

Charity Registration No. 1176872

Company Registration No. 10808150 (England and Wales)

SOURCE OF HOPE LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

SOURCE OF HOPE LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr D Taylor Mr J R Parker Mr T A Wright Mr P Zak Mrs J Taylor Mr S Barrett	(Appointed 2 August 2022) (Appointed 7 June 2022) (Appointed 7 June 2022)
Charity number	1176872	
Company number	10808150	
Registered office	127 Moss Lane Hesketh Bank PR4 6AE	
Independent examiner	Oliver Grills FCA J A Fell & Company 40 Hoghton Street Southport PR9 0PQ	

SOURCE OF HOPE LIMITED

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SOURCE OF HOPE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their report and financial statements for the year ended 31 December 2021.

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 memorandum and articles, the Companies Act 2006 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). The current accounting period has been shortened to end on 31 December 2018 in order for the accounts to follow a calendar year.

Objectives and activities

The objects of the charity is to prevent or relieve poverty in any part of the wider world, to support orphans and displaced people by providing grants, the possibility of an education, and necessary items, and to work with other organisations or Charities whose goal is the same.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake. The trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

Achievements and performance

During 2021, due to the continuing effects of Covid, we were still unable to visit Kenya because restrictions in travelling were still in place. Thankfully our team, led by Joseph Mulwa of the "Children's Ministry Team" were able to travel and oversee the projects that we are supporting.

We continued to support the two schools in the slums around Nairobi, again Covid restrictions at times caused them to close and the children's education suffered. We started to regularly support a third school of 100 children in Kibera which also provides a home for around 30 orphans.

Our team regularly visited our training centres, overseeing training and we supplied printed instruction leaflets to supplement verbal instructions. In Eastern Province the rains were very poor in 2021 and severely hindered growing conditions. People who used their training in conservation farming were able still to crop, but the crops were poor. Other centres, who had sufficient rains were encouraged by the response of their trainees and their crops.

The "Conservation Centre" at Inyuu experienced reasonable crops, but being situated in Eastern Province also had very poor rains. The villages around this Centre experienced shortages of food because of this. The decision was made that in the following year, in 2022, as funding was available we would plan to sink a well and seek to improve the lives of these people and provide water for the centre. At this time, they collected water for 9 months of the year from a dry river bed, digging holes to scoop the stagnant water to take to their families. This caused many health issues.

With this supply of water and using the techniques of Conservation Farming we are seeking to use the Centre as an example of what can be done to empower a community. Some of the trustees were able to visit Kenya in early 2022 to review the progress made and begin planning further projects.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Financial review

The results for the year and the state of the Charity's affairs as at 31 December 2020 are set out in the financial statements on page 4 to 7.

Our income for the year amounted to £60,078 (2020 - £63,823), with expenditure of £70,431 (2020 - £67,961) leaving a net deficit of £10,803 (2020 - £4,138). At 31 December 2021 total funds stood at £15,865 (2020 - £26,668).

The Charity is dependent upon several unpaid volunteers and the Trustees who serve on the management committee and assist with publicity and funding. The Charity is extremely grateful for all they have done.

Reserves Policy

The Charity aims to hold reserves at any given time to be able to meet three to six months of planned expenditure and is expecting to reach this aim in the near future.

Grant Policy

The trustees will identify the organisation or individual who may be best placed to assist in fulfilling the solution to the need. This will be done by personal contact with the organisation or individuals over a period of time and assessing whether they have necessary skills and expertise to deliver the project which is required.

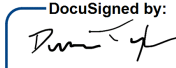
The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity was formed and is governed by the Memorandum and Articles of Association. The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr D Taylor	
Mr J R Parker	
Mr T A Wright	
Mr P Zak	(Appointed 2 August 2022)
Mrs J Taylor	(Appointed 7 June 2022)
Mr S Barrett	(Appointed 7 June 2022)

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

DocuSigned by:

DAA675DA9ED14D3...
Mr D Taylor

Dated: 28 September 2022

SOURCE OF HOPE LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF SOURCE OF HOPE LIMITED

I report to the trustees on my examination of the financial statements of Source of Hope Limited (the charity) for the year ended 31 December 2021.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

Oliver Grills FCA

J A Fell & Company
40 Hoghton Street
Southport
PR9 0PQ

Dated: 28 September 2022

SOURCE OF HOPE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<u>Income from:</u>			
Donations and legacies	3	60,078	63,823
<u>Expenditure on:</u>			
Raising funds	4	450	180
Charitable activities	5	70,431	67,781
Total resources expended		70,881	67,961
Net expenditure for the year/ Net movement in funds		(10,803)	(4,138)
Fund balances at 1 January 2021		26,668	30,806
Fund balances at 31 December 2021		15,865	26,668

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

SOURCE OF HOPE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Current assets					
Debtors	10	12,414		9,669	
Cash at bank and in hand		3,451		17,403	
		<u>15,865</u>		<u>27,072</u>	
Creditors: amounts falling due within one year	11	-		(404)	
Net current assets			15,865		26,668
Income funds					
Unrestricted funds			15,865		26,668
			<u>15,865</u>		<u>26,668</u>


The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2021.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its incoming resources and application of resources, including its income and expenditure, for the financial period in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 28 September 2022

DocuSigned by:

 DAA675DA9ED14D3...
 Mr D Taylor
 Trustee

Company Registration No. 10808150

SOURCE OF HOPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

Source of Hope Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 127 Moss Lane, Hesketh Bank, PR4 6AE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's memorandum and articles, the Companies Act 2006 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). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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 £.

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

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

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 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 Incoming resources

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.

1.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.6 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.

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.

Derecognition of financial liabilities

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

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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

3 Donations and legacies

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Donations and gifts	52,868	33,889
Grants receivable	-	23,500
Gift aid receivable	7,210	6,434
	<u>60,078</u>	<u>63,823</u>

4 Raising funds

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<u>Fundraising and publicity</u>		
Support costs	450	180
	<u>450</u>	<u>180</u>

5 Charitable Activities

	2021 £	2020 £
Grant funding of activities (see note 6)	68,594	67,147
Share of support costs (see note 7)	1,837	634
	<u>70,431</u>	<u>67,781</u>

6 Grants payable

	2021 £	2020 £
Grants to institutions:		
Children's support	19,711	18,273
Orphanage	198	878
Conservation Farming	48,685	47,996
	<u>68,594</u>	<u>67,147</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

7 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Website	331	-	331	331	-	331
Bank and payment processing	78	-	78	303	-	303
Fundraising consultant	450	-	450	180	-	180
Travel	1,428	-	1,428	-	-	-
	<u>2,287</u>	<u>-</u>	<u>2,287</u>	<u>814</u>	<u>-</u>	<u>814</u>
Analysed between						
Fundraising	450	-	450	180	-	180
Charitable activities	1,837	-	1,837	634	-	634
	<u>2,287</u>	<u>-</u>	<u>2,287</u>	<u>814</u>	<u>-</u>	<u>814</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration from the charity during the year. During the year trustees' travelling costs of £1,428 were paid by the charity in order to facilitate the review of projects and develop partnerships with organisations in Kenya to expand the work of the charity.

Donations totalling £12,030 were made to the charity by the trustees during the period (2020 - £18,500).

9 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Total	<u>-</u>	<u>-</u>

10 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	2,174	1,810
Prepayments and accrued income	10,240	7,859
	<u>12,414</u>	<u>9,669</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

11	Creditors: amounts falling due within one year	2021	2020
		£	£
	Accruals and deferred income	-	404
		<u> </u>	<u> </u>