

REGISTERED CHARITY NUMBER: 1178465

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 March 2021
for
The Favela Foundation

The Favela Foundation

Contents of the Financial Statements
for the Year Ended 31 March 2021

	Page
Report of the Trustees	1 to 2
Independent Examiner's Report	3
Statement of Financial Activities	4
Balance Sheet	5
Notes to the Financial Statements	6 to 9
Detailed Statement of Financial Activities	10

The Favela Foundation

Report of the Trustees for the Year Ended 31 March 2021

The trustees present their report and accounts for the year ended 31 March 2021.

The trustees have opted to prepare the accounts on a receipt and payment basis in accordance with section 133 of the Charity Act 2011. The accounts have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document and the Charity Act 2011.

OBJECTIVES AND ACTIVITIES

The charity was formed to further the advancement of education and social welfare for the public benefit in the communities of the favelas of Brazil.

The charity aims to meet this objective by providing grants to NGOs and community groups active in favelas which provide supplementary education, social support and other community activities to help them meet specific goals or widen their reach.

ACHIEVEMENT AND PERFORMANCE

The year ending 31 March 2021 was dominated by the impact of COVID-19 on The Favela Foundation's projects and partners. Throughout the year, The Favela Foundation focused on provided COVID-19 relief to impacted favela communities, funding 'cestas basicas' (basic packages) and other items to support the response to the pandemic, which were provided to favela communities by our partners. During the period in review, the charity:

- Reassigned existing funding to Instituto Wark, enabling the project to provide masks, art packages, and cleaning products to beneficiaries
- Formed partnerships with three new projects (Alfazendo, Vivencia das Manas, and Acorda Capoeira) to fund cestas basicas to over 1,000 beneficiaries. Over £30,000 was provided in COVID-19 relief in 2021.
- Repeated funding for these projects on a three-month basis, regularly reviewing the needs of favela communities at each juncture.
- Continued to support the core focus of our partners where possible, through funding to Street Child United
- Raised over £13,000 through our 'Road to Rio' campaign, where the trustees collectively ran, walked or cycled the distance between London and Rio de Janeiro
- Formed a corporate partnership with Pipoca LLC, receiving an initial donation of £5,000, plus a quarterly donation commitment.

FINANCIAL REVIEW

During the period in review, The Favela Foundation was able to raise more money than in previous years, primarily due to focused campaign on COVID relief (Road to Rio) and new corporate partnerships. Further funding was received in grants from the Ambassadors for Good programme and from the Texel Foundation.

The trustees' policy to maintain unrestricted reserves at a reasonable level to fulfil the objectives of the charity remains in place, and the final position is reviewed regularly at meetings. The total funds of the charity as at the balance sheet date were £33,172, with £5,315 remaining restricted (£2,420 Glastonbury; £2,895 Ambassadors for Good).

The Favela Foundation

Report of the Trustees for the Year Ended 31 March 2021

FUTURE PLANS

The charity continues to be aware of the difficult COVID-19 situation in Brazil, and has continued to provide COVID-19 relief for our partners and projects. Over the course of 2021-22, the charity aims to begin working with our partners to return to their core objectives and goals, helping them transition from COVID-19 relief back to their focus as educational and community projects.

The charity aims to continue supporting existing projects, while expanding to reach new beneficiaries and partners where possible. The Favela Foundation continues to aim to diversify its funding methods, with securing further grants, regular donors, and corporate partnerships a focus for 2021-22. In the longer term, The Favela Foundation aims to drive large scale initiatives with our partners, with focused fundraising activities for these initiatives.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is governed by the CIO Foundation Deed dated 21 May 2018. The charity obtained charitable status on 21 May 2018.

The first trustees are appointed for a 4 year term, thereafter trustees will be appointed for a 3 year term.

Appointments are passed by the charity trustees.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1178465

Principal address

137 Martin Way
Morden
SM4 4AR

Trustees

K G Gupta Trustee
Ms R K Louise Wilson Trustee
P A Somerset Gibbs Chair
M J Smith Trustee
Ms F D Cintra Franco Trustee

This report was approved by the board of trustees on 11 January 2022



.....
Signed on behalf of the Board of Trustees
Matthew J Smith - Trustee

Independent Examiner's Report to the Trustees of
The Favela Foundation

Independent examiner's report to the trustees of The Favela Foundation

I report to the charity trustees on my examination of the accounts of The Favela Foundation (the Trust) for the year ended 31 March 2021.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').


I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material 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 Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records

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



Sajjad Jaffer FCCA
Harris Accountancy Services Ltd
Cobalt Square
83 Hagley Road
Birmingham
B16 8QG

21st January 2022.

The Favela Foundation

Statement of Financial Activities
for the Year Ended 31 March 2021

	Notes	Unrestricted funds £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		23,206	-	23,206	28,033
Charitable activities					
Grants		3,500	5,000	8,500	-
		<hr/>	<hr/>	<hr/>	<hr/>
Total		26,706	5,000	31,706	28,033
 EXPENDITURE ON					
Charitable activities					
Expenditure on charitable activities		28,683	3,185	31,868	12,304
		<hr/>	<hr/>	<hr/>	<hr/>
NET INCOME/(EXPENDITURE)		(1,977)	1,815	(162)	15,729
 RECONCILIATION OF FUNDS					
Total funds brought forward		29,834	3,500	33,334	17,605
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD		<u>27,857</u>	<u>5,315</u>	<u>33,172</u>	<u>33,334</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The Favela Foundation

Balance Sheet
31 March 2021

	Notes	Unrestricted funds £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total funds £
CURRENT ASSETS					
Cash at bank		27,857	5,315	33,172	33,334
		<u>27,857</u>	<u>5,315</u>	<u>33,172</u>	<u>33,334</u>
NET CURRENT ASSETS					
		<u>27,857</u>	<u>5,315</u>	<u>33,172</u>	<u>33,334</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		27,857	5,315	33,172	33,334
		<u>27,857</u>	<u>5,315</u>	<u>33,172</u>	<u>33,334</u>
NET ASSETS					
		<u>27,857</u>	<u>5,315</u>	<u>33,172</u>	<u>33,334</u>
FUNDS	4				
Unrestricted funds				27,857	29,834
Restricted funds				<u>5,315</u>	<u>3,500</u>
TOTAL FUNDS				<u>33,172</u>	<u>33,334</u>

The financial statements were approved by the Board of Trustees and authorised for issue
on 11 January 2022



Signed on behalf of the Board of Trustees
Matthew J Smith - Trustee

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The charity is a Charitable Incorporated Organisation registered in England. The accounts have been prepared on a receipts and payments basis in accordance with section 133 of the Charity Act 2011.

The address of the principle office is given in the charity information on page 1 of these accounts. The nature of the charity's operations and principal activities are as set out in the Trustees' Annual Report of the accounts.

The accounts are presented in sterling which is the functional currency of the charity and are not rounded.

The significant accounting policies applied in the preparation of these accounts are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Critical accounting judgements and key sources of estimation uncertainty

No judgements have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the accounts.

No key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Taxation

As a registered charity, the organisation is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only. Value Added Tax is not recoverable by the charity and is therefore included in the relevant costs within the receipts and payments accounts.

Structure of funds

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

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

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

Management and administration expenditure

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. These are incurred directly in support of expenditure on the objectives of the charity.

There were no management and administration costs in the current year or previous period.

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

2. TRUSTEES' REMUNERATION AND BENEFITS

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

Trustees' expenses

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

3. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	20,753	7,280	28,033
EXPENDITURE ON			
Charitable activities			
Expenditure on charitable activities	6,754	5,550	12,304
NET INCOME	13,999	1,730	15,729
RECONCILIATION OF FUNDS			
Total funds brought forward	15,835	1,770	17,605
TOTAL FUNDS CARRIED FORWARD	<u>29,834</u>	<u>3,500</u>	<u>33,334</u>

4. MOVEMENT IN FUNDS

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
Charitable activities	29,834	(1,977)	27,857
Restricted funds			
Charitable activities	3,500	1,815	5,315
TOTAL FUNDS	<u>33,334</u>	<u>(162)</u>	<u>33,172</u>

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

4. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Charitable activities	26,706	(28,683)	(1,977)
Restricted funds			
Charitable activities	5,000	(3,185)	1,815
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>31,706</u>	<u>(31,868)</u>	<u>(162)</u>

Comparatives for movement in funds

	At 1.4.19 £	Net movement in funds £	At 31.3.20 £
Unrestricted funds			
Charitable activities	15,835	13,999	29,834
Restricted funds			
Charitable activities	1,770	1,730	3,500
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>17,605</u>	<u>15,729</u>	<u>33,334</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Charitable activities	20,753	(6,754)	13,999
Restricted funds			
Charitable activities	7,280	(5,550)	1,730
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>28,033</u>	<u>(12,304)</u>	<u>15,729</u>

5. RELATED PARTY DISCLOSURES

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

The Favela Foundation

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

	31.3.21 £	31.3.20 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	17,224	19,853
Charitable activities	<u>5,982</u>	<u>8,180</u>
	23,206	28,033
Charitable activities		
Grants	<u>8,500</u>	<u>-</u>
Total incoming resources	31,706	28,033
EXPENDITURE		
Charitable activities		
Expenditure on charitable activities	31,263	12,304
Advertising	149	-
Bank Charges	<u>456</u>	<u>-</u>
	<u>31,868</u>	<u>12,304</u>
Total resources expended	<u>31,868</u>	<u>12,304</u>
Net (expenditure)/income	<u>(162)</u>	<u>15,729</u>