

Report of the Trustees and  
Unaudited Financial Statements for the Year Ended 31 March 2022  
for  
The Favela Foundation

Contents of the Financial Statements  
for the Year Ended 31 March 2022

	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 2022

The trustees present their report with the financial statements of the charity for the year ended 31 March 2022. 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 2022 continued to see COVID-19 support measures be the primary focus of The Favela Foundation's projects and partners. Throughout the year, The Favela Foundation continued to offer support to impacted favela communities, funding further rounds of 'cestas basicas' (basic packages) and other items, which were distributed to favela communities by our project partners. This continued the support that The Favela Foundation had offered throughout 2020 and ensured communities received basic needs as the pandemic continued to grip Brazil.

During the period in review, the charity:

- Continued partnerships with Vivencia das Manas and Acorda Capoeira, donating almost £10,000 in COVID-19 relief to communities
- Repeated funding for these projects on a three-month basis, regularly reviewing the needs of favela communities at each juncture.
- Began planning for returning to core activities, working closely with Instituto Wark and Vivencia das Manas to plan for long-term, future activities
- Ran 'Favela February' campaign, highlighting information about favelas and Brazil over the month, and raising over £3,000.
- Continued a corporate partnership with Pipoca LLC, raising over £6,000 for charitable activities.
- Visited projects in Rio de Janeiro, seeing first hand how grants are being utilised in communities.

During this period, Rebecca Wilson stepped down as a trustee after over four years on the board, effective from 31 March 2022. Flavia Franco has since taken on responsibility for fundraising activities.

#### **FINANCIAL REVIEW**

During the period in review, The Favela Foundation was able to raise similar donations to the previous year, primarily due to partnerships, generous donations from the public (including over 'Favela February' campaign) and a £5,000 grant from Anglo American's Ambassadors for Good programme.

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 £42,895, with £7,193 remaining restricted.

## The Favela Foundation

### Report of the Trustees for the Year Ended 31 March 2022

#### **FUTURE PLANS**

The charity has been working closely with its project partners throughout 2022 to support them in returning 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 2022-23. Throughout 2022 The Favela Foundation has been planning to drive large scale initiatives with our partners, with the aim of creating 'space and time' for our project partners to work with their beneficiaries. These initiatives will have focused fundraising activities.

#### **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 (resigned 31.3.22)  
P A Somerset Gibbs Chair  
M J Smith Trustee  
Ms F D Cintra Franco Trustee

Approved by order of the board of trustees on .....15 January 2023..... and signed on its behalf by:



M 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 2022.

**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; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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

Date: .....13/01/2023.....

The Favela Foundation

Statement of Financial Activities  
for the Year Ended 31 March 2022

	Notes	Unrestricted funds £	Restricted funds £	31.3.22 Total funds £	31.3.21 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies		11,854	3,410	15,264	23,206
<b>Charitable activities</b>					
Grants		6,355	5,075	11,430	8,500
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total</b>		18,209	8,485	26,694	31,706
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
Expenditure on charitable activities		10,364	6,607	16,971	31,868
		<hr/>	<hr/>	<hr/>	<hr/>
<b>NET INCOME/(EXPENDITURE)</b>		7,845	1,878	9,723	(162)
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		27,857	5,315	33,172	33,334
		<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>35,702</u>	<u>7,193</u>	<u>42,895</u>	<u>33,172</u>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

The Favela Foundation

Balance Sheet  
31 March 2022

	Notes	Unrestricted funds £	Restricted funds £	31.3.22 Total funds £	31.3.21 Total funds £
<b>CURRENT ASSETS</b>					
Cash at bank		35,702	7,193	42,895	33,172
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>NET CURRENT ASSETS</b>		<u>35,702</u>	<u>7,193</u>	<u>42,895</u>	<u>33,172</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		35,702	7,193	42,895	33,172
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>NET ASSETS</b>		<u>35,702</u>	<u>7,193</u>	<u>42,895</u>	<u>33,172</u>
<b>FUNDS</b>	4				
Unrestricted funds				35,702	27,857
Restricted funds				<u>7,193</u>	<u>5,315</u>
<b>TOTAL FUNDS</b>				<u>42,895</u>	<u>33,172</u>

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

15 January 2023  
..... and were signed on its behalf by:



.....  
M 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 principal 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.



## **2. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

### **Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 March 2022 nor for the year ended 31 March 2021.

## **3. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

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

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2022

**4. MOVEMENT IN FUNDS**

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
<b>Unrestricted funds</b>			
Charitable activities	27,857	7,845	35,702
<b>Restricted funds</b>			
Charitable activities	5,315	1,878	7,193
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<u>33,172</u>	<u>9,723</u>	<u>42,895</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
Charitable activities	18,209	(10,364)	7,845
<b>Restricted funds</b>			
Charitable activities	8,485	(6,607)	1,878
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<u>26,694</u>	<u>(16,971)</u>	<u>9,723</u>

**Comparatives for movement in funds**

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

**4. MOVEMENT IN FUNDS - continued**

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

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

**5. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 March 2022.

The Favela Foundation

Detailed Statement of Financial Activities  
for the Year Ended 31 March 2022

	31.3.22 £	31.3.21 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Donations	11,446	17,224
Charitable activities	<u>3,818</u>	<u>5,982</u>
	15,264	23,206
<b>Charitable activities</b>		
Grants	<u>11,430</u>	<u>8,500</u>
<b>Total incoming resources</b>	26,694	31,706
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Expenditure on charitable activities	16,645	31,263
Advertising	326	149
Bank Charges	<u>-</u>	<u>456</u>
	<u>16,971</u>	<u>31,868</u>
Total resources expended	<u>16,971</u>	<u>31,868</u>
<b>Net income/(expenditure)</b>	<u><u>9,723</u></u>	<u><u>(162)</u></u>

This page does not form part of the statutory financial statements