unrestricted funds			2,737,791		3,491,171
			<u>2,737,791</u>		<u>3,491,171</u>

The financial statements were approved by the trustees on 31 October 2025

Kenneth Greatbatch

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Mr K Greatbatch

Trustee

PESTALOZZI INTERNATIONAL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	21		109,492		(662,470)
Investing activities					
Purchase of tangible fixed assets		(2,280)		(1,099)	
Purchase of investments		-		(219,435)	
Proceeds from disposal of investments		163,435		1,042,035	
Investment income received		30,662		15,056	
Net cash generated from investing activities			191,817		836,557
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			301,309		174,087
Cash and cash equivalents at beginning of year			1,855,258		1,681,171
Cash and cash equivalents at end of year			2,156,567		1,855,258
Relating to:					
Cash at bank and in hand			580,661		1,647,655
Deposits included in fixed and current asset investments			1,575,906		207,603

PESTALOZZI INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

Pestalozzi International is a charity registered with the Charity Commission.

The registered office is: F8 Worth Corner Business Centre, Turners Hill Road, Pound Hill, West Sussex RH10 7SL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the 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). Pestalozzi International constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

On 13 September 2024, a merger occurred between Pestalozzi World Children's Trust (charity number 1172364) and Pestalozzi International Foundation (charity number 1046599), with a name change for the combined entity to Pestalozzi International. The financial statements have been prepared in accordance with merger accounting rules, with the assets, liabilities and funds of the combining charities aggregated for the year to 31 December 2024 and for the comparative period.

1.2 Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. On the basis of these projections the trustees are confident that the charity will have sufficient funds to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on the going concern basis.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Donated assets are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit by the charity of the item is probable, and that economic benefit can be measured reliably. The value of donated assets provided to the charity are recognised at fair value.

PESTALOZZI INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.5 Expenditure

All expenditure is accounted for on an accruals basis, and where incurred directly to further the Trust's charitable objects, is shown under the headings of Scholarship Costs and Monitoring and Evaluation.

Certain expenditure is directly attributable to specific activities and has been allocated to those cost categories. Where the costs are attributable to more than one activity they have been apportioned to the other activity based on the time spent on those activities.

Expenditure on raising funds are those costs, including staff costs, relating to fundraising activities and management fees of its investments.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers	Straight line basis over 3 years
-----------	----------------------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

PESTALOZZI INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

PESTALOZZI INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

3 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	1,059,902	8,500	1,068,402	2,661,079	32,500	2,693,579
Legacies receivable	466,932	-	466,932	129,274	-	129,274
	<u>1,526,834</u>	<u>8,500</u>	<u>1,535,334</u>	<u>2,790,353</u>	<u>32,500</u>	<u>2,822,853</u>
Donations and gifts						
UK Trust donations	124,026	8,500	132,526	136,066	32,500	168,566
US Trust donations	443,238	-	443,238	324,336	-	324,336
CH Trust donations	492,638	-	492,638	1,581,949	-	1,581,949
Donated assets	-	-	-	618,728	-	618,728
	<u>1,059,902</u>	<u>8,500</u>	<u>1,068,402</u>	<u>2,661,079</u>	<u>32,500</u>	<u>2,693,579</u>

Included within donated assets in the comparative period is £618,728 relating to a transfer of ownership of a loan on 31 December 2023, of which the charity will receive future repayment. The value of the asset was recognised within incoming resources as a donation, and an equivalent balance included within other debtors. No such donations have been received during the year ended 31 December 2024.

4 Income from other trading activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Fundraising events	1,500	6,275
	<u>1,500</u>	<u>6,275</u>

5 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from listed investments	-	1,644
Interest receivable	30,662	13,412
	<u>30,662</u>	<u>15,056</u>

PESTALOZZI INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

6 Expenditure on charitable activities

	Scholarship costs	Monitoring & evaluation	Management & admin	Raising funds	Total
	2024	2024	2024	2024	2024
	£	£	£	£	£
Direct costs					
Staff costs	-	152,152	112,523	169,871	434,546
Zambia Projects	933,237	-	-	-	933,237
India Future leaders	133,976	-	-	-	133,976
Nepal Future leaders	198,607	-	-	-	198,607
Alumni Initiatives	90,192	-	-	-	90,192
Travel	1,162	19,965	16,087	3,900	41,114
Office	7,981	316	84,822	1,269	94,388
IT/Website/Other	4,116	4,749	31,456	11,455	51,776
Audit/accountancy fee	-	-	14,434	-	14,434
Outreach programmes	197,437	-	-	-	197,437
Marketing/fundraising	-	-	361	19,544	19,905
Consultant fees	-	-	-	880	880
	<u>1,566,708</u>	<u>177,182</u>	<u>259,683</u>	<u>206,919</u>	<u>2,210,492</u>
Grant funding of activities	-	-	86,496	-	86,496
	<u>1,566,708</u>	<u>177,182</u>	<u>346,179</u>	<u>206,919</u>	<u>2,296,988</u>
Analysis by fund					
Unrestricted funds	1,558,208	177,182	346,179	206,919	2,288,488
Restricted funds	8,500	-	-	-	8,500
	<u>1,566,708</u>	<u>177,182</u>	<u>346,179</u>	<u>206,919</u>	<u>2,296,988</u>

Expenditure included under 'Management & admin' above meets the definition of support costs as defined in the Charities SORP. Included within this expenditure are governance costs totalling £23,721 (2023 - £20,050), including audit fees of £11,760 (2023 - £9,600).

Grant funding amounting to £86,496 (2023 - £Nil) was provided to Pestalozzi Overseas Children's Foundation.

PESTALOZZI INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

6 Expenditure on charitable activities (Continued)

Previous year:	Scholarship costs 2023 £	Monitoring & evaluation 2023 £	Management & admin 2023 £	Raising funds 2023 £	Total 2023 £
Direct costs					
Staff costs	-	176,060	96,351	142,537	414,948
Zambia Projects	657,182	-	-	-	657,182
India Future leaders	186,859	-	-	-	186,859
Nepal Future leaders	123,164	-	-	-	123,164
Travel	-	15,238	6,728	3,815	25,781
Office	-	1,450	69,860	6,259	77,569
IT/Website/Other	-	-	31,384	-	31,384
Audit/accountancy fee	-	-	11,880	-	11,880
Investment management	-	-	-	1,694	1,694
Outreach programmes	524,164	-	-	-	524,164
Marketing/fundraising	-	-	-	19,583	19,583
Consultant fees	-	-	-	32,826	32,826
	<u>1,491,369</u>	<u>192,748</u>	<u>216,203</u>	<u>206,714</u>	<u>2,107,034</u>
Analysis by fund					
Unrestricted funds	1,443,869	192,748	216,203	206,714	2,059,534
Restricted funds	47,500	-	-	-	47,500
	<u>1,491,369</u>	<u>192,748</u>	<u>216,203</u>	<u>206,714</u>	<u>2,107,034</u>

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

8 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
	11	10
	<u>11</u>	<u>10</u>
Employment costs	2024	2023
	£	£
Wages and salaries	382,797	368,764
Social security costs	31,620	28,781
Other pension costs	20,129	17,403
	<u>434,546</u>	<u>414,948</u>

PESTALOZZI INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

8 Employees (Continued)

During the year amounts of £129,601 (2023 - £119,608) were paid to individuals recognised as key management personnel by the board of trustees.

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024 Number	2023 Number
£70,001 to £80,000	1	1

9 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

10 Other gains and losses

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Gains/(losses) upon:		
Foreign exchange	(21,751)	(22,308)

11 Tangible fixed assets

	Computers £
Cost	
At 1 January 2024	1,099
Additions	2,280
At 31 December 2024	3,379
Depreciation and impairment	
At 1 January 2024	61
Depreciation charged in the year	429
At 31 December 2024	490
Carrying amount	
At 31 December 2024	2,889
At 31 December 2023	1,038

PESTALOZZI INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

12 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 January 2024	165,572	207,603	373,175
Additions	-	1,403,959	1,403,959
Valuation changes	(2,137)	-	(2,137)
Foreign exchange gains/(losses)	-	(44,644)	(44,644)
Transfers	(163,435)	163,435	-
Disposals	-	(1,230,289)	(1,230,289)
	-----	-----	-----
At 31 December 2024	-	500,064	500,064
	-----	-----	-----
Carrying amount			
At 31 December 2024	-	500,064	500,064
	=====	=====	=====
At 31 December 2023	165,572	207,603	373,175
	=====	=====	=====

13 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Other debtors	628,526	683,866
Prepayments and accrued income	18,299	819,047
	-----	-----
	646,825	1,502,913
	=====	=====

14 Current asset investments

	2024 £	2023 £
Cash deposit	1,075,842	-
	-----	-----

15 Creditors: amounts falling due within one year

	2024 £	2023 £
Other taxation and social security	-	10,834
Trade creditors	-	1,862
Accruals and deferred income	68,490	20,914
	-----	-----
	68,490	33,610
	=====	=====

PESTALOZZI INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

16 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2024	Incoming resources	Resources expended	At 31 December 2024
	£	£	£	£
Chalk Cliff Foundation	-	5,000	(5,000)	-
The Souter Charitable Trust	-	2,000	(2,000)	-
Clive Richards Foundation	-	1,500	(1,500)	-
	-	8,500	(8,500)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Previous year:

	At 1 January 2023	Incoming resources	Resources expended	At 31 December 2023
	£	£	£	£
The Reed Foundation	15,000	-	(15,000)	-
Chalk Cliff Foundation	-	5,000	(5,000)	-
St James Foundation	-	2,500	(2,500)	-
The Coles Medlock Trust	-	10,000	(10,000)	-
Charities Trust	-	15,000	(15,000)	-
	15,000	32,500	(47,500)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

17 Unrestricted funds

The unrestricted funds of the charity comprise of unexpended balances of income that are not subject to specific conditions by donors and grantors as to how they may be used.

	At 1 January 2024	Incoming resources	Resources expended	Gains and losses	At 31 December 2024
	£	£	£	£	£
General funds	3,491,171	1,558,996	(2,288,488)	(23,888)	2,737,791
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Previous year:					
	At 1 January 2023	Incoming resources	Resources expended	Gains and losses	At 31 December 2023
	£	£	£	£	£
General funds	2,823,786	2,812,000	(2,059,534)	(85,081)	3,491,171
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

PESTALOZZI INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

18 Financial commitments, guarantees and contingent liabilities

Contingent assets

During the year, the charity received an interim distribution from a legacy of which it is a residuary beneficiary. A final distribution is expected in relation to this legacy, however the amount to be received is contingent on the sale of a property. No further income has been accrued in relation to this legacy as at the reporting date, on the basis that it has not been possible to reliably measure the amount of income receivable.

19 Events after the reporting date

Since the reporting date, the charity has received income amounting to £1,049,000 relating to legacies of which the charity was notified prior to the year-end. No accrual was made for this income in the financial statements on the basis that, as at the reporting date, it was not possible to reliably measure the amount of income receivable from these legacies, and therefore the criteria for recognition of the income were not met.

Since the reporting date, the charity has issued a further loan to Pestalozzi Zambia Children's Trust of £512,889.

20 Related party transactions

The charity receives donations from two fundraising trusts, based in the USA (Pestalozzi US Children's Charity Inc.) and in Switzerland (Pestalozzi Overseas Children's Foundation). These organisations operate as separate legal entities, but share common policies on philosophy and purpose, and are considered to be part of the same "family" of not-for-profit organisations.

During the year, donations of £443,238 (2023 - £324,336) were received from Pestalozzi US Children's Charity Inc. (PUSCCI). These donations were made from the proceeds of US fundraising events and individual donations. PUSCCI is a US-registered not-for-profit foundation, founded in 1998 in order to raise funds for Pestalozzi International by providing US donors with tax-deductibility. Sir Richard Butler, founder of Pestalozzi International, is a director of the US Charity.

During the year, donations of £492,638 (2023 - £2,200,676) were received from Pestalozzi Overseas Children's Foundation (POCF) in Switzerland. During the year, grants of £86,496 (2023 - £Nil) were provided to POCF to cover administrative expenses.

The charity also provides funds to four implementing trusts, based in Zambia (Pestalozzi Zambia Children's Trust), India (Pestalozzi Children's Village Society), Nepal (Nepal Pestalozzi Foundation) and Thailand (Thai Pestalozzi Foundation). As for the fundraising trusts above, these organisations operate as separate legal entities but share common policies on philosophy and purpose, and are considered to be part of the same "family" of not-for-profit organisations.

In the comparative period, an interest-free unsecured loan of £618,727 to Pestalozzi Zambia Children's Trust (PZCT) was transferred from the original lender, POCF, to Pestalozzi International. This was included within income from donations in kind in the comparative period. At the reporting date, the balance receivable on this loan was £618,727 (2023 - £618,727), included within other debtors. During the year, donations were made to PZCT of £993,238 (2023 - £625,181).

During the year, donations were made to Pestalozzi Children's Village Society (PCVS) of £133,976 (2023 - £134,042).

During the year, donations were made to Nepal Pestalozzi Foundation (NPF) of £125,805 (2023 - £114,467).

During the year, donations were made to Thai Pestalozzi Foundation (TPF) of £32,096 (2023 - £32,318).

PESTALOZZI INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

21 Cash generated from operations	2024	2023
	£	£
(Deficit)/surplus for the year	(731,629)	674,693
Adjustments for:		
Investment income recognised in statement of financial activities	(30,662)	(15,056)
Foreign exchange differences	(21,751)	(22,308)
Fair value gains and losses on investments	2,137	62,773
Depreciation and impairment of tangible fixed assets	429	61
Movements in working capital:		
Decrease/(increase) in debtors	856,088	(1,262,858)
Increase/(decrease) in creditors	34,880	(99,775)
Cash generated from/(absorbed by) operations	109,492	(662,470)

22 Analysis of changes in net funds

The charity had no debt during the year.

PESTALOZZI INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

23 Results and fund analysis of merged charities

Analysis of principal SoFA components for the current reporting period - year to 31 December 2024

	Pestalozzi World Children's Trust (pre- merger)	Pestalozzi International Foundation (pre-merger)	Pestalozzi International (post-merger)	Combined total
	£	£	£	£
Total income	596,511	101,022	869,963	1,567,496
Total expenditure	(1,347,748)	(222,020)	(727,220)	(2,296,988)
Net gains/(losses) on investments	-	-	(2,137)	(2,137)
Net income/(expenditure)	(751,237)	(120,998)	140,606	(731,629)
Other gains/(losses)	-	-	(21,751)	(21,751)
Net movement in funds	(751,237)	(120,998)	118,855	(753,380)

Analysis of principal SoFA components for the previous reporting period - year to 31 December 2023

	Pestalozzi World Children's Trust (pre- merger)	Pestalozzi International Foundation (pre-merger)	Combined total
	£	£	£
Total income	2,621,160	223,340	2,844,500
Total expenditure	(1,646,733)	(460,301)	(2,107,034)
Net gains/(losses) on investments	(62,773)	-	(62,773)
Net income/(expenditure)	911,654	(236,961)	674,693
Other gains/(losses)	(22,308)	-	(22,308)
Net movement in funds	889,346	(236,961)	652,385
Total funds brought forward	1,453,468	1,385,318	2,838,786
Total funds carried forward	2,342,814	1,148,357	3,491,171

Analysis of net assets at the date of the merger - 13 September 2024

	Pestalozzi World Children's Trust	Pestalozzi International Foundation	Combined total
	£	£	£
Net assets	1,603,918	1,027,359	2,631,277
Represented by:			
Unrestricted funds	1,596,918	1,027,359	2,624,277
Restricted income funds	7,000	-	7,000
Endowment funds	-	-	-
Total funds	1,603,918	1,027,359	2,631,277

PESTALOZZI INTERNATIONAL

England & Wales - Charity number 1172364

Accounts

Pestalozzi International

To nurture and develop



2023 Accounts and Annual Reports

Pestalozzi International

2023 Accounts and Annual Review

Registered Charity No: 1172364

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Zambian Students celebrating Graduation



Legal and Administrative Information

Trustees

Mr K J Greatbatch
Mrs C Doggart
Mr F von Hurter
Mr S Wakely
Lady Butler (resigned 26th January 2023)
Mr A Rizk (appointed 27th April 2023)
Ms C Stevens (appointed 27th April 2023)

Address

Unit F8 Worth Corner Business Centre
Turners Hill Road
Crawley
West Sussex
RH10 7SL

Independent Auditors

Sumer Auditco Limited
The Beehive
Beehive Ring Road,
London Gatwick Airport,
Gatwick,
United Kingdom,
RH6 0PA

Bankers

HSBC
Covent Garden
London
WC2 8JF

Credit Suisse
P.O. Box 100.
CH-8070
Zurich

Investment Advisors

Mr S Pahlson-Moller
Mr R Macleod

Merger Announcement

An exciting new chapter for Pestalozzi

We are pleased to announce that, effective 13th September 2024, Pestalozzi International Foundation (PIF) merged with Pestalozzi World Children's Trust (PW). PIF's assets will transfer to PW and the newly unified organisation will support PW's existing programmes operating under the name Pestalozzi International.

- PIF, established in 1957, operated the renowned Pestalozzi Children's Village in Sedlescombe, Sussex until 2019. This offered scholarships in the UK to children from the Global South, and subsequently at United World Colleges in Europe and the UK.
- Since 1995, PW has supported over 37,000 children in Zambia, Nepal, and India, with a particular focus on refugee communities and gender equality.



PestalozziWorld



The merger represents a strategic decision to amplify our collective impact. By unifying resources and expertise, Pestalozzi International will be better positioned to provide holistic education and essential vocational skills to the brightest children from the most disadvantaged backgrounds globally.

Pestalozzi International will be the only international NGO in the World implementing a modern interpretation of Pestalozzian principles in the Global South, rooted in local cultures and relevant to their societies. Together we will honour the Swiss and UK Pestalozzian legacy.

The merger occurred after the financial period reported in this document.

Why we exist

Mission

We offer child-centred education to disadvantaged children in the Global South, supporting economic growth and social mobility. Recognising the uniqueness of every child's fullest potential, we educate beyond the classroom, prioritising the nurture of emotional, social and mental well-being and developing future-oriented vocational skills. This education for life creates self-reliant adults with the tools and moral confidence to pay forward their education for the benefit of their communities.

The Problem

Even the brightest children are held back by extreme rural poverty, early marriage, inadequate local schools, displacement due to conflict and the pressure to work. High School completion rates for the most disadvantaged rural communities are just 3% in Zambia, 13% in India and 10% in Nepal (UNESCO UIS 2019z).

In Africa and Asia, children are often educated:

- in unsuitable buildings by teachers who are unqualified and poorly paid
- in schools where corporal punishment is prevalent and much of the learning is rote
- in classrooms where students are rarely active, and the education offered bears little or no relation to the realities of the children's lives and likely futures
- without expectation, ambition or encouragement to pursue further education
- and children have minimal knowledge of the diversity of educational and career paths available.

Beyond schools, access to formal vocational training is limited and requires children to have secondary-level education. It is aimed at broad subject mastery over years, time that those living on less than \$2 a day cannot afford at the expense of opportunities that might present for informal, temporary work they need to survive. Inadequate education perpetuates underemployment and intergenerational poverty. It excludes disadvantaged children from contributing to the formal economy, the development of their nations and from being global citizens.

Where would you be without Pestalozzi?



“ I would have been just like my elder sister just sitting at home without hope of being independent and fulfilling my dreams. Getting married just like my other school friends at a very young age. My life and intellect would have been nothing more than a waste. It is hard to think about.

”

Our programmes

Future Leaders

Today our core programme involves the nurture and education of bright children in three ‘home from home’ campuses in Zambia, India and Nepal. Regarded as centres of excellence for child-centred care, our campuses allow us to educate children in their country of origin cost-effectively.



Selected for their potential to become leaders and changemakers, the children live in small family units with a Housemother who takes care of their material and emotional needs throughout their time in the campus. There are dedicated spaces for the completion of schoolwork, libraries and computer rooms. Skills and activities fill the children's days when they are not at school.

12 different nationalities are represented at the three Pestalozzi campuses contributing to diverse communities, cross-cultural exposure and fostering tolerance. Two girls are selected for each boy and around one-third are refugees.

Our campuses are staffed exclusively by local people. Our expert caregiving staff include trained counsellors, social workers, experienced teachers and Alumni. This is because their understanding of the children's contexts is vital to caring for them in culturally appropriate ways and because they best understand how to produce positive outcomes for our children in their countries. At our campuses the children receive:



1 An excellent education

at top-quality schools close to our centres. Our residences offer a conducive environment for learning and our children receive additional academic support from staff, Alumni and peers.



2 A nurturing environment

with child-centered care looking after their physical and emotional wellbeing. Encouraging them to take care of others and inspiring their ambition.



3 Practical Life Skills

Our children participate in many sports and hobbies to develop their personal interests and passions. They learn a variety of vocational and life skills to improve employability and to encourage independence.

Outreach

Pestalozzi International has supported non-selective, non-residential programmes since our inception in 1995. Our teams are always looking for innovative ways to share the Pestalozzi values with more communities, often through partnerships with existing schools or other partners. The programmes chosen for support align with our Head, Heart and Hands ethos.

Ethos

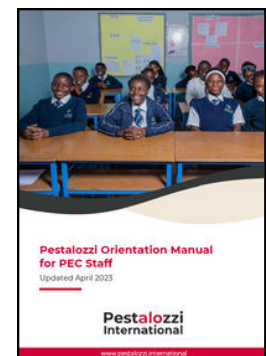
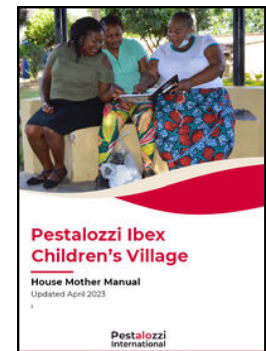
Our ethos is underpinned by the philosophy of Johann Heinrich Pestalozzi, (1746-1827) widely regarded as the 'Father of Modern Education'. He focused on providing a practical and child-centered education to poor children. Pestalozzi's holistic Head, Heart and Hands approach to education influenced many, including Montessori. It is an evidenced and valuable tool for social change.

Pestalozzi International has developed a comprehensive set of materials, toolkits and teaching aids to teach Pestalozzian values in a modern education setting.

The nurturing relationship between staff and children, the example set by our staff and the celebration of kindness shown to their peers all help the children to develop confidence, skills and compassion. We encourage the children to reflect the care and compassion they are shown by demonstrating those qualities through social work projects in the surrounding communities.

This encourages them to realise their agency to help others, becoming role models and changemakers in their communities as they give back.

Like JH Pestalozzi, we believe that charitable giving is only effective if people become independent and empowered. Your support equips the children to become adults who can help themselves, their local communities and their countries.



What sets us apart?

<p>Our Head, Heart, Hands Ethos</p> <p>We believe education is not only knowledge. It develops children's critical thinking, their character and their practical skills.</p>	<p>Our People</p> <p>Programmes locally led by expert educators, counsellors and care-givers, managed by local Boards.</p>	<p>Our Toolkit</p> <p>Pestalozzi International has pioneered a modern, secular, interpretation of JH Pestalozzi's pedagogy with emphasis on altruism.</p>	<p>Our Depth</p> <p>Commitment to a broad 7/8 year education with residential, child-centred, care at Pestalozzi campuses.</p>	<p>Our Proven Concept</p> <p>Excellent results are delivered cost effectively, we can prove life-transforming outcomes for our children, and our Alumni having a life-transforming impact on others.</p>
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Structure, Governance and Management

Background

On 13th September 2024 Pestalozzi International Foundation (Charity Number 1098422) merged with Pestalozzi World Children's Trust (Charity Number 1172364). Assets were transferred to Pestalozzi World, which was renamed Pestalozzi International on the same date.

The full name of the charity is Pestalozzi International and was registered with the Charity Commission on 31 March 2017. The charity was formed as a charitable incorporated organisation (CIO) and is governed by its founding constitution.

The charity previously operated under charity number 1046599 as an unincorporated trust, constituted under a trust deed dated 24 January 1995 and its activities and assets were transferred to the new CIO effective 1 January 2018.

The Trustees confirm that they have complied with the duty in Section Four of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

Structure, Governance and Management

The charity's governing instrument is the Constitution. The Board of Trustees is independent of the charity's membership. The Board of Trustees is responsible for managing the charity finances in support of the objectives defined by the charity's Executive. There are a minimum of three and a maximum of twelve trustees.

If a vacancy arises, the trustees may appoint any eligible person as a trustee. In selecting individuals for appointment as trustees, the trustees will consider the skills, knowledge and experience needed for the effective running of the charity. Upon appointment, trustees are provided with an induction to the charity. This consists of a briefing paper, as well as meetings with the Chair, CEO, and others as deemed appropriate. Regard is given to the training and development needs of any trustees that may arise.

The Board of Trustees meets quarterly and is supported by key management personnel. Four meetings were held in 2023. The Trustees come from a range of professional backgrounds, and bring new skills and highly relevant experience.

Structure, Governance and Management Cont.

Trustees serving during the year were:

Mr K J Greatbatch
 Mrs C Duggart
 Mr F von Hurter
 Mr S Wakely
 Lady Butler (resigned 26th January 2023)
 Mr A Rizk (appointed 27th April 2023)
 Ms C Stevens (appointed 27th April 2023)

The Chief Executive is responsible for the day-to-day operation of the charity on behalf of the trustees. The remuneration of key management is reviewed annually by the Board and is set against established pay scales, benchmarked in comparison with similar-sized entities. The Trustees give their time freely and no remuneration was paid in the year. Details of Trustee expenses are disclosed in note 8 to the accounts.

Key Management Personnel during the year were:

James Haughton (Chief Executive Officer)
 Emily Joseph (Finance and Compliance Manager)

The Pestalozzi Family



●	USA
●	UK
●	Switzerland
●	Zambia
●	India
●	Nepal
●	Thailand

Pestalozzi International is a Family of not-for-profit organisations. All organisations operate as separate legal entities but share standard policies on philosophy and purpose. Johann Heinrich Pestalozzi's educational philosophy is vital to our programmes' success and marks us out from other charities that educate children.

The primacy of local Boards, and their executives, in exercising control over their organisations is an enshrined principle of governance in our Family. Fundraising Trusts exist in the USA, Switzerland and the UK, and our implementing Trusts are in Zambia, India and Nepal. Pestalozzi International seeded the Thai Pestalozzi Foundation which is now self-sufficient.

CEO's Report

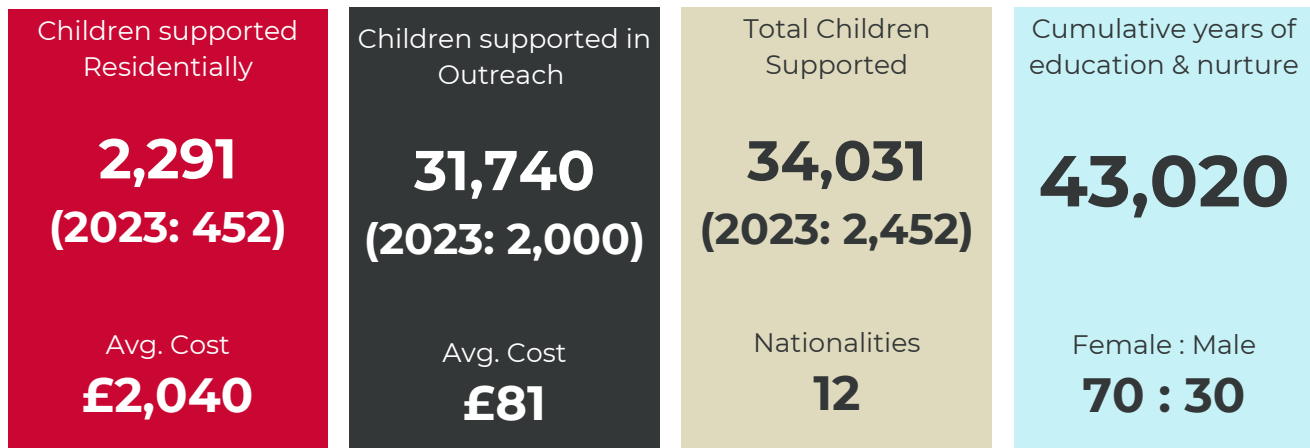
Introduction



It is with pleasure that I present our 2023 Annual Report and Audited Accounts. I would like to begin by thanking Pestalozzi International's dedicated supporters, whose generosity funds our expert teams overseas, delivering life-transforming educational opportunities for some of the world's most disadvantaged children. Without the support of our donors, none of the impact described below would be possible. It is a privilege to visit our partners overseas and meet the incredible children you support there.

At our core is the belief that the nurturing bond between mentor and child is the bedrock upon which empathy, ambition, and ethical values are nurtured. These relationships instil the confidence to navigate life's challenges with resilience and determination. I want to pay tribute to the caregivers in Zambia, India and Nepal who provide the love and nurture that enables the children to overcome the difficulties they have faced in their resource-constrained early years.

Achievements



Zambia:

- Skills were diversified in Zambia, offering a richer experience for the children
- Leadership Programme delivered in conjunction with the African Leadership Academy
- High Achieving, Low Income (HALI) Access Network conference held at School

India:

- Around half the children transferred to Cambrian Hall School in April 2023, which has closely related values and high academic standards
- Outstanding National Exam results gained for both Class 10 and 12

CEO's Report Continued

- Products created through Entrepreneurship Training were sold in the community

Nepal:

- Social work included the recycling and distribution of clothes to the needy
- Alumni staff visited Pestalozzi India for exchange of ideas and training
- Oldest children now entering final two years of education with admission to excellent sixth form colleges

Coming in 2024: SkillsHub Vocational Programme

The SkillsHub concept was developed in 2023. The SkillsHub is a multifunctional vocational training facility focused on digital and agricultural science skills for young people. It will introduce new skills elements to our “Hands” programming for our resident children in Zambia—a key priority in our 2023-26 Plan.

In addition, we will target children (Not in Education, Employment or Training-NEET) from surrounding communities who otherwise face unemployment and exclusion from formal economies:

- 97% of children (lowest wealth quintile) do not finish secondary school, 74% never enter sustained, salaried, employment
- Formal vocational training requires youth to have secondary-level education, excluding those who need it most

SkillsHub will democratise access to vocational training through the inclusion of remedial Foundation numeracy and literacy programs (Head) designed to bring them up to a minimum standard required to develop a skill.

In addition to knowledge, our program will also foster confidence, self-reliance, employability and entrepreneurship, so that when the learning stops, earning starts (Heart). Vocational training will be targeted to in-demand skills and services to produce sustainable livelihoods, quickly (Hands). The SkillsHub will promote clients to a network of employers to ensure sustainable livelihoods.

This diversification of programming in Zambia is an exciting moment for Pestalozzi International as we commit our focus to increasing our economic and social impact. We were delighted to receive funding in early Summer 2024 to make this project a reality.

Thank you once again for your support.



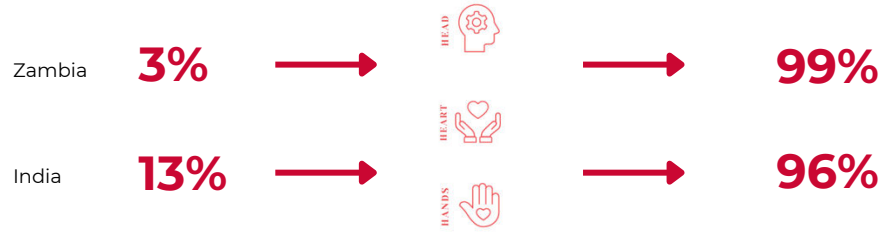
If every girl worldwide received 12 years of quality education, lifetime earnings for women could increase by \$15 trillion to \$30 trillion globally (World Bank).

Impact Statistics

2015-18 Graduates (Future Leaders):

High School Graduation

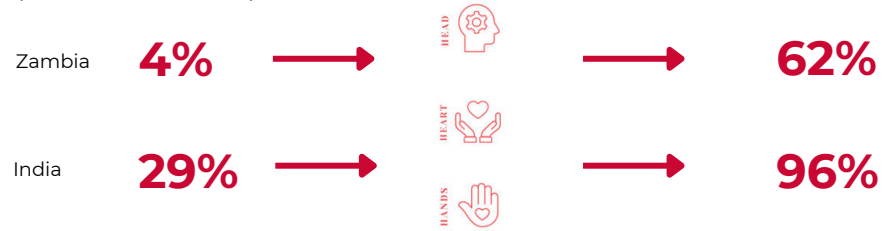
Upper Secondary completion rates for Poorest Rural Wealth Quintile (Unicef 2021): 2015-18:



Our Zambian children are **33 x** and our Indian children are **7 x** more likely to finish High School than averages in the places they come from

Tertiary Enrolment

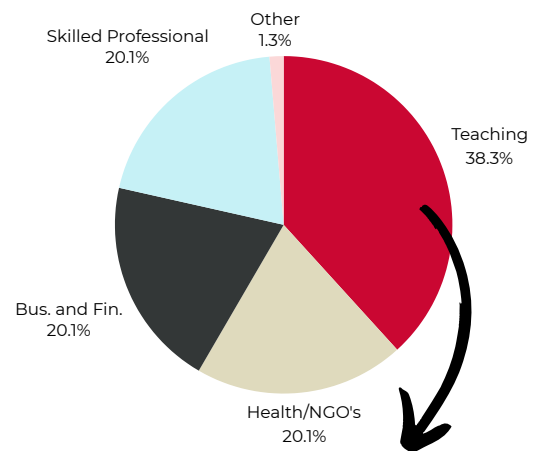
National Avg. Tertiary Enrolment Rates (UNESCO UIS 2019z) 2015-18:



Our Zambian children are **15 x** and our Indian children are **3 x** more likely to be enrolled in Tertiary Education than national averages which do not factor socio-economic disadvantage or gender

Alumni Careers

Our Alumni are a new generation of teachers, health professionals, entrepreneurs, aid workers and leaders equipped with the knowledge, compassion and skills to impact their communities positively. Our data demonstrates contributions from our Alumni towards all 17 Sustainable Development Goals.



UNESCO research on sub-Saharan Africa shows an average of one trained teacher per 58 students at the primary level, while in secondary school, the ratio is closer to 43 pupils per trained teacher. This means less teacher-student contact, less individualised teaching, and lower quality of education. As recipients of progressive education, our Alumni make excellent teachers.

Nurturing change-makers:

Ahmed Kazadi's journey & vision for Community Empowerment



What has been your most memorable experience at Pestalozzi International?

Pestalozzi provided me with a place I could always call home and feel safe. Pestalozzi has taught me to give back and to be caring within my environment. I look forward to opportunities through which I can empower my community with the lessons that I've learnt. My long term goal is to empower my community. I really want to create spaces where young refugees can actually develop the different skills that they have.

What are your ambitions for the future?

In the near future, I hope to graduate with a Master's in Engineering, a qualification that will allow me to initiate my own engineering consultancy firm. Through this firm, I aim to empower other aspiring young engineers in my community by providing them with opportunities to practice their technical and mechanical skills. I hope to use the knowledge I'll gain in the field to impact a lot of other people's lives.

Can you tell us about any other ways you are giving back?

While at Pestalozzi, I was involved in multiple community programmes, including volunteering at Cheshire Homes, Beit & Bill Orphanage, tutoring at Kalikilik Community Schools, and helping with house chores for elderly women during World Women's Day. Continuing with the Pestalozzi ethos of Head, Heart and Hands, I have also been engaged in the prestigious Bezos Scholars Programme. Through this programme, my team and I initiated a community project that empowered over 20 youths with career readiness skills, directly addressing the youth unemployment challenges in Johannesburg.

Nurturing change-makers:

Elese Nyirenda's journey with Pestalozzi International



What has been your most memorable experience at Pestalozzi International?

The “Hands” (Practical) skills I learned at Pestalozzi remain my most memorable experience. Today, as the sole breadwinner for my family, I am proud to say that farming and gardening are key sources of our food security. Looking back, I cannot thank Pestalozzi enough for laying the foundations for my career.

What are you currently doing?

I am currently doing a Mastercard Foundation Associate Programme with the One Acre Fund in Kabwe, Zambia. I am eternally grateful to the Mastercard Foundation for the opportunity and also to Pestalozzi for supporting me during the application process. Meanwhile, I am exploring opportunities for a Master's degree as I feel there is more to learn for the sake of my community.

Can you tell us about any other ways you are giving back?

Today, I am a graduate in Agronomy with a degree in Agricultural Science from EARTH university in Costa Rica. After graduating in 2021, I decided to spend a year in the USA doing an internship before finally coming back to Zambia in 2023. When I came back, I was surprised at how challenging it was for me to get a job in Zambia. I almost regretted my decision to come back and then I remembered the reason why I wanted to come back. When I was a student at Pestalozzi, I always told myself, 'I have to do well for the sake of my community' and I had almost forgotten my community because I was too busy trying to find a job for myself. After this realisation, I decided to volunteer at the Ministry of Agriculture in my hometown, Lundazi. The time I spent volunteering with the smallholder farmers was one of the best experiences I have had since graduating. Having the opportunity to share what I had learnt and figuring out some things together with the farmers remains unforgettable. Since then, I have vowed to myself to open a well structured farm for the learning purposes of the smallholder farmers in my community.

Financial Review

PI's income is primarily from private individuals, Trusts and Foundations.

In 2023, total income increased to £2,621,160 from £631,105 in the previous year. Of which, donations from the US Trust were £324,336 (2022: £438,059). £1,581,949 was received from the Swiss Trust (2022: nil).

Therefore, income from our partner fundraising trusts represented 73% (2022: 69%) of the total income in 2023. Donations from UK trusts and individuals fell to £94,400 (2022: £188,011). This reflects an intentional focus on developing fundraising from overseas markets due to oversubscribed UK Trusts and Foundations.

The restricted fund of £15,000 carried forward from 2022 from the Reed Foundation for investment in technology, along with all other restricted funds received in 2023, were utilised during the financial year.

Our total expenditure in the year increased to £1,646,733 (2022: £1,563,645). This was largely due to a planned increase in fundraising costs. Funds raised in the USA and CH are solicited by UK staff and flow to the UK, where programme expenditure is made. This is to present a complete view of financial and administrative activity coordinated by the UK Trust.

Grants to Zambia, India and Nepal programmes decreased to £967,205 (2022: £1,037,832) largely due to favourable foreign exchange, and funding for Outreach Programmes in Zambia and Thailand decreased to £201,110 (2022: £231,150).

Monitoring and Evaluation costs increased to £139,173 (2022: £136,060) due to inflation. Direct Charitable Spend, therefore, decreased to £1,307,488 (2022: £1,405,042).

Investment in staff to generate future income, and cover for a member of staff suffering prolonged illness in 2023, increased support costs to £339,245 (2022: £158,603).

The financial results before gains/losses on investments showed an in-year surplus of £989,427 (2022: deficit of £932,540).

Loss on revaluation of investments of £62,773 (2022: £161,220), and exchange losses of £22,308 (2022: £59,325), decreased the overall surplus for the year to £904,346 (2022: Deficit of £1,034,435).

Reserves

The reserves policy is reviewed annually by the finance committee and approved by the Board of Trustees.

At 31 December 2023, total funds held at PI were £2,290,536 (2022: £1,438,468).

PI policy is to hold a minimum of 12 - 18 months of operating costs. Free reserves of £2,290,536 (2022: £1,438,468), represented approximately 16 months of budgeted operating costs and as far as possible are invested to derive income. Income is currently back-loaded in the financial year, and our reserves allow for the management of cash flows. Funds held, allow for Trustees to grant for capital expenditure at their discretion.

Each scholar we select represents a funding commitment on our part of up to eight years. The Trustees are very much aware that the funds needed to support the children each year are subject to inflationary/foreign exchange movements and shortfalls of future receipts are possible. PI is transitioning from a limited number of major donors to a broader donor base and it is justified that we hold a higher level of reserves until a sustainable donor base is established.

Investment Powers and Policy

The Constitution provides full and unrestricted powers of investment to the Trustees. The investment of the reserve fund is managed and reviewed by the Trustees and advised by a qualified investment committee composed of two Trustees and two Advisors.

Some of the graduating batch in India



Risk Management

The Trustees have identified the principal risks and uncertainties to which the charity is exposed. These are regularly reviewed and policies, systems and procedures have been established and implemented to mitigate or manage any potential impact on the charity should those risks materialise.

Given the context within which PI works, the principal risks for PI are:

Safeguarding: PI requires absolute duty of care and accountability to children supported by Pestalozzi International programmes. PI 's Safeguarding Policy and Code of Practice for working with children and young people sets out in detail how any Pestalozzi International representative, including staff, board members, volunteers, consultants, and partners must conduct themselves in their interactions with children at all of the programmes we support.

Loss or Misappropriation of Charity Assets: Pestalozzi International Policies and Procedures are reviewed annually and contain control procedures for approving financial transactions, purchasing processes, the requirement for annual Audit, regular reporting against budgets and quarterly reporting to the Board of Trustees across our funding and implemented partner organisations. Annual monitoring trips are undertaken by our staff.

Lack of regular donations: A comprehensive fundraising plan is in place to meet our future costs. The charity is maintaining a reserves policy of between 12 and 18 months of operating costs that are partially invested in UK and overseas investment portfolios, foreign currency deposits as well as sterling on deposit. This will provide the charity with income each year and will ensure funds are available to meet any direct charitable and management & administration expenditure.

Foreign currency: The risks associated with holding a single dominant currency for a global charity are mitigated by holding deposits in gold and other major currencies.

Stability of the political environment: In 2023, the stability of the governments of Zambia, India and Nepal continued; however, the precedent of national turbulence in these countries means PI remains vigilant of this risk. The Board of Trustees noted the increasing difficulties the Foreign Contributions Regulation Act in India is presenting for international NGO's.

Plans for the future

The SkillsHub investment in 2024 will increase the capacity of the school during teaching hours by an additional 100 children. Income from fee payers will reduce the international funding required for our Zambian Trust in 2025 and beyond. In India and Nepal we are supporting the development of our local partners to attract domestic and international funding.

Our investment in income generation overseas reduces the reliance of our partners on our funding and justifies the use of reserves that would otherwise be invested with more modest returns.

SkillsHub expenditure will increase total spend but our income and expenditure will balance in each of the next three years. With a comprehensive fundraising plan in place and efforts underway to boost the income-generating capacity of our partners, we look to the future with confidence and ambition to develop our social and economic impact further in Sub-Saharan Africa.

The merger announced on page 3 of the report above will further strengthen the sustainability of the organisation with an approximate inflow to reserves of £1m and projected additional annual income of £250,000 per annum.

The Board of Pestalozzi International look to the future with confidence and ambition to increase the impact of the charity.

Selected children arriving at Foundation House in Zambia for the first time



Statement of Trustee Responsibilities

The Trustees 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).

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the incoming resources and application of the resources of the charity during the year and of its state of affairs at the end of the year. In preparing these financial statements the trustees should follow best practice and:

- 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 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 charity will continue in operation;

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the Charity's constitution. They are also responsible for the charity's system of internal financial controls, for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to reappoint Sumer Auditco Limited as auditors will be put to the Trustees.

ON BEHALF OF THE TRUSTEES

KGreatbatch

KJ GREATBATCH

Date: 31/10/24

Pestalozzi International Independent Auditors Report

To the Members of Pestalozzi International

Opinion

We have audited the financial statements of Pestalozzi World Children's Trust (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have

not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or

Pestalozzi International Independent Auditors Report (Cont.)

- the financial statements are not in agreement with the accounting records; or we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and noncompliance with laws and regulations, our procedures included the following:

- Obtaining an understanding of the legal and regulatory framework in which the charity operates, focusing on those laws and regulations that had a direct effect on the financial statements and operations;
- Obtaining an understanding of the charity's policies and procedures on fraud risks, including knowledge of any actual, suspected or alleged fraud; and
- Discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud through our knowledge and understanding of the charity and our sector specific experience.

As a result of these procedures, we considered the opportunities and incentives that may exist within the company for fraud. We are also required to perform specific procedures to respond to the risk of management override. As a result of performing the above, we identified the following areas as those most likely to have an impact on the financial statements: compliance with the Charities Act 2011 and the Charities SORP (FRS102).

In addition to the above, our procedures to respond to risks identified included the following:

- Making enquiries of management, about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of the board and senior management; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Due to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely

Pestalozzi International Independent Auditors Report (Cont.)

the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not

accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Kristina Perry FCCA (Senior Statutory Auditor)
for and on behalf of Sumer Audit**

Kristina Perry

31 October 2024

.....
**Chartered Accountants
Statutory Auditor
Worthing**

Sumer Audit is the trading name of Sumer Auditco Limited



Pestalozzi International

Statement of Financial Activities

For the year ended 31 December 2023

	<u>Notes</u>	<u>Unrestricted</u> <u>Funds</u> <u>2023</u> <u>£</u>	<u>Restricted</u> <u>Funds</u> <u>2023</u> <u>£</u>	<u>Total</u> <u>Funds</u> <u>2023</u> <u>£</u>	<u>Total Funds</u> <u>2022</u> <u>£</u>
INCOME FROM					
Donations and Legacies	3	2,586,913	32,500	2,619,413	626,070
Investments	4	1,644	-	1,644	5,035
Other Income		103	-	103	-
TOTAL		2,588,660	32,500	2,621,160	631,105
EXPENDITURE ON					
Charitable Activities	8	(1,404,327)	(47,500)	(1,451,827)	(1,505,739)
Raising Funds	8	(194,906)	-	(194,906)	(57,906)
TOTAL		(1,599,233)	(47,500)	(1,646,733)	(1,563,645)
Net income/(deficit) before gains and losses on investments		989,427	(15,000)	974,427	(932,540)
Net gains/(losses) on investments	9	(62,773)	-	(62,773)	(161,220)
Net income/(deficit)		926,654	(15,000)	911,654	(1,093,760)
Other gains/(losses)	5	(22,308)	-	(22,308)	59,325
NET MOVEMENT IN FUNDS		904,346	(15,000)	889,364	(1,034,435)
TOTAL FUNDS BROUGHT FORWARD		1,438,468	15,000	1,453,468	2,487,903
TOTAL FUNDS CARRIED FORWARD		2,342,814	-	2,342,814	1,453,468

All of the above are derived from continuing activities. There were no other gains or losses other than those stated above.

The notes on pages 26 to 32 form part of these financial statements.

Pestalozzi International

Balance Sheet

31 December 2023

	<u>Notes</u>	<u>2023</u> £	<u>2022</u> £
Fixed Assets			
Investments	9	373,175	1,106,651
Equipment, net	10	1,038	-
Current Assets			
Debtors	11	1,502,912	240,055
Cash at Bank and in Hand		494,420	120,858
		<u>1,997,332</u>	<u>360,913</u>
Current Liabilities	12	(28,731)	(14,096)
NET CURRENT ASSETS		<u>1,968,601</u>	<u>346,817</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,342,814</u>	<u>1,453,468</u>
Total Unrestricted Funds Brought Forward		1,453,468	2,487,903
Net Movement in the year Unrestricted		904,346	(1,049,435)
Restricted		<u>(15,000)</u>	<u>15,000</u>
TOTAL FUNDS Carried Forward	14	<u>2,342,814</u>	<u>1,453,468</u>

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

Approved by the Trustees on 31st October 2024 and signed on their behalf by

KGreatbatch

KJ GREATBATCH

The notes on pages 26 to 32 form part of these financial statements.

Pestalozzi International

Statement of Cash Flows

31 December 2023

	£	2023 £	£	2022 £
Cash flows from operating activities		(275,378)		(1,165,991)
Cash flows from investing activities				
Purchase of investments	(219,436)		(613,283)	
Purchase of equipment	(1,099)		-	
Proceeds of investment disposals	1,042,036		1,252,013	
Dividends, interest and rents from investments	1,644		5,035	
			<hr/>	
Net cash provided by investing activities		823,145		(643,765)
Foreign exchange differences		(22,308)		59,325
		<hr/>		<hr/>
Change in cash and cash equivalents in the year		525,459		(462,901)
Cash and cash equivalents b/f		176,564		639,465
		<hr/>		<hr/>
Cash and cash equivalents c/f		702,023		176,564
		<hr/>		<hr/>
		2023		2022
		£		£
Reconciliation of net (expenditure)/income to net cash flow from operating activities				
Net income/ (deficit) for the year per the SOFA		889,346		(1,034,435)
Adjustments for:				
(Gains)/losses on investments		85,081		101,895
Dividends, interests and rents from investments		(1,644)		(5,035)
Decrease/(increase) in debtors		(1,262,857)		(235,835)
Increase/(decrease) in creditors		14,635		7,419
Depreciation		61		
		<hr/>		<hr/>
		(275,378)		(1,165,991)
		<hr/>		<hr/>
		2023		2022
		£		£
Analysis of cash and cash equivalents				
Cash in hand		494,420		120,858
Cash held by investment manager		207,603		55,706
		<hr/>		<hr/>
Total cash and cash equivalents		702,023		176,564
		<hr/>		<hr/>

The charity had no debt during the current or comparative period.

Pestalozzi International

Notes to the Financial Statements

For the year ended 31 December 2023

1. ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements have been prepared in accordance with the 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).

PI constitutes a public benefit entity as defined by FRS 102. The accounts are prepared in Sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

As described in note 2, the financial statements include the results of both Pestalozzi International (Charity number 1046599) and Pestalozzi International (Charity number 1172364) in accordance with merger accounting rules. The financial statements have been prepared under the historic cost convention, with the exception of listed investments which are included at their market value. The principle accounting policies adopted are set out below.

b) Going Concern

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. On the basis of these projections the trustees are confident that the charity will have sufficient funds to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on the going concern basis.

c) Investments

Investments are initially recorded at cost. At the end of each financial period investments are revalued as at the balance sheet date at their market value. Any unrealised movement in market value from one year to another is recognised in the SOFA.

d) Incoming Resources

Donated assets are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the user by the charity of the item is probable and that economic benefit can be measured reliably. The value of donated assets provided to the charity are recognised at fair value.

e) Resources Expended

All expenditure is accounted for on an accruals basis, and where incurred directly to further the Trust's charitable objects, is shown under the headings of Scholarship Costs and Monitoring and Evaluation.

Certain expenditure is directly attributable to specific activities and has been allocated to those cost categories. Where the costs are attributable to more than one activity they have been apportioned to the other activity based on the time spent on those activities.

f) Expenditure on Raising Funds

Expenditure on raising funds are those costs, including staff costs, relating to fundraising activities and management fees of its investments.

Pestalozzi International

Notes to the Financial Statements

For the year ended 31 December 2023

g) Charitable Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

h) 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 the transaction. Exchange differences are taken into account in arriving at the net movement in funds in the statement of financial activities.

i) Financial Assets

Financial assets are recognized in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price included transaction costs. Donated assets are recognised at fair value.

Financial assets are derecognized only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

j) Financial Liabilities

Basic financial liabilities are initially measured at transaction price. Financial liabilities are derecognized when, and only when, the charity's obligations are discharged, cancelled, or they expire.

k) Taxation

No provision has been made for taxation as the charity is a public benefit entity which is exempt from UK direct taxation on its charitable activities.

l) Financial Instruments

Debt instruments like loans from related parties and other receivables and payables are initially recognised at transaction price. Debt instruments that are payable or receivable within one year are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

2. CHARITY INCORPORATION

On 1 January 2018, Pestalozzi International (Charity number 1046599) transferred its trade and assets to Pestalozzi International (Charity number 1172364). Both charities have the same charitable objects, which are detailed in the Trustees' Report, and the transaction has been accounted for using the merger accounting rules.

Pestalozzi International

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

3. DONATIONS	2023 £	2022 £
UK Trust Donations	94,400	188,011
US Trust Donations	324,336	438,059
CH Trust Donations	1,581,949	-
Other Income	103	
Donated Asset	618,728	
	<u>2,619,516</u>	<u>626,070</u>

Included within donated assets is £618,728 relating to a transfer of ownership of a loan on 31 December 2023, of which the charity will receive future repayment. The value of the asset has been recognised within incoming resources as a donation, and an equivalent balance included within other debtors. See note 11 for further details.

4. INVESTMENT INCOME	<u>2023</u> £	<u>2022</u> £
Dividends Received from investments	1,644	5,035
	<u>1,644</u>	<u>5,035</u>

5. OTHER GAINS AND LOSSES	<u>2023</u> £	<u>2022</u> £
Foreign exchange (losses)/gains	(22,308)	59,325
	<u>(22,308)</u>	<u>59,325</u>

6. STAFF COSTS	<u>2023</u> £	<u>2022</u> £
Salaries and Wages	272,140	175,321
Social Security costs	24,591	14,510
Pension costs	14,586	4,737
	<u>311,317</u>	<u>194,568</u>

The average number of employees during the year was 6 (2022: 4). At 31 December 2023, the number of staff was 7 (2022:4). One employee earned over £60,000 in the current year.

During the year, remuneration of key management personnel totalled £76,883 (2022: £68,954).

7. AUDITOR'S REMUNERATION

A total fee of £9,600 (2022: £3,000) was provided in relation to the audit services for this year.

Pestalozzi International

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

8. ANALYSIS OF RESOURCES EXPENDED

	Scholarship Costs	Monitoring & Evaluation	Mgmt & Admin	Raising Funds	Total 2023
	£	£	£	£	£
Zambia Future Leaders	657,182	-	-	-	657,182
Indian Future Leaders	186,859	-	-	-	186,859
Nepal Future Leaders	123,164	-	-	-	123,164
UK Staff	-	122,485	46,295	142,537	311,317
Travel	-	15,238	4,740	3,815	23,793
Office	-	1,450	60,657	6,259	68,366
IT/Website/Other	-	-	23,047	-	23,047
Audit Fee	-	-	9,600	-	9,600
Investment Mgmt	-	-	-	1,694	1,694
Outreach Programmes	201,110	-	-	-	201,110
Marketing/Fundraising	-	-	-	8,025	8,025
Consultant Fees	-	-	-	32,576	32,576
	<u>1,168,315</u>	<u>139,173</u>	<u>144,339</u>	<u>194,906</u>	<u>1,646,733</u>

The trustees did not receive any fees, emoluments or reimbursement of expenses in the year ended 31 December 2023 (2022 - £nil).

Expenditure included under "Mgmt & Admin" above meets the definition of support costs as defined in the Charities SORP. Included within this expenditure are governance costs totaling £17,506 (2022: £25,665).

	Scholarship Costs	Monitoring & Evaluation	Mgmt & Admin	Raising Funds	Total 2022
	£	£	£	£	£
Zambia Future Leaders	725,784	-	-	-	725,784
Indian Future Leaders	184,573	-	-	-	184,573
Nepal Future Leaders	127,475	-	-	-	127,475
UK Staff	-	116,687	46,372	31,509	194,568
Travel	-	19,373	2,205	-	21,578
Office	-	-	28,885	-	28,885
IT/Website/Other	-	-	18,255	-	18,255
Audit Fee	-	-	4,980	-	4,980
Investment Mgmt	-	-	-	2,259	2,259
Outreach Programmes	231,150	-	-	-	231,150
Marketing/Fundraising	-	-	-	24,138	24,138
	<u>1,268,982</u>	<u>136,060</u>	<u>100,697</u>	<u>57,906</u>	<u>1,563,645</u>

Pestalozzi International

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

9. INVESTMENTS

Market value	<u>2023</u> £	<u>2022</u> £
At 1 January	1,050,945	1,850,895
Additions	219,436	613,283
Disposals	(1,042,035)	(1,252,013)
Revaluation	(62,773)	(161,220)
Transfers	-	-
At 31 December	<u>165,572</u>	<u>1,050,945</u>
Cash on deposit	207,603	55,706
	<u>373,175</u>	<u>1,106,651</u>

Investments were liquidated to transfer to a new investment manager (Credit Suisse to Cazenove). The portfolio included both UK and overseas investments. Investments are held to provide a return to cover future charitable expenditures.

10. FIXED ASSETS

Computer Equipment	<u>2023</u> £	<u>2022</u> £
Cost at 1 January 2023	-	-
Additions	1,099	-
Cost at 31 December 2023	1,099	-
Depreciation charge	61	-
Net Book Value 31 December 2023	<u>1,038</u>	<u>-</u>

11. DEBTORS

Amounts falling due within one year	<u>2023</u> £	<u>2022</u> £
Other Debtors	683,866	214,972
Pre-payments	2,621	-
Accrued Income	816,426	25,083
	<u>1,502,913</u>	<u>240,055</u>

Accrued income of £816,426 represents a donation from Pestalozzi Overseas Children's Foundation which was received on 4 January 2024. Included in other debtors is a loan of £618,728 (2022: £nil) due from a related party, Pestalozzi Zambia Children's Trust, which was transferred on 31 December 2023 from Pestalozzi Overseas Children's Foundation.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2023</u> £	<u>2022</u> £
Taxation and social security	8,444	6,637
Accruals	20,287	7,459
	<u>28,731</u>	<u>14,096</u>

Pestalozzi International

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

13. STATEMENT OF FUNDS

	As at 1 Jan 2023	Income	Expenditure	As at 31 Dec 2023
	£	£	£	£
The Reed Foundation	15,000	-	15,000	-
Chalk Cliff Foundation	-	5,000	5,000	-
St James Foundation	-	2,500	2,500	-
The Coles Medlock Trust	-	10,000	10,000	-
Charities Trust	-	15,000	15,000	-
Total Restricted Funds	15,000	32,500	47,500	-
Total Unrestricted Funds	1,438,468	2,588,660	1,684,314	2,342,814
	<u>1,453,468</u>	<u>2,621,160</u>	<u>1,731,814</u>	<u>2,342,814</u>

	As at 1 Jan 2022	Income	Expenditure	As at 31 Dec 2022
	£	£	£	£
The Reed Foundation	-	15,000	-	15,000
Total Restricted Funds	-	15,000	-	15,000
Total Designated Funds	1,100,000	-	-	-
Total Unrestricted Funds	1,387,903	616,105	1,665,540	1,438,468
	<u>2,487,903</u>	<u>631,105</u>	<u>1,665,540</u>	<u>1,438,468</u>

All restricted grants in 2022 and 2023 were awarded to support the Future Leaders programme in Zambia.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31st Dec are represented by:	Unrestricted income
	£
Fixed Assets	374,213
Current Assets	1,997,332
Creditors: Amount falling due within one year	(28,731)
Total Funds	<u>2,342,814</u>

Pestalozzi International

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

15. RELATED PARTY TRANSACTIONS

During the year, donations of £324,336 (2022: £438,059) were received from Pestalozzi US Children's Charity Inc. (PUSCCI). These donations were made from the proceeds of US fundraising events and individual donations. PUSCCI is a US-registered not-for-profit foundation, founded in 1998 in order to raise funds for Pestalozzi International by providing US donors with tax-deductibility.

Sir Richard Butler Bt., founder of Pestalozzi International is a director of the US Charity.

On 23 April 2022, the Pestalozzi International Trust (PI) provided an interest-free unsecured loan of £206,594 to Pestalozzi Overseas Children's Foundation (POCF) in Switzerland. The loan was advanced in order to fund the school's expansion in Lusaka Zambia and was repaid on 20 January 2023. Total donations received from POCF were £2,200,676 (2022: £31,096).

On 31 December 2023, an interest-free unsecured loan of £618,727 to Pestalozzi Zambia Children's Trust (PWCT) was transferred from the original lender, Pestalozzi Overseas Children's Foundation (POCF), to Pestalozzi World Children's Trust. This has been included within income from donations in kind.

During the year donations made to the family organisation Pestalozzi Zambia Children's Trust totalled £625,181 (2022: £723,606)

During the year donations made to the family organisation Pestalozzi Children's Village Society totalled £134,042 (2022: £184,416)

During the year donations made to the family organisation Nepal Pestalozzi Foundation totalled £114,467 (2022: £102,343)

During the year donations made to the family organisation Thai Pestalozzi Foundation totalled £32,318 (2022: £43,791)

16. POST BALANCE SHEET EVENTS

On 13 September 2024, Pestalozzi World Children's Trust merged with another charity, Pestalozzi International Foundation, with a name change for the combined entity to Pestalozzi International. Both entities share the same charitable aims, and all assets, liabilities and funds have been combined. At the date of the merger, Pestalozzi International Foundation held an estimated net assets of £1.02mil.

Alumnus message to donors

“From the deepest part of my heart, I would like to thank all the donors for their unconditional support. We are forever grateful and we will make sure to become a wonderful global citizens.”



Contact Us

Pestalozzi International
Unit F8 Worth Corner Business
Centre
Crawley
RH10 7SL

Tel: 01293 307847

Email: info@pestalozziworld.com

www.pestalozziworld.com

PESTALOZZI INTERNATIONAL

England & Wales - Charity number 1172364

Accounts



2022 Accounts and Annual Review

PestalozziWorld

Educating children for brighter futures

Pestalozzi World Children's Trust

2022 Accounts and Annual Review

Registered Charity No: 1172364

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**Pestalozzi India Director Cheme Palden
conducting selection interviews**



Legal and Administrative Information

Trustees	Mrs C Doggart Mr K J Greatbatch Mr F von Hurter Mr S Wakely Lady Butler (resigned 26th January 2023) Mr A Rizk (appointed 27th April 2023) Ms C Stevens (appointed 27th April 2023)
Address	Unit F8 Worth Corner Business Centre Turners Hill Road Crawley West Sussex RH10 7SL
Independent Auditors	Arnold Hill & Co LLP 6th Floor Capital Tower 91 Waterloo Road London SE1 8RT United Kingdom
Bankers	HSBC Covent Garden London WC2 8JF

Background

The full name of the charity is Pestalozzi World Children's Trust (PWCT) and was registered with the Charity Commission on 31 March 2017 (charity number 1172364). The charity was formed as a charitable incorporated organisation (CIO) and is governed by its founding constitution.

The charity previously operated under charity number 1046599 as an unincorporated trust, constituted under a trust deed dated 24 January 1995 and its activities and assets were transferred to the new CIO effective 1 January 2018.

Why we exist

Mission

Pestalozzi World is a children's charity that educates exceptionally bright children from some of the poorest communities in the world, to produce young adults capable of changing their communities.

Vision

A world where no child living in rural poverty is excluded from shaping the future but is equipped to combine their lived experience with the skills, and the compassion, needed to develop their nations.

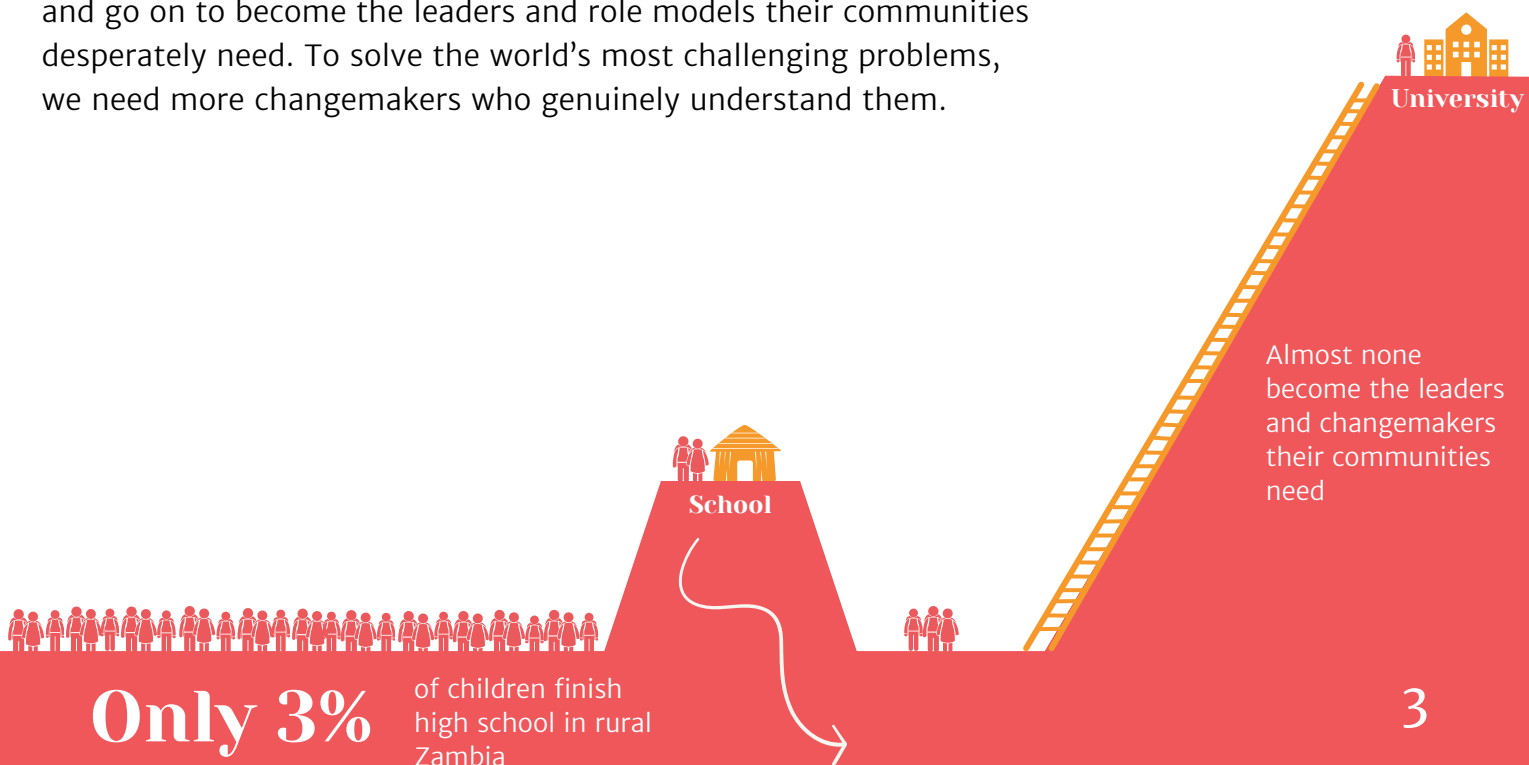
You invest – **they change their worlds.**

The Problem

Our supporters believe that children's abilities are the same everywhere, but opportunity is not. Even the brightest children are held back by extreme rural poverty, early marriage, inadequate local schools, displacement due to conflict and the pressure to work and earn a living. Those children who are learning do so:

- in unsuitable buildings by teachers who are unqualified and poorly paid,
- in schools where corporal punishment is prevalent and learning is by rote,
- in classrooms where students are rarely active, and the education offered often bears little or no relation to the realities of the children's lives and likely futures,
- and without expectation, ambition or encouragement to pursue further education.

Children have minimal knowledge of the diversity of educational and career paths available. Almost none reach their academic potential and go on to become the leaders and role models their communities desperately need. To solve the world's most challenging problems, we need more changemakers who genuinely understand them.



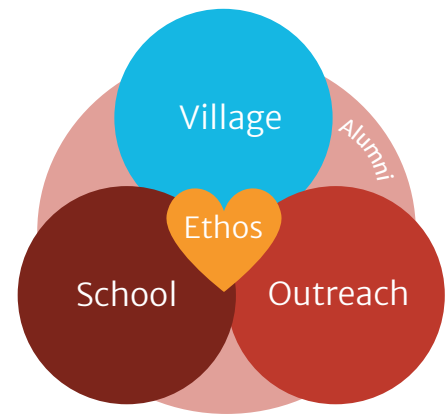
Our programmes

Pestalozzi Villages

Today our core programme involves the education of children in three 'home from home' Villages in Zambia, India and Nepal. Regarded as centres of excellence for child-centred care, our Villages allow us to educate children in their country of origin cost-effectively.

The children live in small family units with a Housemother who takes care of their material and emotional needs throughout their time in the Village. There are dedicated spaces for the completion of schoolwork, libraries and computer rooms. Skills and activities fill the children's days when they are not at school.

12 different nationalities are represented at the three Pestalozzi Villages contributing to diverse communities, cultural exposure and fostering tolerance. Our Villages and centres are staffed exclusively by local people. Our expert caregiving staff include trained counsellors, social workers, experienced teachers and Alumni. This is because their understanding of their contexts is vital to caring for the children in culturally appropriate ways and because they best understand how to produce positive outcomes for our children in their countries.



1 An excellent education

at top quality schools close to our Villages. Our Villages offer a conducive environment for learning and our children receive additional academic support from staff, Alumni and peers.



2 A nurturing environment

with child-centred care looking after their emotional and physical wellbeing. Encouraging them to take care of others and inspiring their ambition.



3 Practical Life Skills

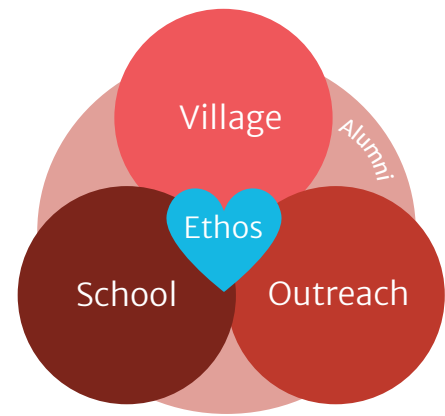
Our children participate in many sports and hobbies to develop their personal interests and passions. They learn a variety of vocational and life skills to improve employability and to encourage independence.

Selection

Our expert teams travel to some of the most remote areas, where schools are under-resourced to select children. We identify those who excel in emotional intelligence and academic performance. Home visits are conducted to assess the socio-economic conditions of the families. We choose the brightest children from the poorest households for their potential to become role models and changemakers in their communities. Over twenty years of experience have honed selection processes which are subject to rigorous scrutiny by local Boards. Recognising the additional barriers faced by girls and refugees, two girls are selected for each boy and one in three children are refugees.

Ethos

Our ethos is underpinned by the philosophy of Johann Heinrich Pestalozzi (1746–1827), widely regarded as the Father of Modern Education, who focused on providing practical and child-centered education to poor children.



Pestalozzi’s Head, Heart and Hands approach to teaching is an evidenced and valuable tool for social change. PW has developed a comprehensive set of materials, toolkits and teaching aids to teach Pestalozzian values in the schools we use and at our Villages.

The central tenet of his philosophy was that ‘children who receive love, give love’, and as such we are Heart-led in all we do. At a Pestalozzi Village, children are brought up with staff creating the atmosphere of a home, with children as family members. This loving relationship between staff and children, along with the example set by our staff and the celebration of kindnesses shown to their peers all encourage the children to develop the confidence, skills and compassion they need to become future leaders.

We encourage the children to reflect the care and compassion they are shown at our Village by demonstrating those qualities through social work projects in the surrounding communities. This encourages them to realise they can make a difference and become role models and changemakers. Like Pestalozzi, the man, we believe that charitable giving is only effective if people become independent and empowered. Our aim is to equip the children to become adults who can help themselves, their local communities and their countries.

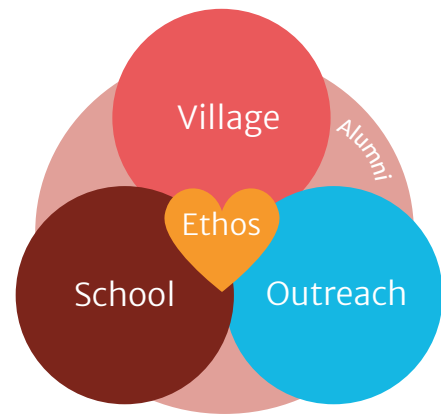
What sets us apart?

<p>Our Head, Heart, Hands Ethos</p> <p>We believe education is not only knowledge. It develops children's critical thinking, their character and their practical skills.</p>	<p>Our People</p> <p>Programmes locally led by expert educators, counsellors and care-givers, managed by local Boards.</p>	<p>Our Toolkit</p> <p>Pestalozzi World has pioneered a modern, secular, interpretation of JH Pestalozzi’s pedagogy with emphasis on altruism.</p>	<p>Our Depth</p> <p>Commitment to a broad 7/8 year education with residential, child-centred, care at Pestalozzi Villages.</p>	<p>Our Proven Concept</p> <p>Excellent results are delivered cost effectively, we can prove life-transforming outcomes for our children, and our Alumni having a life-transforming impact on others.</p>
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Outreach

Pestalozzi World has supported non-selective, non-residential programmes since our inception in 1995. Our teams are always looking for innovative ways to share the Pestalozzi values with more communities, often through partnerships with existing schools or other partners.

The programmes chosen for support fall into at least one part of our Head, Heart and Hands ethos.



Case Study – Edulution



Edulution is funded by Pestalozzi World. Its innovative tablet-based numeracy learning programme has impacted more than 40,000 Learners. In Zambia, primary school learners are, on average, 2 – 3 years behind their grade level. The Learners are enrolled in the programme for one year and attend for 3 to 4 hours a week in groups of 30– 50.

Learners use tablets to do an initial assessment and then, facilitated by the Coach and guided by the software, engage with appropriate interactive exercises and videos, working at their own pace to achieve mastery before moving to the next level. Coaches provide a fun, supported environment and are guided by ‘live’ analytical data to facilitate effective learning.

Not only was Edulution’s first centre based at our Zambian Village, but many of their coaches are Pestalozzi Alumni. They work in their rural communities, acting as role models and changemakers. The technology operates offline & off-grid, often in remote rural areas. Data is fed back to all stakeholders – Coaches, programme managers, outcome funders, principals, parents, Learners and other authorised stakeholders.

Edulution believes that there are four components to effective learning: children need to be actively engaged, work at their own pace, and achieve mastery before progressing and learning with fun. As well as these principles, Edulution shares Pestalozzi World’s emphasis on the effective use of data. It guides the Learner journey, monitoring and incentivising stakeholders & Coaches, and produces actionable intelligence that drives their learning programmes.

An independent evaluation by the Swiss Educational Innovation Network (SNBI) in 2021 found that Edulution learners outperformed their peers in mathematics by 23 percentile ranks. This is delivered for around \$100 per child per year.

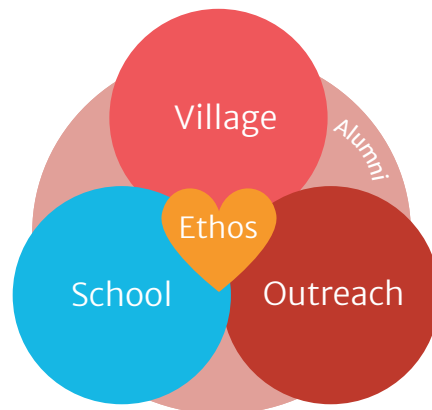


Pestalozzi World Alumnus Alex, now working as an Edulution coach

31,722
children have
benefitted from
Pestalozzi
funded outreach
programmes

School

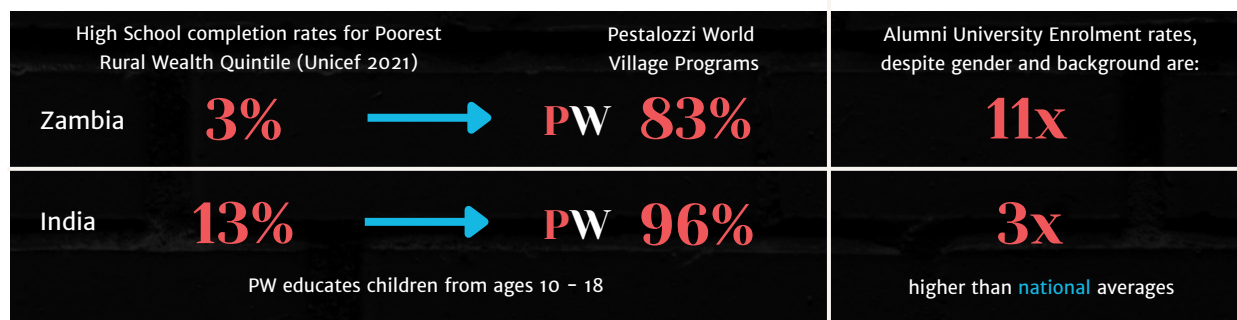
Pestalozzi World works with schools providing an education that reflects Pestalozzian ideas on teaching with a child-centred approach and developing critical thinking, or we influence schools to develop these approaches. In India and Nepal, our children attend high-quality private schools that deliver results for the children that allow them to access scholarships to university.



In Zambia, due to a lack of affordable and quality schools, we support Pestalozzi Education Centre (PEC-above), which is owned by the Zambian Trust and managed by ENKO Education. It offers a high-quality education for our scholars at the adjoining Zambian Village. Profit is derived from fee-paying day pupils. Phase 1 PEC School Expansion (\$549k) was completed in 2022, introducing six new classrooms to accommodate 850 children. Although not anticipated to reach total capacity until 2024, a 43% subsidy to the costs of educating PW Scholars is projected in 2023. The school has grown quickly due to the IB offering and its reputation. We believe that on current demand, 1,100+ children could be enrolled.

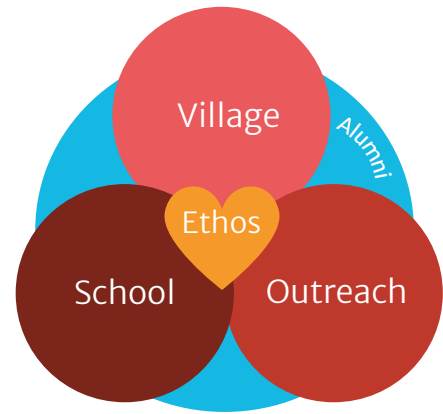
Academic Outcomes

Our 1,508 Village Alumni have an average age of 29 years old. Two-thirds have achieved at least one tertiary or university qualification which is all the more remarkable considering PW's financial support ends at 18. Most leverage their high-quality education to attract scholarships which allow them to continue their educations.



University enrolment against national averages, which do not correct for the socio-economic background or gender, demonstrate significant success.

Village Programmes: Our Impact



70% of our Alumni fall into at least one of these categories:



Volunteer

Volunteering to help others
Alumni support and inspire others and give back to their communities. 64% of our Alumni have volunteered to support their communities.



Careers

Working in careers of public service
54% of our Alumni have become healthcare professionals, teachers, and aid workers. Many others have successful businesses.



Support

Providing financial support to family
7,300 immediate family members have benefited from the improved financial position of our Alumni.

You invest, and they

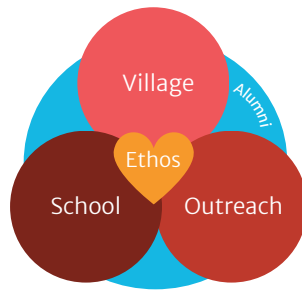
change their worlds.

Our Alumni are a new generation of teachers, health professionals, entrepreneurs, aid workers and leaders equipped with the knowledge, compassion and skills to impact their communities positively. We are creating a trail blazing group of pioneers inspiring those in their communities.



Our data demonstrates contributions from our Alumni towards all 17 Sustainable Development Goals.

Alumni Case Studies



Prisca Mulongo

Midwife for the Ministry of Health, a Clinical Instructor for General Nursing and Midwifery students, and is a trained Adolescent Sexual Reproductive Health Provider.



Prisca graduated from our Village in 2007 to become a registered midwife at the University Teaching Hospital under Zambia Ministry of Health sponsorship. Prisca now works as a Clinical Instructor for general nursing and midwifery students and is an Adolescent Sexual Reproductive Health Provider.

It's an influential role because in Zambia the average number of children per mother is 4.4 and the median age of the population is just 17.

Pestalozzi World awarded her a Gold Impact Award in 2021 because of the impact Prisca has had on so many other lives, which we estimate to be tens of thousands of people. Her work also supports the National Health Strategic Plan which set a target in Zambia to decrease the maternal mortality ratio from 398 to 162 maternal deaths per 100,000 live births.



"Pestalozzi has been a big blessing to me, of which I feel I should also be a blessing to someone."

Pestalozzi Ethos: Giving Back

I'm sponsoring two boys, the first is in High School, and the other boy is three years old. I met him when he was about six months old. His mother suffers from mental illness. I also have two girls that I have sponsored through grade twelve.

I got so much from Pestalozzi that I cannot even manage to pay them back. But the only way that I can pay them back is me helping the next person that is next to me."



About PW

Alex Habonimana

EduLUTION Coach & Computer Science Undergraduate

Alex is a refugee from Rwanda. He has lived in Maheba camp in Zambia all of his life – until he joined Pestalozzi Zambia, in 2012. Alex became Head Boy of Pestalozzi school, and graduated in 2018. Since then he has been offered two university scholarships, run his own hairdressing business before finding his calling teaching hundreds of children Maths in rural Zambia, as an EduLUTION Coach.

He is now studying for a computer science degree, whilst working full-time and supporting himself with his degree fees. He wants to develop apps to change the world.



Shelja Thakur

Pestalozzi India Alumni Coordinator and Senior Student Liaison Officer.



Shelja, supports our children in India, by offering career advice to years 10-12 at the Village, with the aim that the children will have a better understanding of their options when they have left the Village.

"Since I came to Pestalozzi as a child, I haven't had to depend on my parents for financial support. Because of the skills I have gained, I have been able to work and support myself and now also if my family needs anything, I am able to support them as well. I studied with a scholarship, and worked, in the USA before returning home to give back to India. I'm very thankful to Pestalozzi that it has given me the platform to become independent and lead a good life where I can help my parents and it's been a privilege to help other Pestalozzi children as well."

Shelja has now been accepted to study a Masters in Development, at Azim Premji University, Bangalore. This Masters program will help her to better understand what the development challenges are in India and what could be the most effective ways of addressing them. The program will also provide her with the knowledge and skills to work with organizations that are creating a more just and equitable life, with dignity, for future generations.

She wants to work with organisations in the field of education, health, women empowerment, and youth empowerment.



About PW

Laika Malimbilimbi

Police Officer Zambia

"If I didn't come to Pestalozzi, I wouldn't have been here where I am today, I doubt if I would have been a police officer. Life before Pestalozzi was really hard. I think I'd have just been sitting in the village doing nothing. I would have had maybe five kids by now, and I would not have been a productive member of society.

Ten years time I see myself working for a very big organization, doing very well, and my plan in the near future is to have an ophanage, so that I can also give back to the community, just like the way Pestalozzi did. I really need to help other people with the little that I'll have in the future."



90% of our Alumni have remained in their country of origin, contributing back to their communities. 7% are currently studying overseas and just 3% have emigrated.



CEO's Report

Introduction

It is with pleasure that I present our 2022 Annual Report and Audited Accounts. Pestalozzi World has pioneered a modern interpretation of Johann Heinrich Pestalozzi's Head, Heart, and Hands pedagogy that has proven a valuable and effective tool for social change. Our monitoring data demonstrates that our 1,508 Village Alumni are reaching positions of influence within their communities where they can drive socio-economic change.



Our database has numerous examples of their contributions to all 17 UN Sustainable Development Goals.

At an average age of 29, our Alumni are still writing their stories. Their impact on the world will only grow in the coming years. Almost none would have had this impact without our supporters.

With the concept proven, Pestalozzi World now embarks on a new chapter of development as the baton begins to pass from the dedicated support of a small number of Major Donors/Board Members who have fulfilled their Founding Vision to develop our Pestalozzi Villages in Zambia, India and Nepal. Pestalozzi World must now look outward to attract those who can help us sustain and expand our social impact to more deserving children.

To do this, we are now developing our executive fundraising capacity family-wide and investing in trading income locally. We are building our brand and social media presence to share the accomplishments of our supporters and our Alumni with those who may be able to assist us in educating the Pestalozzi Children of the future. If you can help us please get in touch.

A new fundraising strategy runs to 2028 and is underway. We will maintain our support for existing programmes to further our mission with the full expectation that income will cover the regular operating costs of the programmes we support by 2025.

I would like to acknowledge the retirement of Lady Diana Butler from the Board of Trustees. Having founded Pestalozzi World with Sir Richard Butler, she is a mother figure to hundreds of Pestalozzi World Children and has been a dedicated supporter of the organisation. We extend our heartfelt gratitude for her immeasurable contributions.

2022 in Numbers



2022 Highlights

In January 2023 we met with our overseas partners to reflect on successes and challenges in 2022. One of the key themes was the ramping up of entrepreneurial training for the children we educate. They were challenged to develop, market and sell products—a project which derived significant learning and fun for the children involved.

Public speaking and debating clubs, to improve oracy and critical thinking were also given renewed emphasis at the Villages in 2022. We eagerly await the inaugural inter-Village competitions later in 2023 as we seek to promote interconnectedness and exchange between our partners.

Another key focus was on the mental health and well-being of our children post-pandemic. All of our children faced disruption to their residency at the Pestalozzi Villages and faced many of the same challenges encountered by children worldwide with isolation and the loss of routine. Our Pastoral Officers Mwinji (Zambia), Upasna (India) and Reena (Nepal) have done an excellent job with the children, demonstrating their competencies in counselling and helping their teams of caregivers to see to the needs of the children. We remain indebted to the expert teams in Zambia, India and Nepal and their Boards for their dedication, ambition and drive to produce the best outcomes for our children.

Without the support of our donors, none of this would be possible. The pages above demonstrate that you are investing in our children, and they are giving back to their communities with significant impact. Thank you.



Governance and Operations



The Pestalozzi World Family

Pestalozzi World is a Family of not-for-profit organizations. All organizations operate as separate legal entities but share standard policies on philosophy and purpose. Johann Heinrich Pestalozzi's educational philosophy is vital to our programmes' success and marks us out from other charities that educate children.

The primacy of local Boards, and their executives, in exercising control over their organizations is an enshrined principle of governance in our Family. Fundraising Trusts exist in the USA, Switzerland and the UK, and our implementing Trusts are in Zambia, India and Nepal. Pestalozzi World seeded the Thai Pestalozzi Foundation which is now self-sufficient.

Without prejudice to the control of Boards over their organizations, the UK Board provides strategic direction, particularly around investments/sustainability. The UK executive coordinates family exchange, monitoring and evaluation, and reports to our donors.

Staff and Children of Pestalozzi Zambia



Financial Review

PWCT's income is primarily from private individuals, Trusts and Foundations.

In 2022, total income increased to £631,105 from £582,576 in the previous year. Of which, donations from the US Trust were £438,059 (2021: £295,899). No income was received from the Swiss Trust (2021: £171,464). Therefore, income from our partner fundraising trusts represented 69% (2021: 80%) of the total income in 2022. Donations from UK Trusts and individuals increased to £188,011 (2021: £107,953).

From 2023, the Swiss Trust will grant its income to the UK Trust each year.

Within our UK income is a restricted fund of £15,000 from the Reed Foundation for investment in technology to be utilised in 2023.

Our total expenditure in the year increased to £1,563,645 (2021: £526,222). This was largely due to a planned increase in Direct Charitable Spend. During the year we began the transition from the Swiss Trust disbursing funds overseas to the UK Trust making these payments directly.

The purpose of these changes is to present a more complete view of financial and administrative activity coordinated by the UK Trust.

Accordingly, grants to Zambia, India and Nepal Villages increased to £1,037,832 (2021: £337,777) and funding for Outreach Programmes in Zambia and Thailand increased to £231,150 (2021: £23,779). Planned working capital funding, related to expansion at PEC School in Zambia contributed towards increased grants.

Monitoring and Evaluation costs increased to £136,060 (2021: £92,357) due to increased staff costs and the resumption of international travel post-pandemic. Direct Charitable Spend, therefore, increased to £1,405,042 (2021: £463,406).

Investment in staff to generate future income in the UK and the reopening of a UK Office, post-pandemic, increased support costs to £158,603 (2021: £72,309).

The financial results before gains/losses on investments showed an in-year deficit of £932,540.

Loss on revaluation of investments of £161,220 (2021: £116,136), partly offset by exchange gains of £59,325 (2020: £295,244), increased the overall deficit for the year to £1,034,435 (2021: Surplus of £235,462).

Reserves

The reserves policy is reviewed annually by the finance committee and approved by the Board of Trustees.

At 31 December 2022, total funds held at PWCT were £1,453,468. They comprise unrestricted funds of £1,438,468 and restricted funds of £15,000.

PWCT policy is to hold a minimum of 6 – 12 months of operating costs. Free reserves of £1,438,468, represent approximately 9.75 months of budgeted operating costs and as far as possible are invested to derive income. Income is currently back-loaded in the financial year, and our reserves allow for the management of cash flows.

Each scholar we select represents a funding commitment on our part of up to eight years. The Trustees are very much aware that the funds needed to support the children each year are subject to inflationary/foreign exchange movements and shortfalls of future receipts are possible. PWCT is transitioning from a limited number of major donors to a broader donor base and it is justified that we hold a higher level of reserves until a sustainable donor base is established.

Investment Powers and Policy

The Constitution provides full and unrestricted powers of investment to the Trustees. The investment of the reserve fund is managed and reviewed by the Trustees and advised by a qualified investment committee composed of two Trustees and two Advisors.

Homework time at Pestalozzi India



Risk Management

The Trustees have identified the principal risks and uncertainties to which the charity is exposed. These are regularly reviewed and policies, systems and procedures have been established and implemented to mitigate or manage any potential impact on the charity should those risks materialise.

Given the context within which PWCT works, the principal risks for PWCT are:

Safeguarding: PWCT requires absolute duty of care and accountability to children supported by Pestalozzi World programmes. PWCT 's Safeguarding Policy and Code of Practice for working with children and young people sets out in detail how any Pestalozzi World representative, including staff, board members, volunteers, consultants, and partners must conduct themselves in their interactions with children at all of the programmes we support.

Loss or Misappropriation of Charity Assets: Pestalozzi World Policies and Procedures are reviewed annually and contain control procedures for approving financial transactions, purchasing processes, the requirement for annual Audit, regular reporting against budgets and quarterly reporting to the Board of Trustees across our funding and implemented partner organisations. Annual monitoring trips are undertaken by our staff.

Lack of regular donations: A comprehensive fundraising plan is in place to meet our future costs. The charity is maintaining a reserves policy of between 6 and 12 months of operating costs that are partially invested in UK and overseas investment portfolios, foreign currency deposits as well as sterling on deposit. This will provide the charity with income each year and will ensure funds are available to meet any direct charitable and management & administration expenditure.

Foreign currency: The risks associated with holding a single dominant currency for a global charity are mitigated by holding deposits in gold and other major currencies.

Stability of the political environment: In 2022, the stability of the governments of Zambia, India and Nepal continued; however, the precedent of national turbulence in these countries means PWCT remains vigilant of this risk. The Board of Trustees noted the increasing difficulties the Foreign Contributions Regulation Act in India is presenting for international NGO's.

Plans for the future

2022 saw the investment of reserves in local income generation at our school in Lusaka which was expanded to be able to accept additional fee payers, producing profits which will reduce the international funding required for our Zambian Trust in 2023 and beyond. In India and Nepal we are supporting the development of our local partners to attract domestic and international funding.

Our investment in income generation overseas reduces the reliance of our partners on our funding and justifies the use of reserves that would otherwise be invested with more modest returns.

In 2023, the UK executive will be complemented by recruiting 2 additional fundraisers and a Finance and Compliance Manager. This is in line with the Charity's Fundraising Plan.

Expenditure will remain at similar levels in 2023 albeit with increased income, producing an overall deficit. This will primarily result from reserves being invested in generating future income.

We expect our income and expenditure will balance in 2024. With a comprehensive fundraising plan in place and efforts underway to boost the income-generating capacity of our partners, we look to the future with confidence.

Life skills classes at Pestalozzi India



Statement of Trustee Responsibilities

The trustees 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).

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the incoming resources and application of the resources of the charity during the year and of its state of affairs at the end of the year. In preparing these financial statements the trustees should follow best practice and:

- 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 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 charity will continue in operation;

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the Charity's constitution. They are also responsible for the charity's system of internal financial controls, for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to reappoint Arnold Hill & Co LLP as auditors will be put to the Trustees.

ON BEHALF OF THE TRUSTEES



KJ GREATBATCH

Date: 26/10/23

Independent Auditor's Report

To the Members of Pestalozzi World Children's Trust

Opinion

We have audited the financial statements of Pestalozzi World Children's Trust for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Pestalozzi World Children's Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

Assessment of the charity's ability to continue as a going concern includes an assessment of the future economic environment as well as the charity's future prospects and performance. The emergence and spread of the COVID-19 virus has had a very significant impact on the economy, and at the date of this report there is unprecedented uncertainty about its ultimate effect on the UK and globally. However, donations have remained stable and Trustees have no reason to question the charity's ability to continue as a going concern.

The trustees have prepared the accounts on the going concern basis as they do not intend to liquidate the charity or cease operations, and have concluded that the charity's financial position means that this is realistic.

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Pestalozzi World Children's Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

- We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:
- the information given in the financial statements is inconsistent in any material respect with the Trustees'
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Pestalozzi World Children's Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities including fraud, is detailed below.

To identify risks of material misstatement due to fraud, we considered events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to do so. Our approach included:

- Using analytical procedures to identify unusual relationships;
- Reading minutes of charity meetings
- Discussing charity policies and procedures on fraud detection and prevention with trustees, and
- Enquiring about any knowledge of actual, alleged or suspected fraud.

We communicated identified fraud risks throughout our team and remained alert to any indications of fraud throughout the audit.

To identify risks of material misstatement due to non-compliance with laws and regulations, our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the trustees and other management (as required by auditing standards), and discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations;
- We considered the nature of the industry, the control environment and business performance, including the key drivers for governance's remuneration.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. We also performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risks that revenue is recorded in the wrong period and that management may be in a position to make inappropriate accounting entries. Our procedures included: testing manual journals, reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquires of management, and we designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitation of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with the laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherent limited procedures required by auditing standards would identify it. The risk is also greater regarding non detection of fraud rather than error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters which we are required to address

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Justin Moore (Senior Statutory Auditor)
for and on behalf of Arnold Hill & Co LLP

Chartered Accountants
Statutory Auditor

6th Floor
Capital Tower
91 Waterloo Road
London
SE1 8RT

Arnold Hill & Co LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Pestalozzi World Children's Trust

Statement of Financial Activities

For the year ended 31 December 2022

	<u>Notes</u>	<u>Unrestricted Funds 2022</u> <u>£</u>	<u>Restricted Funds 2022</u> <u>£</u>	<u>Total Funds 2022</u> <u>£</u>	<u>Total Funds Unrestricted 2021</u> <u>£</u>
INCOME FROM					
Donations and Legacies	3	611,070	15,000	626,070	575,316
Investments	4	5,035	-	5,035	7,260
TOTAL		616,105	15,000	631,105	582,576
EXPENDITURE ON					
Charitable Activities	8	(1,505,739)	-	(1,505,739)	(526,144)
Raising Funds	8	(57,906)	-	(57,906)	(78)
TOTAL		(1,563,645)	-	(1,563,645)	(526,222)
Net income/(deficit) before gains and losses on investments		(947,540)	15,000	(932,540)	56,354
Net gains/(losses) on investments	9	(161,220)	-	(161,220)	(116,136)
Net income/(deficit)		(1,108,760)	15,000	(1,093,760)	(59,782)
Other gains/(losses)	5	59,325	-	59,325	295,244
NET MOVEMENT IN FUNDS		(1,049,435)	15,000	(1,034,435)	235,462
TOTAL FUNDS BROUGHT FORWARD		2,487,903	-	2,487,903	2,252,441
TOTAL FUNDS CARRIED FORWARD		1,438,468	15,000	1,453,468	2,487,903

All of the above are derived from continuing activities. There were no other gains or losses other than those stated above.

The notes on pages 27 to 32 form part of these financial statements.

Pestalozzi World Children's Trust

Balance Sheet

31 December 2022

	<u>Notes</u>	<u>2022</u> £	<u>2021</u> £
Fixed Assets			
Investments	9	1,106,651	2,220,425
Current Assets			
Debtors	10	240,055	4,220
Cash at Bank and in Hand		120,858	269,935
		<u>360,913</u>	<u>274,155</u>
Current Liabilities	11	(14,096)	(6,677)
NET CURRENT ASSETS		<u>346,817</u>	<u>267,478</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1453,468</u>	<u>2487,903</u>
Total Unrestricted Funds Brought Forward		2,487,903	2,252,441
Net Movement in the year Unrestricted		(1,049,435)	235,462
Restricted		15,000	-
TOTAL UNRESTRICTED FUNDS Carried Forward	12	<u>1,453,468</u>	<u>2,487,903</u>

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

Approved by the Trustees on 26th October 2023 and signed on their behalf by



KJ GREATBATCH

The notes on pages 27 to 32 form part of these financial statements.

Pestalozzi World Children's Trust

Statement of Cash Flows

31 December 2022

	£	2022 £	£	2021 £
Cash flows from operating activities		(1,165,991)		48,008
Cash flows from investing activities				
Purchase of investments	(613,283)		(551,890)	
Transfers	-		-	
Proceeds of disposals	1,252,013		317,430	
Dividends, interest and rents from investments	5,035		7,260	
Net cash provided by investing activities		(643,765)		(227,200)
Foreign exchange differences		59,325		295,244
Change in cash and cash equivalents in the year		(462,901)		116,052
Cash and cash equivalents b/f		639,465		523,413
Cash and cash equivalents c/f		176,564		639,465
		2022		2021
		£		£
Reconciliation of net (expenditure)/income to net cash flow from operating activities				
Net income/ (deficit) for the year per the SOFA		(1,034,435)		235,462
Adjustments for:				
(Gains)/losses on investments		101,895		(179,107)
Dividends, interests and rents from investments		(5,035)		(7,260)
Decrease/(increase) in debtors		(235,835)		(2,962)
Increase/(decrease) in creditors		7,419		1,875
		<u>(1,165,991)</u>		<u>48,008</u>
		2022		2021
		£		£
Analysis of cash and cash equivalents				
Cash in hand		120,858		269,935
Cash held by investment manager		55,706		369,530
Total cash and cash equivalents		<u>176,564</u>		<u>639,465</u>

Pestalozzi World Children's Trust

Notes to the Financial Statements

For the year ended 31 December 2022

1. ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements have been prepared in accordance with the 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).

PWCT constitutes a public benefit entity as defined by FRS 102.

The accounts are prepared in Sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

As described in note 2, the financial statements include the results of both Pestalozzi World Children's Trust (Charity number 1046599) and Pestalozzi World Children's Trust (Charity number 1172364) in accordance with merger accounting rules.

The financial statements have been prepared under the historic cost convention, with the exception of listed investments which are included at their market value. The principle accounting policies adopted are set out below.

b) Going Concern

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. On the basis of these projections the trustees are confident that the charity will have sufficient funds to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on the going concern basis.

c) Investments

Investments are initially recorded at cost. At the end of each financial period investments are revalued as at the balance sheet date at their market value. Any unrealised movement in market value from one year to another is recognised in the SOFA.

d) Incoming Resources

All income is accounted for when the charity has entitlement to the funds, receipt is probable and the amount is measurable.

e) Resources Expended

All expenditure is accounted for on an accruals basis, and where incurred directly to further the Trust's charitable objects, is shown under the headings of Scholarship Costs and Monitoring and Evaluation.

Certain expenditure is directly attributable to specific activities and has been allocated to those cost categories. Where the costs are attributable to more than one activity they have been apportioned to the other activity based on the time spent on those activities.

f) Expenditure on Raising Funds

Expenditure on raising funds are those costs, including staff costs, relating to fundraising activities and management fees of its investments.

Pestalozzi World Children's Trust

Notes to the Financial Statements

For the year ended 31 December 2022

g) 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 the transaction. Exchange differences are taken into account in arriving at the net movement in funds in the statement of financial activities.

h) Financial Assets

Financial assets are recognized in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price included transaction costs.

Financial assets are derecognized only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

i) Financial Liabilities

Basic financial liabilities are initially measured at transaction price.

Financial liabilities are derecognized when, and only when, the charity's obligations are discharged, cancelled, or they expire.

j) Taxation

No provision has been made for taxation as the charity is a public benefit entity which is exempt from UK direct taxation on its charitable activities.

2. CHARITY INCORPORATION

On 1 January 2018, Pestalozzi World Children's Trust (Charity number 1046599) transferred its trade and assets to Pestalozzi World Children's Trust (Charity number 1172364). Both charities have the same charitable objects, which are detailed in the Trustees' Report, and the transaction has been accounted for using the merger accounting rules.

3. DONATIONS

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
UK Trust Donations	188,011	107,953
US Trust Donations	438,059	295,899
CH Trust Donations	-	171,464
	<u>626,070</u>	<u>575,316</u>

Pestalozzi World Children's Trust

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

4. INVESTMENT INCOME

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Dividends Received from Investments	5,035	7,260
	<u>5,035</u>	<u>7,260</u>

5. OTHER GAINS AND LOSSES

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Foreign exchange	59,325	295,244
	<u>59,325</u>	<u>295,244</u>

6. STAFF COSTS

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Salaries and Wages	175,321	131,364
Social Security costs	14,510	9,540
Pension costs	4,737	766
	<u>194,568</u>	<u>141,670</u>

The average number of employees during the year was 4 (2021: 4). One employee earned over £60,000 in the current year.

7. AUDITOR'S REMUNERATION

During the year, a total of £3,000 (2021: £1,980) was payable to the auditors in relation to the audit services this year.

Pestalozzi World Children's Trust

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

8. ANALYSIS OF RESOURCES EXPENDED

	Scholarship Costs	Monitoring & Evaluation	Mgmt & Admin	Raising Funds	Total 2022
	£	£	£	£	£
Zambia Village	725,784	-	-	-	725,784
Indian Village	184,573	-	-	-	184,573
Nepal Village	127,475	-	-	-	127,475
UK Staff	-	116,687	46,372	31,509	194,568
Travel	-	19,373	2,205	-	21,578
Office	-	-	28,885	-	28,885
IT/Website/Other	-	-	18,255	-	18,255
Audit Fee	-	-	4,980	-	4,980
Investment Mgmt	-	-	-	2,259	2,259
Outreach Programmes	231,150	-	-	-	231,150
Marketing/Fundraising	-	-	-	24,138	24,138
	<u>1,268,982</u>	<u>136,060</u>	<u>100,697</u>	<u>57,906</u>	<u>1,563,645</u>

The trustees did not receive any fees, emoluments or reimbursement of expenses in the year ended 31 December 2022 (2021 - £nil).

	Scholarship Costs	Monitoring & Evaluation	Mgmt & Admin	Raising Funds	Total 2021
	£	£	£	£	£
Zambia Village	123,643	-	-	-	123,639
Indian Village	129,751	-	-	-	129,751
Nepal Village	84,383	-	-	-	84,383
UK Staff	-	85,548	31,599	-	117,147
Travel	-	6,809	699	-	7,508
Office	-	-	3,218	-	3,218
IT/Website/Other	-	-	14,667	-	14,667
Audit Fee	-	-	1,800	-	1,800
Investment Mgmt	-	-	-	78	78
Outreach Programmes	23,779	-	-	-	23,779
Marketing/Fundraising	-	-	-	20,248	20,248
	<u>361,556</u>	<u>92,357</u>	<u>51,983</u>	<u>20,326</u>	<u>526,222</u>

Note: Expenditures have been recategorised in 2022 and 2021.

Pestalozzi World Children's Trust

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

9. INVESTMENTS

Market value	<u>2022</u> £	<u>2021</u> £
At 1 January	1,850,895	1,732,571
Additions	613,283	551,890
Disposals	(1,252,013)	(317,430)
Revaluation	(1,61,220)	(116,136)
Transfers	-	-
At 31 December	<u>1,050,945</u>	<u>1,850,895</u>
Cash on deposit	55,706	369,530
	<u>1,106,651</u>	<u>2,220,425</u>

Investments are managed by Credit Suisse. The portfolio includes both UK and overseas investments. Investments are held to provide a return to cover future charitable expenditures.

10. DEBTORS

Amounts falling due withing one year	<u>2022</u> £	<u>2021</u> £
Other Debtors	214,972	4,220
Accrued Income	25,083	-
	<u>240,055</u>	<u>4,220</u>

Included in other debtors is an unsecured interest-free loan of £206,594 advanced to Pestalozzi Overseas Children's Trust in Switzerland on 23 April 2022. The purpose of the advance was to fund a school capital project in Lusaka Zambia and was subsequently repaid to Pestalozzi World Trust on 20 January 2023.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2022</u> £	<u>2021</u> £
Taxation and social security	6,637	-
Accruals	7,459	6,677
	<u>14,096</u>	<u>6,677</u>

Pestalozzi World Children's Trust

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

12. STATEMENT OF FUNDS

	As at 1 Jan 2022	Income	Expenditure	Transfers	As at 31 Dec 2022
	£	£	£	£	£
The Reed Foundation	-	15,000	-	-	15,000
Total Restricted Funds	-	15,000	-	-	15,000
Designated Funds	1,100,000	-	-	(1,100,000)	-
Unrestricted Funds	1,387,903	616,105	1,665,540	1,100,000	1,438,468
	<u>2,487,903</u>	<u>631,105</u>	<u>1,665,540</u>	<u>-</u>	<u>1,453,468</u>

In 2021, a designated fund of £1,100,000 was held from the General Reserves of the Trust to hold investments to provide income in future years. The Board of Trustees have determined to release these funds to cover expenditure and to invest in fundraising activities in 2022 and 2023.

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31st Dec are represented by:	Unrestricted income	Restricted Income	
	£	£	£
Fixed Assets	1,106,651	-	1,106,651
Current Assets	345,913	15,000	360,913
Creditors: Amount falling due within one year	(14,096)	-	(14,096)
Total Funds	<u>1,438,468</u>	<u>15,000</u>	<u>1,453,468</u>

14. RELATED PARTY TRANSACTIONS

During the year, donations of £438,059 (2021: £295,899) were received from Pestalozzi US Children's Charity Inc. (PUSCCI). These donations were made from the proceeds of US fundraising events and individual donations. PUSCCI is a US-registered not-for-profit foundation, founded in 1998 in order to raise funds for Pestalozzi World by providing US donors with tax-deductibility.

Sir Richard Butler Bt., founder of Pestalozzi World Children's Trust is a director of the US Charity.

During the year, donations of £nil (2021: £23,830) were received from Pestalozzi Overseas Children's Trust Ireland Ltd, a private limited company registered as a charity, established in 2007 to facilitate donations by residents of Ireland. Pestalozzi Overseas Children's Trust Ireland Ltd is an Irish registered charity, number CHY17386.

On 23 April 2022, the Pestalozzi World Trust (PWCT) provided an interest-free unsecured loan of £206,594 to Pestalozzi Overseas Children's Foundation (POCF) in Switzerland. The loan was advanced in order to fund the school's expansion in Lusaka Zambia and was repaid on 20 January 2023.



“If you recognise the value of education and want to help youngsters fulfil their potential – speak to one of our staff. We need people like you.”
Ken Greatbatch - PWCT Chair

Contact us

Pestalozzi World UK
Unit F8 Worth Corner Business Park
Crawley
RH10 7SL

Tel: 01293 307847

Email: info@pestalozziworld.com

www.pestalozziworld.com

PESTALOZZI INTERNATIONAL

England & Wales - Charity number 1172364

Accounts

PestalozziWorld

Educating children for brighter futures

2021 Accounts and Annual Review



Pestalozzi World Children's Trust

2021 Accounts and Annual Review

Registered Charity No: 1172364

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“ *I'm from a remote village in Malawi, and I used to walk 45 minutes to get to school. My parents struggled to make an income. In 2013, Pestalozzi World selected me for a scholarship. For the first time I slept in a bed, and had books, shoes and a uniform.*

When I complete my education I want to become a doctor.”

Burton – Malawi. He is now in his final year at the Zambian Village.

Legal and Administrative Information

Trustees	Lady Butler Mrs C Doggart Mr K J Greatbatch Mr F von Hurter Mr S Wakely
Address	CAN Mezzanine 7-14 Great Dover Street London SE1 4YR
Independent Auditors	Arnold Hill & Co LLP 6th Floor Capital Tower, 91 Waterloo Road, London SE1 8RT United Kingdom
Bankers	HSBC Covent Garden London WC2 8JF

Background

The full name of the charity is Pestalozzi World Children's Trust (PWCT) and was registered with the Charity Commission on 31 March 2017 (charity number 1172364). The charity was formed as a charitable incorporated organisation (CIO) and is governed by its founding constitution.

The charity previously operated under charity number 1046599 as an unincorporated trust, constituted under a trust deed dated 24 January 1995 and its activities and assets were transferred to the new CIO effective 1 January 2018.



The Pestalozzi World Family

Pestalozzi World is a family of not-for-profit organizations. All organizations operate as separate legal entities but share common policies on philosophy and purpose. The educational philosophy of Johann Heinrich Pestalozzi (Head, Heart and Hands and our child-centred approach) is absolutely key to the success of our programmes to date and marks us out from other charities that educate children.



The following organisations form part of the working alliance:

- Pestalozzi Zambia Children’s Trust–Operating the Zambian Village, Lusaka
- Pestalozzi Children’s Village Society–Operating the Indian Village, Dehradun
- Nepal Pestalozzi Foundation–Operating the Nepal Village, Pokhara
- Thai Pestalozzi Foundation–Operating non-residential scholarship programmes

In addition to the UK Charity, Pestalozzi World coordinates two other registered fundraising trusts, in the USA (Pestalozzi US Children’s Charity Inc.) and Switzerland (Pestalozzi Overseas Children’s Foundation).

Financial Activities and Administration (p19) provides financial information on PWCT including income received from these charities. The Swiss Trust makes grants directly to the national operating trusts, mainly in connection with the Pestalozzi Educational Centre in Zambia and the Mobile Learning programme in partnership with Edulution Holdings SA.

Educating children for brighter futures

Our mission is to provide exceptionally bright children from some of the poorest communities in Africa and Asia with a child-centred education, in their country of origin, that produces young adults capable of changing the world.

To solve the world's toughest problems, we need more **leaders and change-makers who truly understand them.**

Today, those in positions of influence both globally and locally often lack the lived experience and the compassion needed to truly understand and solve the issues faced by people living in poverty.

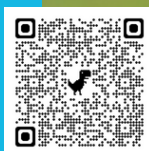
But at the same time, those who do have that lived experience rarely have the opportunity to become the leaders needed to bring about change.

Too many brilliant children worldwide never reach their true potential.

Pestalozzi World is here to change that.

“our children go out into the world and **fit in** and are able to **support themselves** and develop Zambia as a country”

Annie Kangwa - proud teacher - Pestalozzi Zambia



We are shaping a new generation of **leaders and change-makers** who can have a significant impact on their communities.

In poor rural areas of India, Nepal and Zambia our experts work with communities to select the brightest 10-year-old children (two girls for each boy) among those held back by extreme rural poverty, displacement due to conflict, gender stereotypes, poor education and the pressure to work and earn a living.

The children are selected for their potential to become leaders and change-makers, being academically gifted with high levels of emotional intelligence. With the encouragement of their families, we offer these children the opportunity to leave behind the difficulties they face in rural poverty and move to one of the Pestalozzi Villages where they receive an excellent education, a nurturing environment and practical life skills.

After they graduate from our programme at 18, they are becoming a new generation of teachers, health professionals, entrepreneurs, aid workers and leaders who are equipped with the tools they need to change the world.

We also invest in Outreach Programmes in partnership with ambitious social enterprises and for-profit partners that adopt Pestalozzian values, have the potential to democratize access to excellent education, and derive profits to sustain our core Village programmes.



The **Pestalozzi** values: learning with **Head, Heart** and **Hands**




Our work is inspired by Johann Heinrich Pestalozzi, a Swiss social reformer and educator.

Pestalozzi believed that education is not just about knowledge. It should instead develop children's 'Head', 'Heart', and 'Hands' simultaneously - in other words, their minds, their character, and their practical life skills.

This complete approach shapes children who have the tools and the compassion they need to become future leaders and change-makers.

For this reason, the pupils we nurture through our programmes not only receive excellent classroom education (the Head) they also learn how to care for themselves and others and are required to volunteer locally (the Heart) and to develop their practical skills beyond the classroom (the Hands).

At our Pestalozzi Villages, pupils aged 10-18 are supported in their journey to adulthood through our Head, Heart, and Hands approach, by a community of experts, volunteers and former students. At our Villages they receive:

		
<p>1 An Excellent Education at high quality local schools, living in a conducive environment for learning and receiving additional academic support from staff and peers.</p>	<p>2 A Nurturing Environment With child-centred care looking after their emotional wellbeing, encouraging them to take care of others and inspiring their ambition.</p>	<p>3 Practical Life Skills Children grow food and take pride in keeping their village clean and tidy. They learn crafts to develop skills they can use in future life.</p>

When our children leave us at 18 they are fully equipped with a high-quality education, exceptionally high grades, life skills and values to sustain them for their futures.

After graduation: our Alumni give back

Over 94% of the children we educate complete their school education and today, 62% of our alumni hold Advanced Diplomas, Bachelors, Masters or PhDs. Many are still in education and these figures will continue to rise.

Our monitoring demonstrates that our Alumni are becoming a new generation of teachers, health professionals, entrepreneurs, aid workers, and leaders delivering social impact and contributing to the development of their countries.

We support our Alumni to stay connected with Pestalozzi World and each other even after graduation and provide them with opportunities for mentoring, volunteering, and career advice.

Our Alumni soon become role models in their communities, often actively trying to bring about social change, true ambassadors for the Pestalozzi values and the new generation of leaders and change-makers.

Our outreach programmes

Pestalozzi Education Centre (PEC)

PEC is a school owned by the Zambian Trust, and managed by ENKO Education. It offers a low-cost International Baccalaureate and iGCSE, alongside a domestic curriculum, to Pestalozzi World scholars and local fee-paying students in the Head, Heart, and Hands Pestalozzian ethos. The school is being developed to derive profits from fee payers that will sustain the costs of our own scholars.

Edulution

Edulution is a social enterprise partially funded by Pestalozzi World, running tablet-based educational programmes for children living in some of the most remote areas of Zambia, including refugee camps. Solar units entirely power the tablets. Each year, thousands of children can improve their reading, writing and math skills through Edulution.

32,600 children have been educated by our funding.



Grace – Pestalozzi World Alumna

"A Pestalozzi World scholarship gave me the much needed hope for my family. A future was guaranteed and I went on to study Economics at the University of Lusaka. I am now a qualified economist and working as a tax accountant for PricewaterhouseCoopers"

The **impact** of your support

We know that our ethos is effective because of our emphasis on measuring outcomes and impact. We measure both your impact on our children's lives and the social change they bring to the world. This is informed by quantitative and qualitative surveys tracking educational and career outcomes throughout their lives. Annual impact figures are produced and posted on our website. These include:

Less than 3% of the Zambian children we select would finish High School without your support (UNICEF 2021)

Our Zambian children are **28 x** more likely to finish High School than averages in **the places they come from** and **11 x** more likely to achieve a university degree than **national averages.**




Volunteering to help others
They support and inspire others and give back to their communities. 64% of our Alumni have volunteered to support their communities




Working in careers of public service
54% of our alumni have become healthcare professionals, teachers, and aid workers. Many others have successful businesses.




Providing financial support to family
7,300 immediate family members have benefited from the improved financial position of our alumni.

70%

of our Alumni fall into at least one of these categories

Many more have become successful in business, generating tax receipts and employment to assist their communities.



9/10 of our Alumni have remained in their country of origin, contributing back to their communities

Chair's Report – Ken Greatbatch

It is with pleasure that I present our 2021 Annual Report and Audited Accounts. The period was dominated by the waxing and waning COVID-19 pandemic. Despite this, the delivery of our local partners has been outstanding. I would like to thank our colleagues overseas who deliver the programmes and the dedicated local Boards who bring their cultural insight, experience, and expertise to support them.



2021 in numbers:

469

Children educated
residentially
Zam 244, Ind 138, Nep 87

£1,900

Average cost per
child at Villages

4,300
(Cum. 32,600)

Educated in outreach
programmes

£76

Average cost per
child in Outreach

445

Fee-payers
benefiting at our
school in Lusaka

82
(Cum. 1,456)

New graduates
joined our Alumni
network

Village staff made regular welfare calls to support families struggling to care for their children when mandated to return home. Record exam results were achieved at Class 12 (leavers) in India and Zambia, a testament to the resilience and determination the children develop in their time in the Villages. Whilst in senior grades Pestalozzi students outperformed their peers at their schools the youngest children were most disadvantaged by the disruption as they arrive at our villages with existing gaps in teaching from the rural schools they attended before. Remedial classes began as soon as they returned to catch these children up – school testing demonstrates this has been achieved.

In the UK, we have updated our media presence and brought onboard new expertise to develop our fundraising capacity. We are busy formulating a new fundraising strategy to see us to the end of the decade.

Our focus remains very much on the sustainability of the overseas partners we support. The vision of the Founders and donors who have supported Pestalozzi World is that all of the organisations in the family develop to be self-sufficient, with the UK supporting investment in income generation locally and on hand to lend expertise when requested.

Our focus remains very much on the sustainability of the overseas partners we support. The vision of the Founders and donors who have supported Pestalozzi World is that all of the organisations in the family develop to be self-sufficient, with the UK supporting investment in income generation locally and on hand to lend expertise when requested.

Our school in Lusaka has had a seminal year, with expansion underway driven by strong demand from local fee-payers for a low-cost International Baccalaureate delivered with Pestalozzian values of Head, Heart, and Hands. Profits on their fees will subsidise the costs of our Scholars in 2022 with the business plan demonstrating the potential of the school to support the Zambia Trust's funding needs by the end of the decade.

Other Achievements in 2021 included:

Villages and Centres:

- IB and Cambridge accreditation achieved at our school in Lusaka
- Student computer and internet facilities upgraded so that all students now have the access needed for homework and for researching further education opportunities
- Navigating restrictions we selected 28 children in Zambia, 24 in India, and 3 in Nepal
- Skills programme in Small Scale Business Entrepreneurship developed
- 4,300 children supported in outreach with our partners Edulution in Zambia, improving their numeracy and literacy.

Alumni Initiatives:

- Alumni offered a range of virtual careers sessions to senior students
- Three regional alumni reunions were held in Zambia with more than 57 alumni
- A virtual reunion was held for Canada and US-based alumni with 27 alumni attending. Alumni donations worth nearly \$3,000 were pledged at the event

JH Pestalozzi Society:

- The JH Pestalozzi Society website was launched sharing our resources on teaching about and in the spirit of, Johann Heinrich Pestalozzi as well as an information pack about the philosopher's life and a summary of his fundamental ideas.

None of this would have been possible without the generous support of our donors who despite the turbulence of the global economy have maintained their contributions. On behalf of the Pestalozzi Boards, our international team, and the children we serve—thank you.



Financial Review

The income for the year for PWCT was £582,576 compared to £573,480 in the previous year. Income included £295,899 (2020: £419,952) from the US Charity and £58,860 (2020: £85,856) from Trustees and Advisory Directors. Income from the US Charity was higher in 2020 due to the proceeds of their annual dinner being partially match funded. Trusts/Foundations and income from individuals driven by our first participation in the Big Give Christmas Challenge made up the balance of income.

Expenditure for the year including annual costs was £526,144 (2020: £506,216). The increase is largely due to the resumption of overseas monitoring trips, the replacement of IT equipment and investment in our website and branding. Scholarship costs remained largely consistent at £463,406 (2020: £451,952).

Losses on investments of £116,136 (2020: £274,266) reduced the surplus for last year to a deficit of £59,782 (2020: Surplus of £353,617) This was offset by an exchange gain of £295,244 (2020: £Nil) producing Net Movement in Funds of £235,462.

The Pestalozzi Children's Village Society in India, The Nepal Pestalozzi Foundation, and the Pestalozzi Zambia Children's Trust are monitored regularly by our UK staff and audited locally. The staff, or Trustees, visit all projects at least once a year (except for Sri Sitaram School, Far West Nepal, which, due to its inaccessibility, is normally monitored locally).

The Trustees of PWCT and the US Trust are primarily responsible for fundraising and do not receive any remuneration or expense reimbursement from the Trust. Administration expenses (including staff and travel costs) and fundraising costs are met by funds specifically provided by the Trustees for such costs or through investment income.

The Trustees very much appreciate the support of dedicated staff and volunteers and especially the Trustees and Directors of other members of Pestalozzi World who make a vital contribution to improving the lives of hundreds of children. The Pestalozzi alumni are also to be congratulated on the commitment they have shown in supporting children in their own countries.

Finally, a special 'thank you' to Messrs Arnold Hill & Co LLP who act as honorary accountants and auditors.

Reserves

The Trust has accumulated reserves to enable us to complete current and any future capital projects and to enable scholars currently being educated to complete their schooling should alternative funds not be available. Each scholar we select represents a funding commitment on our part of up to eight years. The Trust's reserves on 31 December 2021 were £2,487,903 (2020: £2,252,411).

Investment Powers and Policy

The Constitution provides full and unrestricted powers of investment to the Trustees. The investment of the reserve fund is managed and reviewed by the Trustees and advised by a qualified investment committee composed of two Trustees and two Advisors.

Risk Management

The Trustees have identified the principal risks and uncertainties to which the charity is exposed. These are regularly reviewed and policies, systems and procedures have been established and implemented to mitigate or manage any potential impact on the charity should those risks materialise. Given the context within which PWCT works, the principal risks for PWCT are:

Safeguarding: PWCT requires an absolute duty of care and accountability to Children supported by Pestalozzi World programmes. PWCT's Safeguarding Policy and Code of Practice for working with children and young people sets out in detail how any Pestalozzi World representative, including staff, board members, volunteers, consultants, and partners must conduct themselves in their interactions with children. Annual training is delivered to staff and children at all of the programmes we support.

COVID-19: PWCT has taken measures to mitigate the immediate risks of Covid-19 and the situation continues to be monitored. Plans are in place to address the impact of interruptions to activities.

Lack of regular donations: The charity maintains a fund that has been invested by holding UK and overseas investment portfolios, foreign currency deposits as well as sterling on deposit. This will provide the charity with income each year and will ensure funds are available to meet any direct charitable and management & administration expenditure.

Foreign currency: The risks associated with holding a single dominant currency for a global charity are mitigated by holding deposits in gold and other major currencies.

Stability of the political environment: In 2021, the stability of the governments of India, Nepal, and Zambia continued; however, the precedent of national turbulence in these countries means PWCT remains vigilant of this risk.

Outlook

2022 will see the investment of reserves in local income generation at our school in Lusaka which will be expanded to be able to accept additional fee payers, producing profits which will reduce the international funding required for our Zambian Trust and reduce the level of reserves the Trustees believe will be required to be held to guarantee the education of our scholars there. As a result of this capital investment the Trust is anticipated to run a deficit in 2022.

In the coming year, the charity will also be rolling out its new fundraising strategy which runs to 2030. We will maintain our support for existing programmes to further our mission with full expectation that income will cover the regular operating costs of the programmes we support.

Our Swiss fundraising trust currently makes direct disbursements to our overseas partners. From 2022, funds will be directed to PWCT to distribute. This brings the Swiss Trust in line with the USA and will produce a more comprehensive picture of financial and administrative activity. As a consequence, our 2022 accounts will show higher expenditure and a resulting deficit as we invest UK reserves to secure ongoing profits in our Zambian school.

We look to the future with confidence.

Statement of Trustee Responsibilities

The trustees 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).

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the incoming resources and application of the resources of the charity during the year and of its state of affairs at the end of the year. In preparing these financial statements the trustees should follow best practice and:

- 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 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation;

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the Charity's constitution. They are also responsible for the charity's system of internal financial controls, for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to reappoint Arnold Hill & Co LLP as auditors will be put to the Trustees.

ON BEHALF OF THE TRUSTEES



K J GREATBATCH

Date: 27th October 2022

Independent Auditor's Report

To the Members of Pestalozzi World Children's Trust

Opinion

We have audited the financial statements of Pestalozzi World Children's Trust for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Pestalozzi World Children's Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

Assessment of the charity's ability to continue as a going concern includes an assessment of the future economic environment as well as the charity's future prospects and performance. The emergence and spread of the COVID-19 virus has had a very significant impact on the economy, and at the date of this report there is unprecedented uncertainty about its ultimate effect on the UK and globally. However, donations have remained stable and Trustees have no reason to question the charity's ability to continue as a going concern. The trustees have prepared the accounts on the going concern basis as they do not intend to liquidate the charity or cease operations, and have concluded that the charity's financial position means that this is realistic.

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Pestalozzi World Children's Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Pestalozzi World Children's Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

To identify risks of material misstatement due to fraud, we considered events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to do so. Our approach included:

- using analytical procedures to identify unusual relationships;
- reading minutes of charity meetings
- discussing charity policies and procedures on fraud detection and prevention with trustees, and
- enquiring about any knowledge of actual, alleged or suspected fraud.

We communicated identified fraud risks throughout our team and remained alert to any indications of fraud throughout the audit.

To identify risks of material misstatement due to non-compliance with laws and regulations, our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the trustees and other management (as required by auditing standards), and discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations;
- We considered the nature of the industry, the control environment and business performance, including the key drivers for governance's remuneration.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. We also performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risks that revenue is recorded in the wrong period and that management may be in a position to make inappropriate accounting entries. Our procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiries of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding non detection of fraud rather than error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters which we are required to address

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Justin Moore (Senior Statutory Auditor)
for and on behalf of Arnold Hill & Co LLP

Chartered Accountants
Statutory Auditors

6th Floor
Capital Tower
91 Waterloo Road
London
SE1 8RT

Arnold Hill & Co LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Pestalozzi World Children's Trust

Statement of Financial Activities

For the year ended 31 December 2021

	Notes	<u>Unrestricted Funds</u> <u>2021</u> £	<u>Unrestricted Funds</u> <u>2020</u> £
INCOME FROM			
Donations and Legacies	3	575,316	568,530
Investments	4	7,260	4,950
TOTAL		<u>582,576</u>	<u>573,480</u>
EXPENDITURE ON			
Charitable Activities	7	(526,144)	(506,216)
Raising Funds	7	(78)	12,087
TOTAL		<u>(526,222)</u>	<u>(494,129)</u>
Net income/(deficit) before gains and losses on investments		<u>56,354</u>	<u>79,351</u>
Net gains/(losses) on investments	8	(116,136)	274,266
Net income/(deficit)		<u>(59,782)</u>	<u>353,617</u>
Other gains/(losses)	5	295,244	0
NET MOVEMENT IN FUNDS		<u>235,462</u>	<u>353,617</u>
TOTAL FUNDS BROUGHT FORWARD		<u>2,252,441</u>	<u>1,898,824</u>
TOTAL FUNDS CARRIED FORWARD		<u>2,487,903</u>	<u>2,252,441</u>

The notes on pages 22 to 27 form part of these financial statements.

Pestalozzi World Children's Trust

Balance Sheet

31 December 2021

	<u>Notes</u>	<u>2021</u> £	<u>2020</u> £
Fixed Assets			
Investments	8	2,220,425	2,036,639
Current Assets			
Debtors	9	4,220	1,259
Cash at Bank and in Hand		269,935	219,345
		<u>274,155</u>	<u>220,604</u>
Current Liabilities			
Other creditors	10	(6,677)	(4,802)
NET CURRENT ASSETS		<u>267,478</u>	<u>215,802</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,487,903</u>	<u>2,252,441</u>
Total Unrestricted Funds Brought Forward		2,252,441	1,898,824
Net Movement in the Year		235,462	353,617
TOTAL UNRESTRICTED FUNDS CARRIED FORWARD		<u>2,487,903</u>	<u>2,252,441</u>

Approved by the Trustees on 27th October 2022 and signed on their behalf by



K J GREATBATCH

The notes on pages 22 to 27 form part of these financial statements.

Pestalozzi World Children's Trust

Statement of Cash Flows

31 December 2021

	<u>2021</u>		<u>2020</u>
	£		£
Cash flow from operating activities	48,008		78,868
Cash flows from investing activities			
Purchase of investments	(551,890)	(181,435)	
Transfers	-	-	
Proceeds of disposals	317,430	255,608	
Dividends, interest and rents from investments	<u>7,260</u>	<u>4,940</u>	
Net cash provided by investing activities	(227,200)		79,113
Foreign exchange differences	295,244		-
Change in cash and cash equivalents in the year	<u>116,052</u>		<u>157,981</u>
Cash and cash equivalents b/f	<u>523,413</u>		<u>365,432</u>
Cash and cash equivalents c/f	<u><u>639,465</u></u>		<u><u>523,413</u></u>
	<u>2021</u>		<u>2020</u>
	£		£
Reconciliation of net (expenditure)/income to net cash flow from operating activities			
Net income/(deficit) for the year per the SOFA	235,462		353,617
Adjustments for:	(179,107)		(274,266)
(Gains)/losses on investments	(7,260)		(4,940)
Dividends, interest and rents from investments	(2,962)		4,198
Decrease/(increase) in debtors	1,875		259
Increase/(decrease) in creditors	<u>48,008</u>		<u>78,868</u>
	<u>2021</u>		<u>2020</u>
	£		£
Analysis of cash and cash equivalents			
Cash in hand	269,935		219,345
Cash held by investment manager	<u>369,530</u>		<u>304,068</u>
Total cash and cash equivalents	<u><u>639,465</u></u>		<u><u>523,413</u></u>

Pestalozzi World Children's Trust

Notes to the Financial Statements

For the year ended 31 December 2021

1. ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements have been prepared in accordance with the 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).

PWCT constitutes a public benefit entity as defined by FRS 102.

The accounts are prepared in Sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

As described in note 2, the financial statements include the results of both Pestalozzi World Children's Trust (Charity number 1046599) and Pestalozzi World Children's Trust (Charity number 1172364) in accordance with merger accounting rules.

The financial statements have been prepared under the historic cost convention, with the exception of listed investments which are included at their market value. The principle accounting policies adopted are set out below.

b) Going Concern

On the basis of projections the trustees are confident that the charity will have sufficient funds to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on the going concern basis.

c) Investments

Investments are initially recorded at cost. At the end of each financial period investments are revalued as at the balance sheet date at their market value. Any unrealised movement in market value from one year to another is recognised in the SOFA.

d) Incoming Resources

All income is accounted for when the charity has entitlement to the funds, receipt is probable and the amount is measurable.

e) Resources Expended

All expenditure is accounted for on an accruals basis, and where incurred directly to further the Trust's charitable objects, is shown under the heading of charitable activities.

The support costs of these charitable activities are also included under the heading charitable activities.

f) Expenditure on Raising Funds

Expenditure on raising funds relates to costs incurred by the charity in managing its investments.

Pestalozzi World Children's Trust

Notes to the Financial Statements (continued)

For the year ended 31 December 2021

g) 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 the transaction. Exchange differences are taken into account in arriving at the net movement in funds in the statement of financial activities.

h) Financial Assets

Financial assets are recognized in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price included transaction costs.

Financial assets are derecognized only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

i) Financial Liabilities

Basic financial liabilities are initially measured at transaction price. Financial liabilities are derecognized when, and only when, the charity's obligations are discharged, cancelled, or they expire.

j) Taxation

No provision has been made for taxation as the charity is a public benefit entity which is exempt from UK direct taxation on its charitable activities.

2. CHARITY INCORPORATION

On 1 January 2018, Pestalozzi World Children's Trust (Charity number 1046599) transferred its trade and assets to Pestalozzi World Children's Trust (Charity number 1172364). Both charities have the same charitable objects, which are detailed in the Trustees' Report, and the transaction has been accounted for using merger accounting rules.

In accordance with these rules, the financial statements include the results for the year of both Pestalozzi World Children's Trust (Charity number 1046599) and Pestalozzi World Children's Trust (Charity number 1172364).

Pestalozzi World Children's Trust
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

3. DONATIONS	<u>2021</u>	<u>2020</u>
	£	£
Donations from Trustees and Advisory Directors	58,860	85,856
Other Donations	220,557	62,722
US Donations	295,899	419,952
	<u>575,316</u>	<u>568,530</u>
4. INVESTMENT INCOME	<u>2021</u>	<u>2020</u>
	£	£
Dividends Received from Investments	7,260	4,950
	<u>7,260</u>	<u>4,950</u>
5. OTHER GAINS OR LOSSES	<u>2021</u>	<u>2020</u>
	£	£
Foreign exchange gains	295,244	-
	<u>295,244</u>	<u>-</u>
6. STAFF COSTS	<u>2021</u>	<u>2020</u>
	£	£
Staff costs were as follows:	131,364	117,375
Salaries and Wages Social	9,540	7,709
Security costs Pension costs	766	2,967
	<u>141,670</u>	<u>128,051</u>

The average number of employees during the year was 4 (2020: 3). No employee earned over £60,000 in the current or previous year.

Pestalozzi World Children's Trust

Notes to the Financial Statements (continued)

For the year ended 31 December 2021

7. ANALYSIS OF RESOURCES EXPENDED

	<u>Direct Charitable Expenditure</u>	<u>Raising funds</u>	<u>Charity Mngmt. & Admin</u>	<u>Fundraisi ng</u>	<u>Total 2021</u>
	£	£	£	£	£
Scholarship Costs	439,627				439,627
Administration					
Phone, Postage,			22,959		22,959
Stationery & Travel			6,166		32,617
Bank Charge			3,805		3,805
Rent, Light & Heat			2,292		2,292
Professional Fees		78	2,251		2,392
Audit Fees			1,800		1,800
Mobile Learning Centres	23,779				23,779
Advertising					
Website/IT, Other				23,465	23,465
	463,406	78	39,273	23,465	526,222

The trustees did not receive any fees, emoluments or reimbursement of expenses in the year ended 31 December 2021 (2020 - £nil).

	<u>Direct Charitable Expenditure</u>	<u>Raising funds</u>	<u>Charity Mngmt. & Admin</u>	<u>Total 2020</u>
	£	£	£	£
Scholarship Costs	427,905			427,905
Administration				
Phone, Postage,			34,916	34,916
Stationery & Travel			308	308
Bank Charge			2,965	2,965
Rent, Light & Heat			5,954	5,954
Professional Fees		(12,087)		(12,087)
Audit Fees			3,515	3,515
Mobile Learning Centres	24,020			24,020
Advertising				
Website/IT, Other			6,633	6,633
	451,925	(12,087)	54,291	494,129

Pestalozzi World Children's Trust

Notes to the Financial Statements (continued)

For the year ended 31 December 2021

8. INVESTMENTS

Market value	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
At 1 January	1,732,571	1,532,478
Additions	551,890	181,435
Disposals	(317,430)	(255,608)
Revaluation	(116,136)	274,266
Transfers	-	-
At 31 December	<u>1,850,895</u>	<u>1,732,571</u>
Cash on deposit	<u>369,530</u>	<u>304,068</u>
	<u>2,220,425</u>	<u>2,036,639</u>

Investments are managed by Credit Suisse. The portfolio includes both UK and overseas investments. Investments are held to provide a return to cover future charitable expenditure.

In the previous year, the investment portfolio which was loaned to Pestalozzi Overseas Children's Foundation in a prior year was returned to the charity.

9. DEBTORS

Amounts falling due within one year	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
Other debtors	<u>4,220</u>	<u>1,259</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
Accruals	<u>6,677</u>	<u>4,802</u>

Pestalozzi World Children's Trust

Notes to the Financial Statements (continued)

For the year ended 31 December 2021

11. FUNDS

The charitable activities of the Trust require ongoing support to be provided to the students over a number of years. In order to mitigate the risk associated with any potential shortfall of donations and receipts in future years, the Trustees have agreed to allocate £1,100,000 of the General Reserves of the Trust to hold as investments so as to provide income in future years. This is an unrestricted allocation within the General Reserve and will be reviewed annually to ensure that it provides sufficient future support for the charitable activities of the Trust.

12. RELATED PARTY TRANSACTIONS

During the year, donations of £295,899 (2020: £419,952) were received from Pestalozzi US Children's Charity Inc. (PUSCCI). These donations were made from the proceeds of US fundraising events and individual donations. PUSCCI is a US-registered not-for-profit foundation, founded in 1998 in order to raise funds for Pestalozzi World by providing US donors with tax deductibility

Sir Richard Butler Bt., founder of Pestalozzi World Children's Trust is a director of the US Charity. During the year, donations of £23,830 (2020: £29,405) were received from Pestalozzi Overseas Children's Trust Ireland Ltd, a private limited company registered as a charity, was established in 2007 to facilitate donations by residents of Ireland. Pestalozzi Overseas Children's Trust Ireland Ltd is an Irish registered charity, number CHY17386.

Will you help us create leaders and change-makers?

**100% of your donations goes
to support these extraordinary
children**

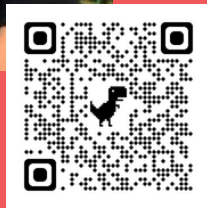
From day one, we've
relied on a small group of
generous philanthropists
to fund our operating
expenses and salaries, so
every penny you donate
is spent on the care and
education of
exceptionally bright
children, who have the
potential to become
future change-makers.

Prisca Mulongo

Pestalozzi Zambia Alumna

Midwife for the Ministry of Health &
Clinical Instructor for general nursing and
midwifery students & Adolescent Sexual
Reproductive Health Provider.





“

One thing that Pestalozzi changed in me was I was taught ‘head, heart and hands’ so when I graduated, I did not think only about my career, I also thought about how I could help society, how I should fly high but be rooted to my grounds. The experience helped me to change for the better.”

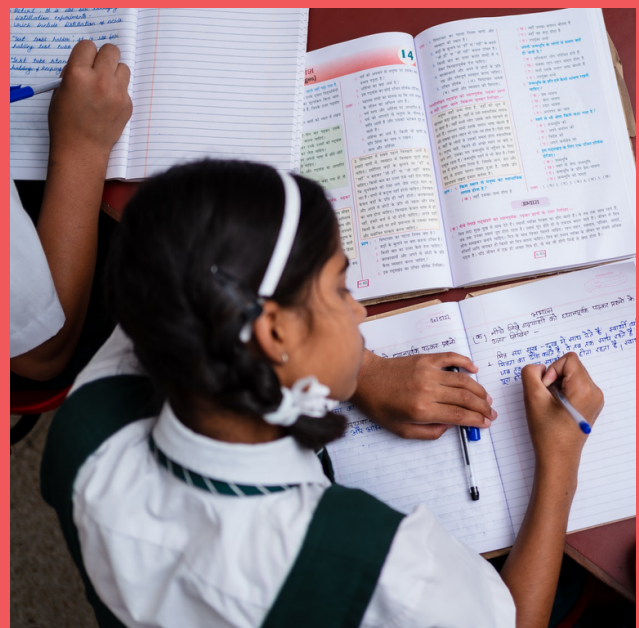
Usha – India. She is now a Board Member of the Indian Village, helping more children like her to succeed.

Contact us

Pestalozzi World UK
Unit A6 Worth Corner Business
Park
Crawley
RH10 7SL

Tel: 01293 307847
Email: info@pestalozziworld.com

www.pestalozziworld.com



PESTALOZZI INTERNATIONAL

England & Wales - Charity number 1172364

Accounts

PESTALOZZIWORLD CHILDREN'S TRUST

REGISTERED CHARITY NO: 1172364

AUDITED FINANCIAL STATEMENTS

31 DECEMBER 2020

PESTALOZZIWORLD CHILDREN'S TRUST

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LEGAL AND ADMINISTRATIVE INFORMATION

TRUSTEES

Lady Butler
Mr J J Dilger
Mrs C Doggart
Mr K J Greatbatch
Mr F von Hurter
Mr S Wakely

ADDRESS

CAN Mezzanine
7-14 Great Dover Street
London
SE1 4YR

INDEPENDENT AUDITORS

Arnold Hill & Co LLP
Craven House
16 Northumberland Avenue
London
WC2N 5AP

BANKERS

HSBC
Covent Garden
London
WC2 8JF

TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**NAME AND REGISTERED OFFICE OF THE CHARITY**

The full name of the charity is PestalozziWorld Children's Trust (PWCT), and was registered with the Charity Commission on 31 March 2017 (charity number 1172364). The charity was formed as a charitable incorporated organisation (CIO) and is governed by its founding constitution. The charity previously operated under charity number 1046599 as an unincorporated trust, constituted under a trust deed dated 24 January 1995 and its activities and assets were transferred to the new CIO effective 1 January 2019.

BACKGROUND

We confirm that the accompanying financial statements comply with the current statutory requirements including the Charities Act 2011, the Statement of Recommended Practice – Accounting and Reporting by Charities (2015) and with the requirements of the charity's constitution.

PWCT was established to advance the education of children and to apply the Pestalozzi principles of Head, Heart and Hands. An administrative office is located at CAN Mezzanine, 7-14 Great Dover Street, London, SE1 4YR. HSBC, Covent Garden, act as the bankers and Arnold Hill & Co LLP are the Trust's honorary accountants and auditors.

INTRODUCTORY NOTE

PestalozziWorld Children's Trust in the UK is the coordinating entity of PestalozziWorld - the working alliance of several organizations whose work in Africa and Asia is inspired by the educational philosophy and the life of the Swiss social reformer Johann Heinrich Pestalozzi (1746-1827). The following organisations form part of the working alliance:

- Pestalozzi Zambia Children's Trust (PZCT), which runs the African Village at Kasisi and Ibex Hill, Lusaka;
- Pestalozzi Children's Trust, Malawi;
- Pestalozzi Children's Village Society, which manages the Asian Village in Dehradun, northern India; and
- Alumni Foundations in Thailand and Nepal.

In addition to PWCT, PestalozziWorld coordinates three other registered fundraising charities, in the USA, Switzerland and Ireland. The Objectives and Activities and the Review of the Year's activities below relate to the work of all four charities. PestalozziWorld consists of four fundraising trusts:

- PWCT in the UK;
- Pestalozzi US Children's Charity Inc. in USA;
- Pestalozzi Overseas Children's Trust Ireland Ltd; and
- Pestalozzi Overseas Children's Foundation in Switzerland.

Financial Activities and Administration (p7) provides financial information on PWCT including income received from the US and Irish charities. The Swiss Trust makes grants directly to the national operating trusts, mainly in connection with the Pestalozzi Educational Centre in Zambia and the Mobile Learning programme in partnership with Edulution Holdings SA (Edulution).

OBJECTIVES AND ACTIVITIES

Working in some of the poorest and most marginalised communities of India, Zambia and Nepal, we support children with extraordinary potential to become future leaders and change-makers, providing the education, skills and motivation they need to bring about social change.

TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**OBJECTIVES AND ACTIVITIES (*continued*)**

Too many brilliant children are held back by poverty, gender stereotypes, racial inequalities, poor education and the pressure to work and earn a living. Our teams work with local families and communities to select the best and the brightest students – aged around 10, at least two girls for each boy, and all from underprivileged backgrounds – to enter our programme. These children today come from 12 different countries. Many are refugees. All of them are exceptionally gifted, but are unable to realise their potential in local schools and under conditions of poverty.

Pestalozzi believed that education is not just about knowledge. It should instead develop children's 'Head', 'Heart' and 'Hands' simultaneously in other words, their minds, their character and their practical life skills. This complete approach shapes children who have the tools and the compassion they need to bring about social change.

For this reason, the pupils we nurture through our programmes not only receive excellent classroom education. They also learn how to care for themselves and others, are required to volunteer locally, and to develop their practical skills beyond the classroom.

Our Alumni are becoming a new generation of teachers, health professionals, entrepreneurs, aid workers and leaders, all equipped with the tools and the compassion they need to do great things for their communities and change lives.

Our Core Programme – PestalozziWorld Children's Villages

1) Selection

Our Teams in India, Zambia and Nepal travel to some of the most remote areas, where schools are poor and under-resourced. Here, we identify children who excel in the areas of emotional intelligence and academic performance – with the potential to be future leaders.

With the support and encouragement of their families, we offer these children the opportunity to join our programme and move to one of the Pestalozzi Villages.

2) At our Villages

At the Pestalozzi Villages, pupils aged 10-18 are supported in their journey to adulthood through our Head, Heart and Hands approach, by a community of experts, volunteers and former students.

Our children receive:

- a) Clothing, food, support and the chance to attend high-quality local schools.
- b) Opportunities to live in a caring environment, where their emotional and physical wellbeing is nurtured.
- c) Lessons about tolerance and inclusion by living in a multi-cultural environment.
- d) Access to volunteering programmes locally to develop their skills beyond the classroom and to learn the importance of giving back.

At the end of secondary education, the children graduate from the programme well prepared to access further education and with the knowledge, skills and motivation to care for themselves and others.

TRUSTEES REPORT (continued)**FOR THE YEAR ENDED 31 DECEMBER 2020****OBJECTIVES AND ACTIVITIES (continued)**

3) After graduation: our Alumni give back

Our Alumni are a new generation of teachers, health professionals, entrepreneurs, aid workers and leaders who are equipped with the tools they need to change the world, together. We support our Alumni to stay connected after graduation, and provide them with opportunities to mentor, volunteer and offer careers advice.

Our Alumni soon become role models in their communities, often actively trying to bring about social change, and true ambassadors for Pestalozzi values and the new generation of change-makers.

Impact

In the poor rural areas from which we select, secondary school completion rates are just 13% in India and 3% in Zambia (UNICEF 2021) with almost none furthering their education in adulthood. In contrast, 66% of PestalozziWorld's recent graduates from the Indian and Zambian villages have achieved or will soon complete at least one university qualification (348/531 alumni sampled - 65 Vocational, 245 Bachelors, 34 Masters, and 4 PhDs).

69% of our alumni fall into at least one of these three categories: working in careers of public service (such as healthcare and education), volunteering in community programs, or supporting family. Many more are contributing back to society through entrepreneurial and business activities - creating employment and generating tax receipts. Since 1995, 1,376 alumni have been funded by PestalozziWorld, but thousands more have benefitted.

Outreach

One of the outreach programmes we support is Edulation. Edulation is a social enterprise partially funded by PestalozziWorld, running tablet-based educational programmes for children living in some of the most remote areas of Zambia, including refugee camps. Solar units entirely power the tablets. Each year, thousands of children can improve their reading, writing or math skills through Edulation.

Alumni Foundations

We support our alumni to set up foundations in their own countries to help educate more children in need. Alumni foundations have been set up in Thailand and Nepal and we hope to see this replicated in other countries. Individual alumni are also sponsoring or helping with the next generation of students as soon as they are in a position to do so.

APPOINTMENT AND INDUCTION OF TRUSTEES

The Trustees may appoint any person to be one of their number. The Trustees review the knowledge and experience of the Trustees and identify training needs on appointment. Suitable training will be provided if required.

The Trustees are responsible for ensuring compliance with all statutory requirements. The Trustees have long-standing links with the charity and provide significant financial support as well as the benefit of considerable experience in education, finance, business and investment.

TRUSTEES REPORT (continued)**FOR THE YEAR ENDED 31 DECEMBER 2020****INVESTMENT POWERS AND POLICY**

The Constitution provides full and unrestricted powers of investment to the Trustees. The investment of the reserve fund is managed and reviewed by the Trustees and advised by a qualified investment committee composed of two Trustees and two Advisors.

RISK MANAGEMENT

The Trustees have identified the principal risks and uncertainties to which the charity is exposed. These are regularly reviewed and policies, systems and procedures have been established and implemented to mitigate or manage any potential impact on the charity should those risks materialise.

Given the context within which PWCT works, the principal risks for PWCT are:

Reserves: The charity is maintaining a fund of £2,252,441 that has been invested by holding UK and overseas investment portfolios, foreign currency deposits as well as sterling on deposit. The Board is supported by a Finance Committee comprised of experienced investors who consider the risks associated with the investments the charity holds.

COVID-19: PWCT has taken measures to mitigate the immediate risks of COVID-19 and the situation continues to be closely monitored. Delivery has successfully been adjusted during periods of lockdown and the education and welfare of the children monitored remotely. This has been a carefully managed on a child-by-child basis reflecting their individual needs and familial context.

Fundraising: At the end of 2020, a new Chief Executive Officer, James Haughton was appointed to diversify income streams and reduce reliance on PestalozziWorld's traditional supporters who are advancing in years. Despite the difficulties of fundraising amidst the global COVID-19 pandemic, our performance in 2020 and outlook for 2021 remains positive.

Safeguarding: PestalozziWorld requires absolute duty of care and accountability to Children supported by our programmes. Our Safeguarding Policy and Code of Practice for working with children and young people, sets out in detail how any PestalozziWorld representative, including staff, board members, volunteers, consultants, and partners must conduct themselves in their interactions with children.

Foreign currency: The risks associated with holding a single dominant currency for a global charity are mitigated by holding deposits in gold and other major currencies.

Stability of the political environment: In 2020, the stability of the governments of India, Nepal and Zambia continued; however, the precedent of national turbulence in these countries means PWCT remains vigilant of this risk.

REVIEW OF THE YEAR'S ACTIVITIES

PestalozziWorld funded the education of 477 children in 2020 (499 in 2019), in India (drawn from India, Nepal and the Tibetan exile community), Nepal (in partnership with the Nepal Pestalozzi Foundation), Thailand (in partnership with the Thai Pestalozzi Foundation) and Zambia (including from Malawi and refugees from other African countries). Anticipated growth in student numbers was unfortunately mitigated by cancelled selections in India and Nepal due to COVID-19. Student totals by country and centre are shown below:

TRUSTEES REPORT *(continued)*

FOR THE YEAR ENDED 31 DECEMBER 2020

REVIEW OF THE YEAR'S ACTIVITIES *(continued)*

Country/Centre	Numbers
CHILDREN'S CENTRES	
African Children's Village	240
Asian Children's Village	137
ALUMNI PROGRAMMES	
Thailand	2
Nepal	61
Pokhara Children's Village (Nepal)	37
TOTAL SCHOLARS	477
RURAL PROGRAMMES	
Edulution – Mobile Learning	3297

Notable Achievements in 2020

Early 2020

- Excellent results were achieved in Zambia. 100% passes with 20% achieving maximum scores.
- Exams taken in India also were excellent with 100% pass rates and an improvement on last year.
- Enko Education SA was appointed as PEC school management company.
- A successful reunion was held at the Thai Foundation celebrating their 30th anniversary
- Pastoral Officers were employed at the African and Asian villages adding further resilience to our child-centred care.
- A programme of training to house mothers and matrons was delivered in India, with Nepalese staff attending, covering a broad base of Pestalozzi inspired content.

COVID-19 Response

- Villages managed, and anticipated, national lockdowns and forced closures ensuring all children were safely dispatched home.
- Local staff adapted to children being required to leave the villages by initiating outreach activities to ensure all children were fed, cared for and educated during lockdowns.
- Wide ranging staff training and improvements to facilities were made during the children's absence.

PESTALOZZIWORLD CHILDREN'S TRUST

TRUSTEES REPORT *(continued)*

FOR THE YEAR ENDED 31 DECEMBER 2020

REVIEW OF THE YEAR'S ACTIVITIES *(continued)*

- The Villages undertook extensive risk assessments and implemented COVID-19 Safe Plans. There were 0 confirmed cases of the virus amongst staff or children in 2020
- Cambridge and International Baccalaureate accreditations were achieved at PEC school despite the disruption and in advance of expectations. The school looks set to flourish under the direction of Rakesh Pandey, appointed Headmaster this year.

Late 2020

- Children were mobilised to return to the Zambian Village within days of the government permitting reopening in September 2020 to receive full face-to-face education.
- In India a phased reopening of the Village was effected.
- Nepal engaged with alumni to support remote teaching throughout the country's long lockdown.
- A successful, virtual, reunion was held for US Alumni in October, which raised \$22k.
- A reunion was held in Zambia with Alumni providing important information, advice and networking opportunities to the grade 12 students on the point of graduating.

Alumni Programs and Reunions

The Thai Pestalozzi Foundation, which has gradually reduced its reliance on funding from PWCT, is now self-funding and sponsors 100 scholars in Thailand through its own fundraising efforts.

In 2020 we continued to support the Nepal Pestalozzi Foundation to educate more children by sponsoring 61 students in Doti, and 37 students at the Children's Village in Pokhara which is run on the same principles as our Asian and African villages. The Alumni are fundraising locally to contribute towards the costs of the village to reduce reliance on PWCT.

In early 2020 an Asian reunion was held in Thailand with Trustees and Alumni from all Asian PestalozziWorld centres attending. Local reunions were held in Zambia and our first virtual reunion - for our Canada and US based alumni - was held in October. The aim of these reunions is to provide alumni with advice, support in seeking employment or further education/training, and encourage networking and fundraising initiatives.

The International Alumni Committee has 9 members, including representatives from the Indian, Nepalese, Thai, Tibetan and Zambian nationalities we support, and representatives from our European and North America based alumni. This voluntary committee takes a leadership role in encouraging and working with the rest of the alumni.

FINANCIAL REVIEW

The income for the year for PWCT was £573,480 compared to £395,049 in the previous year. Income included £419,952 (2019: £285,146) from the US Charity and £85,856 (2019: £83,598) from Trustees and Advisory Directors. Income from the US Charity during the year has increased.

Expenditure for the year including annual costs was £506,216 (2019: £974,558). The decrease is largely due a one off grant made in 2019 to POCF in Switzerland (£355,390).

TRUSTEES REPORT *(continued)***FOR THE YEAR ENDED 31 DECEMBER 2020****FINANCIAL REVIEW *(continued)***

Gains on investments of £274,266 (2019: £88,890), partly offset by exchange losses of £nil (2019: £9,133), reduced the surplus for the year to £353,617 (2019: Deficit of £499,752).

The Pestalozzi Children's Village Society in India, The Nepal Pestalozzi Foundation and the Pestalozzi Zambia Children's Trust are monitored regularly by the Trustees and audited locally. The Trustees or staff visit all projects at least once a year (except for Sri Sitaram School, Far West Nepal, which, due to its inaccessibility, is normally monitored locally).

The Trustees of PWCT and the US Trust are primarily responsible for fundraising and do not receive any remuneration or expense reimbursement from the Trust. Administration expenses (including staff and travel costs) and fundraising costs are met by funds specifically provided by the Trustees for such costs or through investment income.

The Trustees very much appreciate the support of dedicated staff and volunteers and especially the Trustees and Directors of other members of PestalozziWorld who make a vital contribution to improving the lives of hundreds of children. The Pestalozzi alumni are also to be congratulated on the commitment they have shown in supporting children in their own countries.

Finally, a special 'thank you' to Messrs Arnold Hill & Co LLP who act as honorary accountants and auditors.

Reserves

Each scholar we select represents a funding commitment on our part of up to eight years. The Trustees maintain reserves sufficient for the completion of the education of all students we select. This position gives surety to the children, and to our donors, and is maintained across the international group with £2,252,411 (2019: £1,898,824) held in the UK at 31 December 2020.

Outlook

In Zambia we are working with educational experts Enko Education to deliver the school's aim is to offer a globally-recognised education at an affordable price - helping to democratise modern, high-quality secondary education. The school has attracted increasing numbers of fee-paying day pupils due to the international curricula now available. Our objective is that the profits generated by the school will support the costs of our Zambian Scholars in the future. As we expect to reach capacity of 600 pupils in 2021 we will consider the business case for expansion to achieve this objective.

The Mobile Learning programme will continue to be a key focus for PestalozziWorld with similar levels of sponsorship to previous years. In 2021 the focus supporting our partner Edulution across 18 centres in Luangwa, Lundazi, Kasisi, and Mayukwayukwa refugee camp in Zambia. Further disruption due to COVID-19 is anticipated, These centres are in rural communities where are our scholars originate from – creating opportunities for our alumni to earn a living as coaches and give back to their communities

In India it is recognised that there exists opportunities for domestic funding. In 2021 it is anticipated that we will invest in resources to realise this potential and to reduce reliance on our Fundraising Trusts.

The Children's Villages in Africa and Asia are largely at capacity with each graduating year being replaced by a new intake. In Nepal, which is still expanding, further children will be selected on a matching funds basis at the Children's Village in Pokhara.

PESTALOZZIWORLD CHILDREN'S TRUST**TRUSTEES REPORT *(continued)*****FOR THE YEAR ENDED 31 DECEMBER 2020****FINANCIAL REVIEW *(continued)***

The Alumni Foundations continue to work towards self-sufficiency with more children being supported through local initiatives, individual alumni and other sponsors. The Thai and Nepal Pestalozzi Foundations are sponsoring 106 children in addition to those funded by PestalozziWorld.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees 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).

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the incoming resources and application of the resources of the charity during the year and of its state of affairs at the end of the year. In preparing these financial statements the trustees should follow best practice and:

- 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 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 charity will continue in operation;

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the Charity's constitution. They are also responsible for the charity's system of internal financial controls, for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution to reappoint Arnold Hill & Co LLP as auditors will be put to the Trustees.

ON BEHALF OF THE TRUSTEES

K J GREATBATCH

Date: 26th October

2021

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PESTALOZZIWORLD CHILDREN'S TRUST

Opinion

We have audited the financial statements of PestalozziWorld Children's Trust for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the PestalozziWorld Children's Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

Assessment of the charity's ability to continue as a going concern includes an assessment of the future economic environment as well as the charity's future prospects and performance. The emergence and spread of the COVID-19 virus has had a very significant impact on the economy, and at the date of this report there is unprecedented uncertainty about its ultimate effect on the UK and globally. The existence of this uncertainty may cast doubt on the charity's ability to continue as a going concern.

The trustees have prepared the accounts on the going concern basis as they do not intend to liquidate the charity or cease operations, and have concluded that the charity's financial position means that this is realistic.

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the PestalozziWorld Children's Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

TO THE TRUSTEES OF PESTALOZZIWORLD CHILDREN'S TRUST
FOR THE YEAR ENDED 31 DECEMBER 2020

Other information *(continued)*

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees'
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the PestalozziWorld Children's Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**TO THE TRUSTEES OF PESTALOZZIWORLD CHILDREN'S TRUST
FOR THE YEAR ENDED 31 DECEMBER 2020**

Other matters which we are required to address

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Mr Justin Moore (Senior Statutory Auditor)
for and on behalf of Arnold Hill & Co LLP**

29 October 2021

**Chartered Accountants
Statutory Auditor**

Craven House
16 Northumberland Avenue
London
United Kingdom
WC2N 5AP

Arnold Hill & Co LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

	<u>Notes</u>	<u>Unrestricted Funds</u> <u>2020</u> <u>£</u>	<u>Unrestricted Funds</u> <u>2019</u> <u>£</u>
INCOME FROM			
Donations and Legacies	3	568,530	383,152
Investments	4	4,950	11,897
TOTAL		<u>573,480</u>	<u>395,049</u>
EXPENDITURE ON			
Charitable Activities	7	(506,216)	(913,618)
Raising Funds	7	12,087	(60,940)
TOTAL		<u>(494,129)</u>	<u>(974,558)</u>
Net income/(deficit) before gains and losses on investments		<u>79,351</u>	<u>(579,509)</u>
Net gains on investments	8	274,266	88,890
Net income/(deficit)		<u>353,617</u>	<u>(490,619)</u>
Other gains/(losses)	5	0	(9,133)
NET MOVEMENT IN FUNDS		<u>353,617</u>	<u>(499,752)</u>
TOTAL FUNDS BROUGHT FORWARD		<u>1,898,824</u>	<u>2,398,576</u>
TOTAL FUNDS CARRIED FORWARD		<u>2,252,441</u>	<u>1,898,824</u>

The notes on pages 17 to 22 form part of these financial statements.

BALANCE SHEET

31 DECEMBER 2020

	<u>Notes</u>	<u>2020</u> £	<u>2019</u> £
Fixed Assets			
Investments	8	2,036,639	1,747,012
Current Assets			
Debtors	9	1,259	5,457
Cash at Bank and in Hand		219,345	150,898
		<u>220,604</u>	<u>156,355</u>
Current Liabilities			
Other creditors	10	(4,802)	(4,543)
NET CURRENT ASSETS		<u>215,802</u>	<u>151,812</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,252,441</u>	<u>1,898,824</u>
Total Unrestricted Funds Brought Forward		1,898,824	2,398,576
Net Movement in the Year		353,617	(499,752)
TOTAL UNRESTRICTED FUNDS CARRIED FORWARD		<u>2,252,441</u>	<u>1,898,824</u>

Approved by the Trustees on 26th October

2021 and signed on their behalf by



K J GREATBATCH

The notes on pages 17 to 22 form part of these financial statements.

STATEMENT OF CASH FLOWS

31 DECEMBER 2020

	2020	2019
	£	£
Cash flow from operating activities	78,868	(220,653)
Cash flows from investing activities		
Purchase of investments	(181,435)	(211,231)
Transfers	-	-
Proceeds of disposals	255,608	223,860
Dividends, interest and rents from investments	4,940	11,897
	<hr/>	<hr/>
Net cash provided by investing activities	79,113	24,526
Foreign exchange differences	-	(9,133)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	157,981	(205,260)
Cash and cash equivalents b/f	365,432	570,692
	<hr/>	<hr/>
Cash and cash equivalents c/f	523,413	365,432
	<hr/>	<hr/>
	2020	2019
	£	£
Reconciliation of net (expenditure)/income to net cash flow from operating activities		
Net income/(deficit) for the year per the SOFA	353,617	(490,619)
Adjustments for:		
Gains on investments	(274,266)	(88,890)
Dividends, interest and rents from investments	(4,940)	(11,897)
Decrease in debtors	4198	372,476
Increase/(decrease) in creditors	259	(1,723)
	<hr/>	<hr/>
	78,868	(220,653)
	<hr/>	<hr/>
	2020	2019
	£	£
Analysis of cash and cash equivalents		
Cash in hand	219,345	150,898
Cash held by investment manager	304,068	214,534
	<hr/>	<hr/>
Total cash and cash equivalents	523,413	365,432
	<hr/>	<hr/>

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

1. ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements have been prepared in accordance with the charity's constitution, the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2016). PWCT constitutes a public benefit entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

As described in note 2, the financial statements include the results of both PestalozziWorld Children's Trust (Charity number 1046599) and PestalozziWorld Children's Trust (Charity number 1172364) in accordance with merger accounting rules.

The financial statements have been prepared under the historic cost convention, with the exception of listed investments which are included at their market value. The principle accounting policies adopted are set out below.

b) Going Concern

The trustees have considered the impact of COVID-19 and undertaken a number of scenario projections to understand the potential impact on the charity.

On the basis of these projections the trustees are confident that the charity will have sufficient funds to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on the going concern basis.

c) Investments

Investments are initially recorded at cost. At the end of each financial period investments are revalued as at the balance sheet date at their market value. Any unrealised movement in market value from one year to another is recognised in the SOFA.

d) Incoming Resources

All income is accounted for when the charity has entitlement to the funds, receipt is probable and the amount is measurable.

e) Resources Expended

All expenditure is accounted for on an accruals basis, and where incurred directly to further the Trust's charitable objects, is shown under the heading of charitable activities.

The support costs of these charitable activities are also included under the heading charitable activities.

f) Expenditure on Raising Funds

Expenditure on raising funds relates to costs incurred by the charity in managing its investments.

NOTES TO THE FINANCIAL STATEMENTS (*continued*)

FOR THE YEAR ENDED 31 DECEMBER 2020

g) 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 the transaction. Exchange differences are taken into account in arriving at the net movement in funds in the statement of financial activities.

h) Financial Assets

Financial assets are recognized in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price included transaction costs.

Financial assets are derecognized only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

i) Financial Liabilities

Basic financial liabilities are initially measured at transaction price.

Financial liabilities are derecognized when, and only when, the charity's obligations are discharged, cancelled, or they expire.

j) Taxation

No provision has been made for taxation as the charity is a public benefit entity which is exempt from UK direct taxation on its charitable activities.

2. CHARITY INCORPORATION

On 1 January 2019, PestalozziWorld Children's Trust (Charity number 1046599) transferred its trade and assets to PestalozziWorld Children's Trust (Charity number 1172364). Both charities have the same charitable objects, which are detailed in the Trustees' Report, and the transaction has been accounted for using merger accounting rules.

In accordance with these rules, the financial statements include the results for the year of both PestalozziWorld Children's Trust (Charity number 1046599) and PestalozziWorld Children's Trust (Charity number 1172364).

NOTES TO THE FINANCIAL STATEMENTS (*continued*)

FOR THE YEAR ENDED 31 DECEMBER 2020

3. DONATIONS

	<u>2020</u> £	<u>2019</u> £
Donations from Trustees and Advisory Directors	85,856	83,598
Other Donations	62,722	14,408
US Donations	419,952	285,146
	<u>568,530</u>	<u>383,152</u>

4. INVESTMENT INCOME

	<u>2020</u> £	<u>2019</u> £
Dividends Received from Investments	4,950	11,897
	<u>4,950</u>	<u>11,897</u>

5. OTHER GAINS OR LOSSES

	<u>2020</u> £	<u>2019</u> £
Foreign exchange (losses)	-	(9,133)
	<u>-</u>	<u>(9,133)</u>

6. STAFF COSTS

Staff costs were as follows:

	<u>2020</u> £	<u>2019</u> £
Salaries and Wages	117,375	104,021
Social Security costs	7,709	8,545
Pension costs	2,967	2,697
	<u>128,051</u>	<u>115,263</u>

The average number of employees during the year was 3 (2019: 3). No employee earned over £60,000 in the current or previous year.

NOTES TO THE FINANCIAL STATEMENTS (*continued*)

FOR THE YEAR ENDED 31 DECEMBER 2020

7. ANALYSIS OF RESOURCES EXPENDED

	<u>Direct Charitable Expenditure</u>	<u>Raising funds</u>	<u>Charity Manage- ment & Admin</u>	<u>Total 2020</u>
	£	£	£	£
Scholarship Costs	427,905	-	-	427,905
Administration			34,916	34,916
Telephone, Postage, Stationery & Travel	-	-	308	308
Bank Charges	-	-	2,965	2,965
Rent, Light & Heat	-	-	5,954	5,954
Consultancy fees				
Management Fees	-	(12,087)	-	(12,087)
Professional Fees	-	-	3,515	3,508
Mobile Learning Centres	24,020	-	-	24,020
Fundraising	-	-	6,633	6,633
	<u>451,925</u>	<u>(12,087)</u>	<u>54,291</u>	<u>494,129</u>

The trustees did not receive any fees, emoluments or reimbursement of expenses in the year ended 31 December 2020 (2019 - £nil).

	<u>Direct Charitable Expenditure</u>	<u>Investment Manage- ment & Admin</u>	<u>Charity Manage- ment & Admin</u>	<u>Total 2019</u>
	£	£	£	£
Scholarship Costs	456,046	-	-	456,046
Grant	355,390	-	-	355,390
Administration and Fundraising		-	34,006	34,006
Telephone, Postage, Stationery & Travel	-	-	12,767	12,767
Bank Charges	-	-	1,420	1,420
Rent, Light & Heat	-	-	12,521	12,521
Consultancy fees	8,705	51,600	8,705	69,010
Management Fees	-	9,430	-	9,340
Professional Fees	-	-	-	-
Mobile Learning Centres	-	-	-	-
Donations	24,058	-	-	24,058
	<u>844,199</u>	<u>60,940</u>	<u>69,419</u>	<u>974,558</u>

NOTES TO THE FINANCIAL STATEMENTS (*continued*)

FOR THE YEAR ENDED 31 DECEMBER 2020

8. INVESTMENTS

Market value	<u>2020</u>	<u>2019</u>
	£	£
At 1 January	1,532,478	1,456,217
Additions	181,435	211,231
Disposals	(255,608)	(223,860)
Revaluation	274,266	88,890
Transfers	-	-
At 31 December	<u>1,732,571</u>	<u>1,532,478</u>
Cash on deposit	<u>304,068</u>	<u>214,534</u>
	<u>2,036,639</u>	<u>1,747,012</u>

Investments are managed by Credit Suisse. The portfolio includes both UK and overseas investments. Investments are held to provide a return to cover future charitable expenditure.

In the previous year, the investment portfolio which was loaned to Pestalozzi Overseas Children's Foundation in a prior year was returned to the charity.

9. DEBTORS

	<u>2020</u>	<u>2019</u>
	£	£
Amounts falling due within one year		
Other debtors	<u>1,259</u>	<u>5,457</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2020</u>	<u>2019</u>
	£	£
Accruals	<u>4,802</u>	<u>4,543</u>

NOTES TO THE FINANCIAL STATEMENTS (*continued*)**FOR THE YEAR ENDED 31 DECEMBER 2020****11. FUNDS**

The charitable activities of the Trust require ongoing support to be provided to the students over a number of years. In order to mitigate the risk associated with any potential shortfall of donations and receipts in future years the Trustees have agreed to allocate £2,200,000 (2019: £1,700,000) of the General Reserves of the Trust to hold as investments so as to provide income in future years. This is an unrestricted allocation within the General Reserve and will be reviewed annually to ensure that it provides sufficient future support for the charitable activities of the Trust.

12. RELATED PARTY TRANSACTIONS

During the year, donations of £419,952 (2019: £285,146) were received from Pestalozzi US Children's Charity Inc. (PUSCCI). These donations were made from the proceeds of US fund raising events and individual donations. PUSCCI is a US registered not-for-profit foundation, founded in 1998 in order to raise funds for Pestalozzi World by providing US donors with tax-deductibility.

Sir Richard Butler Bt., founder of Pestalozzi World Children's Trust is a director of the US Charity.

During the year, donations of £29,405 (2019: £18,128) were received from Pestalozzi Overseas Children's Trust Ireland Ltd, a private limited company registered as a charity, established in 2007 to facilitate donations by residents of Ireland. Pestalozzi Overseas Children's Trust Ireland Ltd is an Irish registered charity, number CHY17386.