

**Registered number: 04797376**  
**Charity number: 1098422**

**Pestalozzi International Foundation**  
**(A company limited by guarantee)**

**Trustees' report and financial statements**

**For the year ended 31 August 2020**

**Pestalozzi International Foundation**  
**(A company limited by guarantee)**

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**Pestalozzi International Foundation**  
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**Chairman's statement**  
**For the year ended 31 August 2020**

The chairman presents his statement for the year.

It will come as no surprise that 2020 has been very challenging for the Pestalozzi International Foundation (PIF), its staff and Trustees.

Possibly the biggest challenge for PIF has been adapting to the rapidly changing fundraising environment. Many Trusts and Foundations that would normally be open to applications from PIF had either shut up shop for the duration or had re-focused on beneficiaries on the front-line of the Covid-19 crisis. The events that we had planned for the year fell away one by one, taking with them the associated fundraising opportunities. Our usual means of engaging face to face with individual donors became a thing of the past and we realised that we needed to completely re-think our fundraising strategy, focusing on the virtual platforms that we are all becoming more accustomed to. This has also allowed us to implement further cost-saving measures, ensuring that our expenses are kept to a minimum so that even more of the funds you have donated can be spent on the young people that are at the heart of PIF's work.

The Trustees noted in their report last year that the number of scholarships that PIF would be able to offer would be dependent upon the ability to fundraise for them. However Trustees also felt that it was appropriate to use the reserve created by the sale of the estate in 2019 to maintain student numbers.

We started the 2019/20 academic year in a flurry of excitement at the prospect of welcoming five new scholarship students to start the first semester of their International Baccalaureate Diploma at Atlantic College in Llanwit Major. Alvin, Aryan, Dechen, Kazembe and Rufaro quickly settled into their new surroundings in south Wales and began to thrive in the multi-faith, multi-cultural community that is at the heart of the United World Colleges network. Sadly the Covid-19 pandemic soon meant that these young people were heading home or to host families to continue their studies remotely. PIF of course provided all the resources necessary to enable these young people to access their course work online and I am delighted to say that they are now back in College with their peers ready for the rigors of their final year. They have been joined by 3 new PIF scholars, Aliza, Lionel and Devi who we welcome to the Pestalozzi family. We had actually awarded 5 new scholarships but sadly Hari and Brallen were unable to make it to the UK due to the current coronavirus restrictions. We have deferred their awards for a year and look forward to meeting them in 2021.

As a Trustee one of the most exciting aspects of my role is reviewing all of the applications from our alumni to the Pestalozzi Development Fund. The quality and variety of the projects presented to the Board demonstrates very clearly just how well invested every PIF scholarship is. Being able to provide small amounts of funding to alumni means they can start giving back to their communities much more quickly than they might otherwise be able to. I would like to highlight just two of these many projects.

Ugandan alumnus Arnold Katende presented an application for Joint Organic Aquaponics, a social enterprise focused on growing fish and plants together in a constructed eco-system using fish waste as plant nutrients. The project will use recyclable materials, solar panels and 90% less water to grow fish and vegetables for the local community reducing food shortages. Aquaponic farming has no weeds, no chemicals and is far more productive than conventional agriculture. Arnold has already acquired the 2 acres of land, cleared up the land for the erection of the greenhouse, installed a water tank to harvest rainwater, installed electricity to power the project and set up a website.

We received an application from Nepalese alumni to set up the web-based BloomED project allowing students to practice on-line for their Secondary Education Examination. The web-based platform has been carefully optimised to understand the learning needs of students and create personalised learning paths and goals and the majority of the content is freely available for all students taking SEE. The grant from the Pestalozzi Development Fund will be used for class 10 specifically and all of the content created under this category will be distributed for free. There are already more than 1000 registered users.

The Board of Trustees carefully monitors every project supported by the Pestalozzi Development Fund and is proud to share these amazing success stories with all those donors who have made them possible.

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**Chairman's statement (continued)**  
**For the year ended 31 August 2020**

I would like to conclude my report with thanks to all those who have worked so hard to ensure that Pestalozzi has been able to transition into the new programme so effectively. I should particularly acknowledge the efforts of two people in this regard. Mags Alexander in her role as Student Scholarship, Alumni Liaison and Development Fund Manager has been integral to the development of the partnership with UWCI and the success of the Pestalozzi Development Fund. Susan Walton, who retired from her role as CEO in August 2019, agreed to join the Board in October of that year and then stepped up as Chairman to see us safely through the early and difficult stages of the current pandemic. We thank both Mags and Susan for their dedication and support.

We also thank our donors and supporters who have stood by us over the past year. We could not do what we do without you and all the success stories that we share through PIF's Newsletters, Facebook posts and website are due to your continued generosity. Thank you.

We remain proud of PIF's work, and we are excited about the charity's future prospects. We have a very impressive body of alumni whose achievements would not have been possible without the support of a great many people – staff, volunteers, supporters and donors. I must acknowledge the continued contribution of the University of Brighton and the University of Lincoln who have so generously granted undergraduate scholarships to Pestalozzi alumni.

I would also like to thank my fellow Trustees for their help and support. We are all committed to securing the future of the Pestalozzi International Foundation and look forward to continuing to support our students (and entrepreneurs) over the coming year.



A Eckhoff  
Chairman  
Date: 25 March 2021

**Pestalozzi International Foundation**  
**(A company limited by guarantee)**

**Trustees' report**  
**For the year ended 31 August 2020**

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<b>Patron</b>	HRH The Duke of Gloucester KG GCVO
<b>Trustees</b>	Mr Dan Bennett (To March 2020) Ms Linda Blank (From April 2020) Ms Alexandra de Meyrick (To July 2020) Mr David Dixson (From September 2020) Mr Aaron Eckhoff (Chair from November 2020) Ms Sandra Elkins (To July 2020) Mr Martyn Forster (To March 2020) Mrs Carol Hodgson (To March 2020) Mr David Little Mr Pradeep Subedi (From July 2020) Mrs Susan Walton (Chair From March 2020 to November 2020) Mr Mark Stanton (From January 2021)
<b>Institutional Members</b>	HE Gaitri Issar Kumar – Indian High Commissioner HE Ms Perla Maria Perdomo – Belizean High Commissioner Mr SonamTsering Frasi – Representative of HH The Dalai Lama HE Lieutenant General Paul Mihova (Rtd) – Zambian High Commissioner Mr Michael Rutland OBE – Bhutanese Honorary Consul HE Dr Rizal Sukma – Indonesian Ambassador HE Mr Julius Peter Moto – Ugandan High Commissioner HE Dr Durga Bahadur Subedi – Nepalese Ambassador HE Colonel Christian Katsande – Zimbabwean Ambassador
<b>Company Secretary</b>	Mrs Susan Walton (To November 2020)
<b>Senior Management</b>	Ms Margaret Alexander – Student Scholarship, Alumni Liaison and Dev. Fund Mgr. Ms Lesley Russell Dean – Chief Operating Officer (To March 2020)
<b>Bankers</b>	Barclays Bank plc 207 208 Queens Road, Hastings, East Sussex TN34 1QP
<b>Auditors</b>	Kreston Reeves LLP Chartered Accountants Statutory Auditors 37 St Margaret's Street, Canterbury, Kent CT1 2TU
<b>Registered Office</b>	First Floor, 10 Queen Street Place, London, EC4R 1BE
<b>Charity Number</b>	1098422
<b>Company Number</b>	04797376

**Pestalozzi International Foundation**  
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**Trustees' report (continued)**  
**For the year ended 31 August 2020**

The Trustees present their annual report together with the audited financial statements of the charity for the year 1 September 2019 to 31 August 2020. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable 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 (FRS102) (effective 1 January 2019).

Since the charity qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

**Constitution**

Pestalozzi International Village Trust (PIVT) was constituted and incorporated in England and Wales on 12 June 2003 and on 1 September 2003 took over the activities, assets and liabilities of the Pestalozzi Children's Village Trust (PCVT), which had been formed under a Trust Deed dated 30 November 1957. In April of 2019, following the sale of the Pestalozzi Village PIVT registered a change of name to Pestalozzi International Foundation (PIF) to more accurately reflect the nature of its operations. PIF is both a registered charity (1098422) and a limited company (04797376).

**Objectives and activities**

**a. Policies and objectives**

In setting objectives and planning for activities, the Trustees have given due consideration to the general guidance published by the Charity Commission relating to public benefit. PIF promotes the educational philosophy of Johann Heinrich Pestalozzi (1746 – 1827), of which the principle component is the concept of a balanced programme of education 'for the head, heart and hands'.

PIF awards scholarships to exceptional 16-19 year olds who are academically gifted but have limited educational prospects in their home countries. All these young people have demonstrated their enthusiasm for helping to make a difference in their communities.

From 1997 until 2019 PIF students spent the two years of their scholarship residing in a multi cultural, multi faith community in East Sussex, UK. From the academic year 2019/2020 Pestalozzi scholars have been studying the International Baccalaureate as residential students at Atlantic College, in south Wales. Atlantic College is part of the United World Colleges International (UWCI) network. UWCI embraces a very wide range of nationalities within its student body helping them to understand and embrace their differences, breaking down cultural and religious barriers.

A PIF scholarship provides young people with an opportunity they would not otherwise receive – the chance to develop their potential and make a real and lasting difference in the world. In order to facilitate this in 2019 PIF's Trustees inaugurated the Pestalozzi Development Fund with the intention to provide small amounts of seed funding to enable Pestalozzi alumni to set up their own charities or social enterprises. The Trustees undertake a rigorous review of every application and award grants to those projects that they believe will deliver the real and lasting differences in the communities that Pestalozzi alumni serve.

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**Trustees' report (continued)**  
**For the year ended 31 August 2020**

**Objectives and activities (continued)**

**b. Volunteers and Fundraising**

PIF has felt the impact of the Covid-19 pandemic in the areas of volunteering and fundraising with many activities necessarily curtailed. The cancellation of the London Marathon, the Hastings Half Marathon and all speaking engagements from March 2020 onwards has led to reduced income for the year. The Trustees would like to record their thanks to the volunteers who have been able to support PIF throughout this difficult period.

Furthermore, the Trustees remain grateful for the ongoing support of all who provide PIF with much needed funding in what continues to be a difficult time for many voluntary organisations.

The Trustees were delighted to receive the generous support of the Rayne Foundation as well as the Potterspurty Lodge Trust and the Big Give. PIF was also the beneficiary of donated services from Pearls of Wisdom and GoogleAds. The Trustees are extremely grateful to other Trusts, Foundations, Friends of Pestalozzi groups, regular givers and alumni, along with Trustees and staff for all their support during the year.

The Trustees seek to ensure that all fundraising activities by PIF are undertaken with integrity and in a highly professional manner. PIF does not engage external professional fund raisers or commercial participators.

PIF's focus is on providing its supporters with information about the students via regular newsletters and by participating in events and undertaking speaking engagements to community groups UK wide. PIF seeks to develop new contacts as well as maintaining good relationships with existing supporters.

Many individuals and organisations such as our Friends' Groups raise funds for PIF. PIF seeks to instill in these individuals and groups, standards of fundraising equivalent to those applied to its own campaigns. PIF strives to adhere to recognised fundraising standards as set by the government and related bodies, in particular The Charities (Protection and Social Investment) Act 2016.

PIF does not indulge in, nor tolerate, aggressive campaigning. Furthermore, to protect vulnerable people and other members of the public we do not share database information. We are pleased to report that no complaints about our fundraising have been notified to the Trustees during the year.

**Achievements and performance**

**a. Main achievements of the charity**

PIF supported 5 students to the end of the academic year 2019/20 with scholarships to Atlantic College. These young people were selected from India, Tibet, Uganda, Zambia and Zimbabwe. This reduction in numbers reflects the Board's decision to sell the Pestalozzi estate and develop a new and more cost effective way of providing scholarships in partnership with UWCI. These young people undertook the majority of the first two semesters of their International Baccalaureate Diploma at Atlantic College but due to the restrictions imposed as a result of the Covid-19 pandemic had to complete the first year of their studies remotely.

It had been intended to provide scholarships for a further 5 students to begin studies in the academic year 2020/21. Unfortunately the difficulties presented by the Covid-19 pandemic meant that only 3 of these young people, those from Indonesia, Nepal and Uganda, have been able to take up their places. The Trustees have agreed to defer the remaining 2 scholarships for students from Belize and Bhutan until the beginning of the academic year 2021/22.

Regular reports and updates are received from alumni, generally via social media, thus helping the Trustees measure and monitor the outcomes of the scholarship programme and its impact on society. Measuring this impact remained a key focus of 2019/20 and work continues to demonstrate how our alumni are making a difference in the world. In order to maintain that contact more directly PIF secured the services of an ex-member of Student Programme staff to undertake a series of meetings with alumni across the USA, Nepal and India. This contact has led to several applications to the Pestalozzi Development Fund as well as success stories for the re-vitalised and re-branded Pestalozzi Newsletter.

**Pestalozzi International Foundation**  
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**Trustees' report (continued)**  
**For the year ended 31 August 2020**

**Achievements and performance (continued)**

Pestalozzi alumni continue to secure undergraduate places at prestigious universities around the world as well as funding to study for Masters degrees and PhD's. In 2019 students secured full scholarships for undergraduate studies to institutions including Harvard, MIT, Wellesley College, Mount Holyoke, Wisconsin Madison, Connecticut College, Berea College, University of Edinburgh and the University of Lincoln.

**Financial review**

**a. Going concern**

The financial statements have been prepared on a going concern basis. While the impact of the Covid-19 virus has been assessed by the trustees, so far as reasonable possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcome on the charity's activities and its partners. However, taking into consideration the UK Government's response and the charity's planning, the trustees have a reasonable expectation that the charity will continue in operational existence for the foreseeable future and achieve its charitable aims.

**b. Reserves policy**

The charity's free reserves as at 31 August 2020 showed a surplus of £2,263,974 (2019: £2,490,696) following the liquidation of the designated fund relating to the fixed assets. The Trustees have long recognised the need to hold reserves sufficient to ensure that the costs of each two year scholarship are fully covered. The fact that this could not be achieved through fund raising alone was a key consideration in the Trustees' decision to liquidate the fixed assets and instigate a change in the scholarship programme to ensure that student numbers could be flexed up or down to match resources.

**c. Financial review**

Total income for the year amounted to £194,898 (2019: £522,129) and included £45,961 (2019: £46,215) received from legacies. There were total outgoings of £421,620 (2019: £829,936). A total of £350,393 (2019: £708,729) was expended on the student programme, representing 83% (2019: 85%) of expenditure.

Net resources for the year showed a deficit of £226,722 (2019: deficit of £307,807). The detailed Financial Statements are set out on pages 15 to 34.

PIF's subsidiary Pestalozzi Enterprises Limited (PEL) is non trading and provided no contribution to the charity during 2019/20.

**d. Investments policy**

The liquid assets of PIF comprise cash held in bank current and deposit accounts to meet the charity's short and medium term needs. Generally the Trustees adopt a low risk investment strategy.



**Pestalozzi International Foundation**  
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**Trustees' report (continued)**  
**For the year ended 31 August 2020**

**Structure, governance and management**

**a. Constitution**

As a company limited by guarantee, PIF's governing documents are its Memorandum and Articles of Association. The Articles of Association were amended in July 2019 to reflect the fact that PIF no longer owns the Pestalozzi Village, to enable the distribution of monies under the Pestalozzi Development Fund programme and to adopt Charity Commission best practice. The charity is administered by a Board of Trustees, which consists of not less than three persons and currently stands at five. All Trustees are also directors of the charitable company for the purposes of the Companies Act. Furthermore, all Trustees are the members of the Council. Council Members are the members of the company under the company's articles of association.

**b. Methods of appointment or election of Trustees**

The current Trustees are listed on page 1.

A minimum of four meetings of the Board of Trustees are held during the year. As Board meetings had been scheduled monthly to address all the issues associated with the development of the new programme with UWCI and those presented by the Covid-19 pandemic the sub committees that had been running in previous years were disbanded.

The skills, interests and expertise of the Trustees are reviewed regularly and any skills gaps are addressed through training and recruitment. The Board reviews applications for membership to the Board of Trustees. It considers the skill sets required for the sound governance of the charity and succession planning within the Board of Trustees. One third of Trustees retire from office at each AGM but may stand for re election. Trustees must step down from the Board when they have served for three consecutive three year terms.

There is a formal induction and training programme for Trustees, and a regular review of governance procedures. All Trustees are made aware of relevant governance documentation and are provided with training opportunities as required.

The Trustees, who have overall responsibility for the charity, currently delegate the day to day operational management of PIF to the senior staff member i.e. the Student Scholarship, Alumni Liaison and Development Fund Manager for Student Programme-related matters and the Office Manager for administration matters.

**Pestalozzi International Foundation**  
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**Trustees' report (continued)**  
**For the year ended 31 August 2020**

**Structure, governance and management (continued)**

**c. Pay policy for senior staff**

PIF seeks to ensure that its remuneration policy and practices are compatible with effective risk management. This is done by embedding the following principles into its Pay Policy:

- remuneration is compatible with the risk management and risk tolerance of the charity;
- remuneration supports the charity's strategy, objectives, values and long term interests; and
- employees in senior positions have appropriate authority and are remunerated adequately in line with their roles.

This policy aims to attract and retain people with the right mix of skills and experience who share the charity's values and are prepared to work together as a team.

To put this policy into practice, appropriate levels of remuneration must be taken into account. The Trustees benchmark the pay of senior staff by reference to Croner's Pay and Benefits taking account of the nature and location of the charity's work.

The Trustees maintain oversight and control over all staff salaries to ensure pay levels remain fair and reasonable. In addition to public holidays, full time staff receive 20 days annual leave per calendar year. This is adjusted pro rata as required for part time personnel and joiners/leavers. Staff are invited to join the organisation's auto enrolment pension scheme when reaching the eligibility criteria.

The Trustees approve and review annually the general principles of the remuneration policy. Salaries are reviewed annually but must be affordable given the financial performance of the charity. Pestalozzi is proud to be a member of the Living Wage Foundation and the charity has budgeted for all personnel to receive the "living wage" as a minimum work reward.

**d. Risk**

With the majority of income derived from voluntary contributions, funding remains the principal uncertainty facing PIF. In 2018 the Trustees had taken steps to mitigate that risk by agreeing to change the way in which PIF's charitable objectives are delivered. In 2019 the estate in Sedlescombe was sold and PIF entered into an agreement with UWCI to provide fully funded scholarships for students meeting PIF's selection criteria. The new scholarship programme required a smaller team encompassing fundraising, marketing, alumni liaison and selection staff with some administration support. The staff complement was reduced to a headcount of 6 people delivering approximately 4.5 full time equivalent hours.

The Covid-19 pandemic has affected PIF in a number of ways from the reduced ability to fundraise to restrictions in travel affecting student recruitment and of course inevitable changes in day-to-day working practices. There is a specific risk register for PIF's Covid-19 related risks. The health and safety of the staff remains a priority for the Board of Trustees and safe working practices for both office and home-based staff were documented and implemented ahead of the first national lockdown in March 2020. Remote working has been adopted where possible and appropriate hygiene and social distancing measures are applied in PIF's offices. All Board and Committee meetings are being conducted via electronic means. Government guidance and regulation relating to the risks associated with the pandemic has been subject to frequent change and is regularly reviewed by the Board of Trustees. Trustees have also attended relevant webinars in order to ensure that best practice is adopted in all areas of PIF's Covid-19 related risk management.

The Board of Trustees are now directly responsible for all of the matters that had been delegated to sub committees. A risk register notes potential areas of risk and their severity. A rolling programme of review is undertaken by the staff and the Trustees and systems and procedures have been established to manage identified risks.

**Pestalozzi International Foundation**  
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**Trustees' report (continued)**  
**For the year ended 31 August 2020**

**Plans for future periods**

The Trustees agreed in 2018 that net proceeds from the sale of the estate would be used to do two things.

The first of these was to set up a scholarship programme with an organisation that shared PIF's ethos and values. Negotiations with UWCI were concluded in April 2019 and the first 5 students to be selected under the new scholarship programme began their courses in September 2019. The second cohort of 5 students was due to commence their courses in September 2020. Unfortunately the impact of the Covid-19 pandemic has meant that only 3 of these first year students have been able to take up their scholarships, the other 2 being deferred to 2021.

The joint venture with UWCI enables PIF to continue to provide the final two years of high quality secondary education to academically gifted young people from some of the world's poorest communities. The Trustees recognised that the scale of this programme would be entirely dependent upon successful fundraising. After 12 months of the new operation and an assessment of the impact of the Covid-19 pandemic on PIF's income it became apparent that traditional forms of fundraising were no longer appropriate. After careful consideration the Trustees agreed to focus on securing donations through digital means making the best use of PIF's online platforms. The consequent re-shaping of the staff team has also allowed savings to be made in relation to staff costs.

The second use for the sales proceeds from the estate was to set up a Development Fund to allow Pestalozzi alumni to access seed capital for their own charitable or social enterprises. The Development Fund has already allowed PIF to demonstrate very clearly the wider positive impacts of the Pestalozzi scholarship programme and how our alumni add value in both their work and their charitable endeavours. The first awards were made in 2020 supporting a wide variety of projects. The details of this fund are available on PIF's website.

**Statement of Trustees' responsibilities**

The Trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 and 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 Companies Act 2006. 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 irregularities.

**Pestalozzi International Foundation**  
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**Trustees' report (continued)**  
**For the year ended 31 August 2020**

**Disclosure of information to auditors**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

**Auditors**

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 25 March 2021 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'A Eckhoff', with a stylized flourish at the end.

**A Eckhoff**  
(Chair of Trustees)

**Pestalozzi International Foundation**  
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**Independent auditors' report to the Members of Pestalozzi International Foundation**

**Opinion**

We have audited the financial statements of Pestalozzi International Foundation (the 'charity') for the year ended 31 August 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Pestalozzi International Foundation**  
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**Independent auditors' report to the Members of Pestalozzi International Foundation (continued)**

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

**Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Independent auditors' report to the Members of Pestalozzi International Foundation (continued)**

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Pestalozzi International Foundation**  
**(A company limited by guarantee)**

**Independent auditors' report to the Members of Pestalozzi International Foundation (continued)**

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Handwritten signature in black ink that reads "Kreston Reeves LLP".

**Samantha Rouse FCCA DChA (Senior statutory auditor)**

for and on behalf of  
**Kreston Reeves LLP**

Chartered Accountants  
Statutory Auditors

Canterbury

26 March 2021



**Pestalozzi International Foundation**  
**(A company limited by guarantee)**

**Statement of financial activities (incorporating income and expenditure account)**  
**For the year ended 31 August 2020**

	Note	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>				
Donations and legacies	3	185,086	185,086	498,675
Other trading activities	4	700	700	21,009
Investments	5	9,112	9,112	2,445
		<u>194,898</u>	<u>194,898</u>	<u>522,129</u>
<b>Total income</b>				
<b>Expenditure on:</b>				
Raising funds	6	71,227	71,227	90,441
Charitable activities	8	350,393	350,393	708,729
Other expenditure	9	-	-	30,766
		<u>421,620</u>	<u>421,620</u>	<u>829,936</u>
<b>Total expenditure</b>				
		<u>(226,722)</u>	<u>(226,722)</u>	<u>(307,807)</u>
<b>Net movement in funds</b>				
<b>Reconciliation of funds:</b>				
Total funds brought forward		2,490,696	2,490,696	2,798,503
Net movement in funds		(226,722)	(226,722)	(307,807)
		<u>2,263,974</u>	<u>2,263,974</u>	<u>2,490,696</u>
<b>Total funds carried forward</b>				

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

The notes on pages 17 to 34 form part of these financial statements.

**Pestalozzi International Foundation**  
**(A company limited by guarantee)**  
**Registered number: 04797376**

**Balance sheet**  
**As at 31 August 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	14	3,351	5,027
Investments	15	2	2
		<u>3,353</u>	<u>5,029</u>
<b>Current assets</b>			
Debtors	16	4,518	7,823
Cash at bank and in hand		2,270,777	2,536,775
		<u>2,275,295</u>	<u>2,544,598</u>
Creditors: amounts falling due within one year	17	(12,811)	(58,931)
<b>Net current assets</b>		<u>2,262,484</u>	<u>2,485,667</u>
<b>Total assets less current liabilities</b>		<u>2,265,837</u>	<u>2,490,696</u>
Provisions for liabilities		(1,863)	-
<b>Total net assets</b>		<u><u>2,263,974</u></u>	<u><u>2,490,696</u></u>
<b>Charity funds</b>			
Restricted funds	19	-	-
Unrestricted funds	19	2,263,974	2,490,696
<b>Total funds</b>		<u><u>2,263,974</u></u>	<u><u>2,490,696</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees on 25 March 2021 and signed on their behalf by:

  
**A Eckhoff**

The notes on pages 17 to 34 form part of these financial statements.

**Pestalozzi International Foundation**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 August 2020**

**1. General information**

Pestalozzi International Foundation is a company, limited by guarantee, with a company registration number of 04797376, which is incorporated in England and Wales.

The charity's registered office is First Floor, 10 Queen Street Place, London, EC4R 1BE.

The charitable activities of the charity is to promote the educational philosophy of Johann Heinrich Pestalozzi, by awarding scholarships to exceptional 16-19 year old who are academically gifted by have limited educational prospects in their home countries.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Pestalozzi International Foundation 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.

**2.2 Company status**

Pestalozzi International Foundation is a company limited by guarantee. The members of the company are the Trustees and Council Members named on page 3. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per Council Member.

**2.3 Going concern**

The financial statements have been prepared on a going concern basis. While the impact of the Covid-19 virus has been assessed by the trustees, so far as reasonable possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcome on the charity's activities and its partners. However, taking into consideration the UK Government's response and the charity's planning, the trustees have a reasonable expectation that the charity will continue in operational existence for the foreseeable future and achieve its charitable aims.

**2.4 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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**Notes to the financial statements**  
**For the year ended 31 August 2020**

**2. Accounting policies (continued)**

**2.5 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.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the charity, can be reliably measured.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**2.6 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 allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

**Notes to the financial statements**  
**For the year ended 31 August 2020**

**2. Accounting policies (continued)**

**2.6 Expenditure (continued)**

Grants payable are charged in the year 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 year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

**2.7 Government grants**

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

**2.8 Tangible fixed assets and depreciation**

Tangible fixed assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	-	25%
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

**2.9 Investments**

Investments in subsidiaries are valued at cost less provision for impairment.

**2.10 Operating leases**

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

**2.11 Deferred income**

In accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" effective 1 January 2015, grants received in advance and specified by the donor as relating to specific accounting periods or alternatively which are subject to conditions which are still to be met, and which are outside the control of the charity or where it is uncertain whether the conditions can or will be met, are deferred on an accruals basis to the period in which they relate. Such deferrals are included in creditors in the financial statements.

**Pestalozzi International Foundation**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 August 2020**

**2. Accounting policies (continued)**

**2.12 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company, this is normally upon notification of the interest paid or payable by the Bank.

**2.13 Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**2.14 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.15 Provisions**

Provisions are recognised when the charity has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**2.16 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.

**2.17 Liabilities**

Liabilities and provisions 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.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

**2.18 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**Pestalozzi International Foundation**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 August 2020**

**2. Accounting policies (continued)**

**2.19 Pensions**

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

**2.20 Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statement requires key management to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates. In the opinion of the key management the charity does not have any material key sources of estimation uncertainty.

**3. Income from donations and legacies**

	<b>Restricted funds 2020 £</b>	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Donations	-	131,625	<b>131,625</b>
Legacies	-	45,961	<b>45,961</b>
Grants	-	7,500	<b>7,500</b>
Government grants	-	-	-
	<u>-</u>	<u>185,086</u>	<u><b>185,086</b></u>
	<u>-</u>	<u>185,086</u>	<u><b>185,086</b></u>

  

	<b>Restricted funds 2019 £</b>	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>
Donations	277,446	168,015	445,461
Legacies	-	46,215	46,215
Government grants	-	6,999	6,999
	<u>277,446</u>	<u>221,229</u>	<u>498,675</u>
	<u>277,446</u>	<u>221,229</u>	<u>498,675</u>

**Pestalozzi International Foundation**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 August 2020**

**4. Income from other trading activities**

**Income from fundraising events**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Rental income	700	<b>700</b>

	Unrestricted funds 2019 £	Total funds 2019 £
Events	994	994
Rental income	9,806	9,806
Estate grants	7,797	7,797
Miscellaneous income	2,226	2,226
Merchandise	186	186
	<u>21,009</u>	<u>21,009</u>

**5. Investment income**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Bank deposit interest received	9,112	<b>9,112</b>

	Unrestricted funds 2019 £	Total funds 2019 £
Bank deposit interest received	2,445	2,445



**Pestalozzi International Foundation**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 August 2020**

**6. Expenditure on raising funds**

**Costs of raising voluntary income**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Fundraising publicity	11,061	<b>11,061</b>
Costs of fundraising activities	5,036	<b>5,036</b>
Wages and salaries	51,403	<b>51,403</b>
Employers national insurance	3,727	<b>3,727</b>
	<u>71,227</u>	<u><b>71,227</b></u>

	Unrestricted funds 2019 £	Total funds 2019 £
Fundraising publicity	11,880	11,880
Costs of fundraising activities	6,221	6,221
Wages and salaries	54,973	54,973
Employers national insurance	4,094	4,094
	<u>77,168</u>	<u>77,168</u>

**Pestalozzi International Foundation**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 August 2020**

**6. Expenditure on raising funds (continued)**

**Fundraising trading expenses**

		<b>Total funds 2020 £</b>
Fundraising expenditure		-
		<u><u>          </u></u>
	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>
Fundraising expenditure	13,273	13,273
	<u><u>          </u></u>	<u><u>          </u></u>

**7. Analysis of grants**

	<b>Grants to Individuals 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Pestalozzi Development Fund grants	27,550	<b>27,550</b>	-
	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>

**Pestalozzi International Foundation**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 August 2020**

**8. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Student programme	350,393	<b>350,393</b>

	<b>Restricted funds 2019 £</b>	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>
Student programme	277,446	431,283	708,729

**9. Other expenditure**

	<b>Total funds 2020 £</b>
	-

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>
Interest payable	23,767	23,767
Deemed notional interest on beneficial loan	6,999	6,999
	<b>30,766</b>	<b>30,766</b>

**10. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2020 £</b>	<b>Grant funding of activities 2020 £</b>	<b>Support costs 2020 £</b>	<b>Total funds 2020 £</b>
Student programme	237,515	27,550	85,328	<b>350,393</b>

**Pestalozzi International Foundation**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 August 2020**

**10. Analysis of expenditure by activities (continued)**

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Student programme	373,528	335,201	708,729

**Analysis of direct costs**

	<b>Student programme 2020 £</b>	<b>Total funds 2020 £</b>
Staff costs	52,137	<b>52,137</b>
Premises costs	5,168	<b>5,168</b>
Other direct costs including tuition	180,210	<b>180,210</b>
	<u>237,515</u>	<u><b>237,515</b></u>

	Student programme 2019 £	Total funds 2019 £
Staff costs	257,555	257,555
Premises costs	127,950	127,950
Other direct costs including tuition	130,874	130,874
Profit on disposal of fixed assets	(142,851)	(142,851)
	<u>373,528</u>	<u>373,528</u>

**Pestalozzi International Foundation**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 August 2020**

**10. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Student programme 2020 £</b>	<b>Total funds 2020 £</b>
Staff costs	29,680	<b>29,680</b>
Depreciation	1,676	<b>1,676</b>
Indirect employee costs	1,847	<b>1,847</b>
General administrative expenses	22,016	<b>22,016</b>
Professional fees	8,095	<b>8,095</b>
Rent	13,207	<b>13,207</b>
Audit and accountancy fees	8,807	<b>8,807</b>
	<u>85,328</u>	<u><b>85,328</b></u>

	Student programme 2019 £	Total funds 2019 £
Staff costs	106,813	106,813
Depreciation	46,854	46,854
Indirect employee costs	2,239	2,239
General administrative expenses	20,785	20,785
Professional fees	117,263	117,263
Rent	30,898	30,898
Audit and accountancy fees	10,349	10,349
	<u>335,201</u>	<u>335,201</u>

**11. Auditors' remuneration**

	<b>2020 £</b>	2019 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	<b>5,000</b>	6,360
Fees payable to the charity's auditor in respect of: All non-audit services not included above	<b>3,807</b>	3,600
	<u><b>3,807</b></u>	<u>3,600</u>

**Pestalozzi International Foundation**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 August 2020**

**12. Staff costs**

	<b>2020</b>	2019
	<b>£</b>	<b>£</b>
Wages and salaries	<b>124,293</b>	386,067
Social security costs	<b>9,576</b>	30,956
Contribution to defined contribution pension schemes	<b>3,078</b>	6,412
	<b>136,947</b>	423,435

The average number of persons employed by the charity during the year was as follows:

	<b>2020</b>	2019
	<b>No.</b>	<b>No.</b>
Employees	<b>6</b>	22

The average headcount expressed as full-time equivalents was:

	<b>2020</b>	2019
	<b>No.</b>	<b>No.</b>
	<b>4</b>	13

No employee received remuneration amounting to more than £60,000 in either year.

The Trustees and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the charity are considered to be key management personnel. As noted in note 12, no Trustees received any remuneration during the year (2019: £NIL) and the total remuneration in respect of the Senior Management Team is £56,695 (2019: £143,282).

**13. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

**Pestalozzi International Foundation**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 August 2020**

**14. Tangible fixed assets**

	<b>Computer equipment £</b>
<b>Cost or valuation</b>	
At 1 September 2019	<u>5,027</u>
At 31 August 2020	<u>5,027</u>
<b>Depreciation</b>	
Charge for the year	<u>1,676</u>
At 31 August 2020	<u>1,676</u>
<b>Net book value</b>	
At 31 August 2020	<u><u>3,351</u></u>
At 31 August 2019	<u><u>5,027</u></u>

**15. Fixed asset investments**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 September 2019	<u>2</u>
<b>At 31 August 2020</b>	<u><u>2</u></u>
<b>Net book value</b>	
<b>At 31 August 2020</b>	<u>2</u>
At 31 August 2019	<u><u>2</u></u>

**Pestalozzi International Foundation**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 August 2020**

**16. Debtors**

	<b>2020</b>	2019
	£	£
<b>Due within one year</b>		
Trade debtors	-	2,525
Other debtors	-	18
Prepayments and accrued income	<b>4,518</b>	5,280
	<b>4,518</b>	7,823
	<u><u>4,518</u></u>	<u><u>7,823</u></u>

**17. Creditors: Amounts falling due within one year**

	<b>2020</b>	2019
	£	£
Bank overdrafts	-	14,869
Trade creditors	<b>1,507</b>	14,512
Amounts owed to group undertakings	<b>2</b>	2
Other taxation and social security	<b>2,350</b>	15,494
Other creditors	<b>800</b>	3,943
Accruals and deferred income	<b>8,152</b>	10,111
	<b>12,811</b>	58,931
	<u><u>12,811</u></u>	<u><u>58,931</u></u>

**18. Provisions**

	<b>Redundancy provision</b>
	£
Additions	<b>1,863</b>
	<u><u>1,863</u></u>

**Redundancy provision**

At the year ended 31 August 2020, a decision was made to make two staff redundant and therefore a provision has been recognised.



**Pestalozzi International Foundation**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 August 2020**

**19. Statement of funds**

**Statement of funds - current year**

	<b>Balance at 1 September 2019 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Balance at 31 August 2020 £</b>
<b>Unrestricted funds</b>				
General Funds	<b>2,490,696</b>	<b>194,898</b>	<b>(421,620)</b>	<b>2,263,974</b>

**Statement of funds - prior year**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Designated Funds	2,930,120	-	-	(2,930,120)	-
<b>General funds</b>					
General Funds	(131,617)	244,702	(552,509)	2,930,120	2,490,696
<b>Total Unrestricted funds</b>	<b>2,798,503</b>	<b>244,702</b>	<b>(552,509)</b>	<b>-</b>	<b>2,490,696</b>
<b>Restricted funds</b>					
Restricted Funds	-	277,446	(277,446)	-	-
<b>Total of funds</b>	<b>2,798,503</b>	<b>522,148</b>	<b>(829,955)</b>	<b>-</b>	<b>2,490,696</b>

**Prior year transfer between funds**

Income and expenditure reserves - the transfer is of £2,930,120 is from the designated land and buildings fixed asset fund. This transfer represents the movement in the land and buildings fixed assets during the year together with any repayments made to associated liabilities. The substantial transfer has arisen following the sale of the freehold land and buildings during the year. At the end of the financial year the balance on the fund is nil due to the net book value of land and buildings being nil.

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**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 August 2020**

**20. Summary of funds**

**Summary of funds - current year**

	<b>Balance at 1 September 2019 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Balance at 31 August 2020 £</b>
General funds	<b>2,490,696</b>	<b>194,898</b>	<b>(421,620)</b>	<b>2,263,974</b>

**Summary of funds - prior year**

	<b>Balance at 1 September 2018 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers in/out £</b>	<b>Balance at 31 August 2019 £</b>
Designated funds	2,930,120	-	-	(2,930,120)	-
General funds	(131,617)	244,702	(552,509)	2,930,120	2,490,696
Restricted funds	-	277,446	(277,446)	-	-
	<b>2,798,503</b>	<b>522,148</b>	<b>(829,955)</b>	<b>-</b>	<b>2,490,696</b>

**21. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Tangible fixed assets	3,351	<b>3,351</b>
Fixed asset investments	2	<b>2</b>
Current assets	2,275,295	<b>2,275,295</b>
Creditors due within one year	(12,811)	<b>(12,811)</b>
Provisions for liabilities and charges	(1,863)	<b>(1,863)</b>
<b>Total</b>	<b>2,263,974</b>	<b>2,263,974</b>

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**21. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior period**

	Endowment funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	5,027	5,027
Fixed asset investments	2	-	2
Current assets	-	2,544,598	2,544,598
Creditors due within one year	(2)	(58,929)	(58,931)
<b>Total</b>	<u>-</u>	<u>2,490,696</u>	<u>2,490,696</u>

**22. Pension commitments**

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £3,078 (2019 - £6,412). Contributions totalling £728 (2019 - £2,636) were payable to the fund at the balance sheet date and are included in creditors.

**23. Operating lease commitments**

At 31 August 2020 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2020</b> £	2019 £
Not later than 1 year	<b>11,803</b>	11,803
Later than 1 year and not later than 5 years	<b>10,178</b>	21,639
	<u><b>21,981</b></u>	<u>33,442</u>

**24. Related party transactions**

During the year ended 31 August 2020 donations totalling £4,670 (2019: £26,419) were received from the Trustees and other related parties.

During the year, a close family member of a trustee was employed by the charity and received compensation which totalled £5,565.

During the year, a close family member of a trustee was charged rent from the charity totalling £700.

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**25. Post balance sheet events**

Substantive information about the COVID-19 disease only came to light in early 2020, with the World Health Organisation declaring a pandemic on 11 March 2020. Following the end of the current year end the UK Government announced that the UK would enter a second lockdown from 5 November 2020 until at least 2 December 2020, and a third lockdown from 5 January 2021.

The trustees have carefully considered the impact of the second UK lockdown and its effect on the economic climate and have concluded that as at the approval date of these financial statements, there has been no material impact on the charity.

The charity continues to maintain a strong net asset position and the trustees will continue to closely monitor the charity's operational activity.

**26. Controlling party**

In the opinion of the Trustees, there is no controlling party.