

Registered Charity number: 1181592

Khanya
(A Charitable Incorporated Organisation)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 January 2022

Khanya
(A Charitable Incorporated Organisation)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND
ADVISERS
FOR THE PERIOD ENDED 31 January 2022**

Trustees	Adrian Lusmore Christina Thomas Brendan Baxter Robert Fryer John Herriot Adrienne Hall Jeremy Anglin	Chair Vice Chair
Charity registered number	1181592	
Registered office	Khanya, 39 Strawberry Lane, Carshalton, SM5 2NG	
Bankers	Metro Bank One Southampton Row London, WC1B 5HA	

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TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 January 2022

The Trustees present their annual report, together with the audited financial statements of the charity, for the period 1st February 2021 to 31 January 2022. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Objectives and Activities

a. Policies and objectives

The charity's objectives are, for the public benefit, to advance the education of socially and economically disadvantaged children and young people in Southern Africa by providing and assisting in the provision of facilities to enable them to undertake training in skills and trades education as preparation for entry to any occupation, trade or profession or for self-employment. Trustees have given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011.

b. Strategies for achieving objectives

The charity will raise funds in the UK and seek to form partnerships with organisations in Southern Africa to deliver a program of trade skills training. The focus at present is forming partnerships and delivering pilot training projects in Grahamstown/Makhanda, Eastern Cape, South Africa.

c. Activities for achieving objectives

Three projects were supported during the year. An extension grant for the Grahamstown/Makhanda sewing project, where sewing skills are taught to a cohort of young people, a grant to buy craft materials for Amasango school, and a support grant for a carpentry internship with African Musical Instruments (AMI).

d. Main activities undertaken to further the charity's purposes for the public benefit

As noted above, a grant of ZAR 60,000 (circa GBP 3,000) was made to support a sewing workshop, run in partnership with the Grahamstown/Makhanda project, whereby sewing skills are taught to a cohort of young people. A grant of ZAR 10,000 (circa GBP 500) was made to support the six month placement of one of the carpentry project trainees as an intern at African Musical Instruments (AMI) – a company that produces wooden musical instruments. Finally, a grant of ZAR 8000 (circa GBP 440) was made to Amasango school, used to buy craft materials for teaching.

Financial review

The charity had income of £9,040, and made grants of £4,206. The year was closed with £9,800 in reserves. The Trustees were satisfied with the financial performance in the period.

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies. This continues to be true after the global COVID 19 emergency, since the Trustees will ensure expenditure commitments will not exceed income and reserves.

b. Financial risk management objectives and policies

Potential financial risks are mitigated by the fact that the expenditure of the organisation is limited to a) the grants it makes and b) the amounts invested in advance on fundraising events (ie booking a venue). For grants commitments, the Trustees policy will be only to enter into

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grant commitments that are covered by secure income. For fundraising events, the Trustees are focused upon ensuring costs incurred are commensurate with an expected return on investment ratio of at least 2.5 to 1.

c. Reserves policy

Trustees have considered that the Charity does not need to maintain reserves. This is because the budget of the organisation is based on annual funding, and any budgeted grants are approved only after funds for financial year are fully secured.

d. Principal funding

COVID-19 lockdown in the UK restricted the ability of Khanya to hold in person fundraising events, though a virtual events generated over £800 in ticket sales and almost double that in donations. The Trustees are working to increase the number of regular donors to the charity.

e. Material investments policy

Khanya does not plan any material investments in the foreseeable future.

Structure, governance and management

a. Constitution

The charity is registered as a Charitable Incorporated Organisation (registered charity number 1181592). The charity was incorporated on 16th January 2019 and commenced trading on that date.

b. Method of appointment or election of Trustees

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the constitution. New Trustees are appointed by the existing board. Suitable candidates are identified as being possible Trustees for the Board. After diligent screening, initial contact is made by the Chairman, Adrian Lusmore. A conversation between the two parties takes place and if the candidate is found to be suitable, and in agreement, a further meeting is arranged with the director and another Board member. On completion, the Chairman writes a report to the Board highlighting the candidate's merits before a final decision is made.

c. Policies adopted for the induction and training of Trustees

Each new Trustee will receive an induction. The charity trustees will make available to each new charity trustee on or before his or her first appointment:

- (a) a copy of the current version of the constitution; and
- (b) a copy of the CIO's latest Trustees' Annual Report and statement of accounts.

d. Organisational structure and decision making

Khanya does not employ anyone, so the volunteer Board to Trustees collectively ensure its limited day to day activities are carried out. In effect, this means bookkeeping, promoting the charity via various communication channels and, perhaps the most time intensive activity, planning and delivering fundraising events. The Chair and vice chair, at their own expense, have in the past travelled to Grahamstown/ Makhanda to build links with the local community there, although the COVID pandemic has meant this has not been possible this year. A number of other trustees have, or intend to once travel restrictions are raised, travel to Grahamstown/ Makhanda at their own expense to also meet the key actors on the ground. All major decision, such as awarding grants or budgets for fundraising events, are made by the full Board.

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e. Risk management

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. To ensure that funds are properly utilised by the charity's grantees, each grant agreement provides for a rigorous and proportionate set of governance procedures which considers whether programmes and activities funded by charity are aligned with the charitable objectives outlined in the Charter. During all stages of execution of these grant agreements, there are a series of performance reviews which check, amongst other matters, that the funding paid to these recipients has been applied to programme outputs in line with the programme description originally approved in the grant agreement. Also, funding under the grant will be paid in tranches, with the final element withheld until satisfactory completion along with all financial documents being received.

Plans for future periods

Future developments

Over the next year, the charity plans to continue activities in accordance with its charitable purposes, including investigating whether a brick laying and a basic electrical works training could be run in partnership with Makana Brick, a large clay brick producer based in Grahamstown/Makhanda. This project, postponed due the COVID 19 emergency, is likely to take place in early 2023.

Information on fundraising practices

The charity raises funds from the general public but obtains consent to contact supporters and potential donors and has privacy policy in place.

Employee involvement and employment of the disabled

The Charity does not have, and is not planning to have, any employees.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

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 period. In preparing these financial statements, the Trustees are required to:

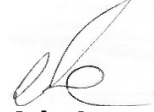
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, 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 Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. 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

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irregularities

This report was approved by the Trustees on 11th October 2022 and signed on their behalf by:



Ade Lusmore, Khanya Chair

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**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31 January 2022**

	Note	Total Funds 2022 £	Total Funds 2021 £
Income from:			
Donations	2a	8,176	4,303
Income from trading activities	2b	864	743
Total Income		<u>9,040</u>	<u>5,046</u>
Expenditure on:			
Charitable activities	3a	4,206	7,096
Fundraising	3b	-	-
Total Expenditure		<u>4,206</u>	<u>7,096</u>
Net income before other recognised gains and losses	5	4,834	- 2,050
Net movement in funds		4,834	- 2,050
Reconciliation of funds:			
Total funds brought forward		4,966	7,016
Total funds carried forward		<u>9,800</u>	<u>4,966</u>

All income and expenditure in the period was unrestricted.

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BALANCE SHEET
AS AT 31 January 2022

	Note	2022 £	2021 £
Current Assets			
Debtors	6	798	690
Cash at bank and in hand		9,002	8,177
		<u>9,800</u>	<u>8,867</u>
Creditors amounts falling due within 1 year	7	-	- 3,901
Net current assets		9,800	4,966
Net Assets		<u>9,800</u>	<u>4,966</u>
Charity Funds			
Unrestricted	8	9,800	4,966
Total Funds		<u>9,800</u>	<u>4,966</u>

The financial statements were approved and authorised for issue by the Trustees on 11th October 2022 and signed on their behalf, by:



Ade Lusmore, Khanya Chair

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 January 2022

1. Accounting Policies

Khanya is a Charitable Incorporated Organisation (registered number 1181592) which is incorporated and domiciled in the UK. The address of the registered office is 39 Strawberry Lane, Carshalton, SM5 2NG.

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Khanya meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

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. The Trustees will only commit additional grants once the relevant is secured. Thus the trustees have adopted the going concern basis of accounting in preparing the financial statements.

1.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Donations are recorded when receivable.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Direct costs are attributed directly to the charitable activity to which they relate.

Support costs are those costs incurred in support of expenditure on the objects of the charity.

Grants payable are charged in the period when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the period end are noted as a commitment, but not accrued as expenditure.

1.5 Debtors

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Trade and other debtors are recognised at the settlement amount after any discount offered.

1.6 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.7 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.8 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.9 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

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		Unrestricted Funds 2022	Unrestricted Funds 2021
2a Income from donations			
	Donations	<u>8,176</u>	<u>4,303</u>
2b Income from other trading activities			
	Fundraising event	<u>864</u>	<u>743</u>
		Unrestricted Funds 2022	Unrestricted Funds 2021
3a Expenditure on charitable activities			
	Grants payable (note 4)	<u>4,206</u>	<u>7,096</u>
		Unrestricted Funds 2022	Unrestricted Funds 2021
3b Expenditure on fundraising activities			
	Direct costs of fundraising event	<u>-</u>	<u>-</u>
		Unrestricted Funds 2022	Unrestricted Funds 2021
4 Grants payable			
	The Grahamstown project - carpentry training	-	675
	The Grahamstown project - sewing training	3,197	5,921
	The Grahamstown project - AMI intern placement	568	500
	Amasango school - craft materials	441	-
		<u>4,206</u>	<u>7,096</u>

5. Net income/(expenditure)

This is stated after charging:

None of the Trustees received any remuneration for their role in the period. None of the Trustees had any expenses paid or reimbursed in the period, except for any costs directly

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incurred by them for fundraising events.

		Unrestricted Funds 2022	Unrestricted Funds 2021
6 Debtors			
	GiftAid receivable	<u>798</u>	<u>690</u>
		Unrestricted Funds 2022	Unrestricted Funds 2021
7 Creditors	Amounts falling due within one year		
	Amasango school - craft materials	-	400
	The Grahamstown project - sewing training	-	3,001
	The Grahamstown project - AMI intern placement	<u>-</u>	<u>500</u>
		<u>-</u>	<u>3,901</u>

8. Statement of funds

	Balance at 31 January 2021 £	Income £	Expenditure £	Balance at 31 January 2022 £
Unrestricted funds				
	<u>4,966</u>		<u>(4,206)</u>	
General Funds - all funds	<u><u>4,966</u></u>	<u>9,040</u>	<u><u>(4,206)</u></u>	<u><u>9,800</u></u>