

Charity registration number 1185974

Company registration number 11496535 (England and Wales)

QHUBEKA UK
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

QHUBEKA UK

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr A A Fitzhenry Mr J N Ford S F T Phaweni R Wright
Secretary	Mr P M Shannon
Charity number	1185974
Company number	11496535
Registered office	26 Willingdon Road London N22 6SB
Independent examiner	Newton & Garner Limited Chartered Accountants 47 Topsfield Parade, Tottenham Lane Hornsey, London N8 8PT

QHUBEKA UK

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

The trustees present their annual 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 governing document, 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)" (effective 1 January 2019).

Objectives and activities

The charity's objects are the advancement of education, the prevent and relief of poverty, the promotion of conservation and environmental protection and the advancement of health in particular (but without limitation) in South Africa and neighbouring countries by the provision of bicycles.

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

Achievements and performance

Financial review

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

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 organisation is a charitable company limited by guarantee, incorporated on 2 August 2018 and registered as a charity on 24 October 2019. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its 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 A A Fitzhenry

Mr J N Ford

S F T Phaweni

R Wright

There shall be at least four Trustees, at least two of which should be Independent Trustees.

Any person who is willing to act as Trustee, and who would not be disqualified from acting under provision under the provisions of Article 27, may be appointed to be a Trustee by a decision of the Trustees but such a person shall not take office unless and until the appointment is confirmed in writing by Qhubeka South Africa.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

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

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

Mr J N Ford
Trustee

5 September 2022

QHUBEKA UK

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF QHUBEKA UK

I report to the trustees on my examination of the financial statements of QHUBEKA UK (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.

Newton & Garner Limited

Chartered Accountants
47 Topsfield Parade, Tottenham Lane
Hornsey, London
N8 8PT

Dated: 5 September 2022

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STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total Unrestricted funds 2021 £	2020 £
<u>Income from:</u>					
Donations and legacies	3	132,810	50,000	182,810	348,476
<u>Expenditure on:</u>					
Raising funds	4	5,226	-	5,226	45,509
Charitable activities	5	151,830	50,000	201,830	54,875
Total expenditure		157,056	50,000	207,056	100,384
Net (expenditure)/income for the year/ Net (outgoing)/incoming resources		(24,246)	-	(24,246)	248,092
Other recognised gains and losses					
Other gains or losses	10	(1,554)	-	(1,554)	-
Net movement in funds		(25,800)	-	(25,800)	248,092
Fund balances at 1 January 2021		274,720	-	274,720	26,628
Fund balances at 31 December 2021		248,920	-	248,920	274,720

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.

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BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Current assets					
Debtors	11	-		83,248	
Cash at bank and in hand		249,865		191,472	
		<u>249,865</u>		<u>274,720</u>	
Creditors: amounts falling due within one year	12	(945)		-	
		<u></u>		<u></u>	
Net current assets			248,920		274,720
			<u></u>		<u></u>
Income funds					
Unrestricted funds			248,920		274,720
			<u>248,920</u>		<u>274,720</u>
			<u></u>		<u></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 directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 5 September 2022

Mr J N Ford
Trustee

Company registration number 11496535

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

1 Accounting policies

Charity information

QHUBEKA UK is a private company limited by guarantee incorporated in England and Wales. The registered office is 26 Willingdon Road, London, N22 6SB.

1.1 Reporting period

The accounts are presented for the year ended 31st December 2021. The comparative period represents a 16 month period running from from 1st September 2019 to 31st December 2020.

1.2 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). 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 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.

1.3 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.

1.4 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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.5 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.

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

1 Accounting policies

(Continued)

1.6 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.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.7 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.

1.8 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.

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.

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

1 Accounting policies (Continued)

Derecognition of financial liabilities

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

1.9 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.

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.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds
	2021 £	2021 £	2021 £	2020 £
Donations and gifts	132,810	50,000	182,810	348,476

4 Raising funds

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Fundraising and publicity		
Staging fundraising events	3,527	4,771
Advertising	-	5,850
Other fundraising costs	1,699	12,295
Staff costs	-	22,593
Fundraising and publicity	5,226	45,509
	5,226	45,509

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

4 Raising funds (Continued)

5 Charitable activities

	Bicycle Programmes 2021 £	Bicycle Programmes 2020 £
Grant funding of activities (see note 6)	200,030	43,000
Share of governance costs (see note 7)	1,800	11,875
	<u>201,830</u>	<u>54,875</u>
Analysis by fund		
Unrestricted funds	151,830	54,875
Restricted funds	50,000	-
	<u>201,830</u>	<u>54,875</u>

6 Grants payable

	Bicycle Programmes 2021 £	Bicycle Programmes 2020 £
Grants to institutions (2 grants):		
Heroes on Bikes	-	43,000
Qhubeka Charity NPC	200,030	-
	<u>200,030</u>	<u>43,000</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 £	2020 £
Legal and professional	-	1,800	1,800	11,875
	-	1,800	1,800	11,875
Analysed between Charitable activities	-	1,800	1,800	11,875

8 Trustees

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

9 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Total	-	-
Employment costs	2021 £	2020 £
Wages and salaries	-	22,593

There were no employees whose annual remuneration was more than £60,000.

10 Other gains or losses

	Unrestricted funds	Total
	2021 £	2020 £
Foreign exchange gains	1,554	-

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

11 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	-	83,248
	<u> </u>	<u> </u>

12 Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	945	-
	<u> </u>	<u> </u>

13 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).