

Charity Registration No. 1167980

Company Registration No. 09929136 (England and Wales)

MUSANGU FOUNDATION

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

# MUSANGU FOUNDATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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Trustees	Mr S A R Purkiss Ms V L Partridge Mr C G Bailey
Charity number	1167980
Company number	09929136
Registered office	15 Woodend Drive Ascot Berkshire SL5 9BD
Independent examiner	Carpenter Box Amelia House Crescent Road Worthing West Sussex BN11 1RL

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# MUSANGU FOUNDATION

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# MUSANGU FOUNDATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 APRIL 2022

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The trustees present their report and financial statements for the year ended 30 April 2022.

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

#### Objectives of the Charity

The Musangu Foundation ("Musangu") is a UK charity born out of the mining industry. It is a social enterprise which has been established to harness the collective investment of the private sector, with strong support from the mining industry, into social and development projects. It aligns the business investment of mines with other private and public sector companies thereby creating local participation through strategic partnerships. The Foundation's ethos is to invest in sustainable growth across Africa.

The Musangu Foundation aims to deliver services to rural communities. This will be achieved by implementing sustainable, high quality innovative technologies to improve education, health and livelihood across sub-Saharan Africa. A key principle of the Musangu Foundation is that the projects they deliver will be self-sustaining with the ability to continue independently of the initial investment once they are established and to continue to grow and benefit the local communities in which they operate making use of collaboration with existing local organisations and businesses.

Projects have commenced in Zambia. Musangu's objective is to expand to other regions of sub-Saharan Africa once the Foundation's principles and approach has been proven through on the ground project success in Zambia.

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

#### Public benefit

The Musangu Foundation has been established to improve education, health and livelihood, specifically to those living in rural communities in sub-Saharan Africa. This is delivered through on the ground project implementation as set out in the Activities and Future Plan sections below. The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities.

The charity's project principles endorse this guidance and direct the trustees in their decision making process when appraising potential projects. The projects undertaken must benefit the local rural community in which they operate by enhancing their access to education, improving health and/or helping to create sustainable livelihood choices. These 3 areas often overlap and are the keystones to The Musangu Foundation's work ethic.

# MUSANGU FOUNDATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2022

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#### Achievements and performance

##### Activities

Project activities have initially begun in Zambia with the aim to expand to other regions of sub-Saharan Africa once the Foundation has proven project success on the ground.

A set of Project Principles have been developed to guide the Trustees and Foundation management team in their decision making process when appraising potential activities. Two key Project types will be delivered by the Musangu Foundation:

- Short Term Resource Projects: these projects are initiatives which involve one-off investments, either in facilitation time by Musangu staff or funds raised through grant writing or corporate partners to deliver educational or health resources.
- Long Term Service or Livelihood Projects: these projects deliver initiatives over a 3-5 year timeframe bringing sustainable, scalable and replicable initiatives to maximise education and health services and livelihood creation.

##### Projects and Activities ICA Zambia: On going and self sustaining

Impact Capital Africa ("ICA") was established by the Musangu Foundation (Zambia & UK) to deliver high quality impact investing conferences across the continent of Africa.

Musangu, via ICA, continued to work in 2021 in Zambia via remote means due to the COVID-19 pandemic. However with the lifting of COVID-19 restrictions, ICA is planning on the first in-person conference in September 2022.

In parallel Musangu continued to work with donor partners, developing an affordable technical assistance curriculum with EU funded iBAN. Via this curriculum we worked to provide a hybrid of self-guided and specialist supported modules focusing on the core business investment readiness constraints identified via our 4 years of track record in this sector. ICA's business security was further strengthened with a three year collaboration project with Anglo American in South Africa to develop employment outside of the mining industry but in the regions that the mines operate. A target of 5 jobs for every job on the mine is the target. ICA co-ordinate the identification and develop the companies to be ready for impact investment funds to meet this target.

Outcomes were very successful, with several businesses using the curriculum to build resilience in their company, address key issues and several moved forward to raise both concessional and commercial capital. Musangu has therefore met its objective of founding and funding ICA to a point where it is now a stand alone business with its own strategy in developing impact investing into Zambian and South African SME's

##### Financial review

Income was from the ongoing collaboration with iBAN, being the balance of the grant awarded in 2021. With the focus on the sustainability of ICA there was little grant application activity while Musangu developed its next investment target. There is a deficit of £21,383, which is due to a £20,000 loan with ICA outstanding at the year-end. It has been agreed that this amount will be written post year-end, which will significantly reduce the level of the deficit.

There were no other financial activities. The directors consider their position to be satisfactory.

The Musangu Foundation's initial 12 month fundraising approach will continue to focus time and resources on grant making foundations and corporate giving. The Foundation continues working towards larger community engagement campaigns, volunteer programs, individual giving and mass participation events once they are further established. The immediate target is the development of an alternative charcoal supply chain plan that will replace charcoal with an alternative biomass that will stop the devastating forest destruction that is impacting the Zambian environment.

The following 12 months of the fundraising plan will be heavily guided by the Charcoal Project and goals that the foundation wishes to carry out in Zambia.

# MUSANGU FOUNDATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

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### Reserves Policy

The reserves policy is to enable the charity to cover its support and governance costs for a 24 month period. Direct charitable activities will be met from funding as and when it is secured.

The trustees has 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.

### Future plan

Looking ahead, continued expansion of projects and affiliations with corporate partners will continue to be vital during the coming 12 months.

The projects, which have been implemented post year end continued and further projects will be evaluated and undertaken if they meet the Musangu Foundations' criteria (Project Principles).

### Structure, governance and management

#### Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

This company is limited by guarantee, governed by its Memorandum and Articles of Association dated 24 December. The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

It is registered as a charity (charity no. 1167980).

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 S A R Purkiss

Ms V L Partridge

Mr C G Bailey

Ms K Grinham

(Resigned 28 July 2021)

Ms E Parker

(Resigned 28 July 2021)

### Appointment of Trustees

The Articles provide that there should be a minimum of four directors unless otherwise amended by Ordinary Resolutions. There is no maximum number specified in the Articles. The Board is interviewing prospective trustees to join the company, the intention is to strengthen the Zambian content and a number of high profile Zambian potential trustees have been interviewed. The success of the foundation and the self sustaining nature of ICA is an example of the type of project that Musangu wishes to repeat.

### Organisation

The Board of Trustees administers the charity. The Board meets several times per year to discuss the operational activities of the charity, the 2021/22 year was quiet and a minimum of four (4) meetings is held each year either in person or in a teleconference is planned.

### Trustees

The Trustees of the charity have control of the assets and funds. The day to day management is overseen by the charity trustees.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

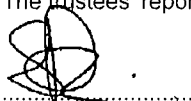
## MUSANGU FOUNDATION

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

*FOR THE YEAR ENDED 30 APRIL 2022*

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



**Mr S A R Purkiss**

Trustee

Dated: 31/01/2023

# MUSANGU FOUNDATION

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF MUSANGU FOUNDATION

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I report to the trustees on my examination of the financial statements of Musangu Foundation (the charity) for the year ended 30 April 2022.

#### **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.



**Robin Evans BA FCA CTA**

Amelia House  
Crescent Road  
Worthing  
West Sussex  
BN11 1RL

Dated: 31/01/2023



# MUSANGU FOUNDATION

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
<b>Income from:</b>							
Charitable activities	3	-	29,031	29,031	-	44,092	44,092
<b>Expenditure on:</b>							
Charitable activities	4	10,194	23,000	33,194	12,677	66,575	79,252
<b>Net (expenditure)/income for the year/</b>							
<b>Net movement in funds</b>		(10,194)	6,031	(4,163)	(12,677)	(22,483)	(35,160)
Fund balances at 1 May 2021		(20,736)	3,516	(17,220)	(8,059)	25,999	17,940
<b>Fund balances at 30 April 2022</b>		(30,930)	9,547	(21,383)	(20,736)	3,516	(17,220)

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.

# MUSANGU FOUNDATION

## BALANCE SHEET

AS AT 30 APRIL 2022

	Notes	2022 £	£	2021 £	£
<b>Current assets</b>					
Debtors	8	-		642	
Cash at bank and in hand		2,618		5,043	
		<u>2,618</u>		<u>5,685</u>	
<b>Creditors: amounts falling due within one year</b>	9	(24,001)		(22,905)	
Net current liabilities			(21,383)		(17,220)
<b>Income funds</b>					
Restricted funds	10		9,547		3,516
Unrestricted funds			(30,930)		(20,736)
			<u>(21,383)</u>		<u>(17,220)</u>

The charitable company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 April 2022.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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 31/01/2023



Mr S A R Purkiss  
Trustee

Company Registration No. 09929136

# MUSANGU FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 APRIL 2022

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#### 1 Accounting policies

##### Charity information

Musangu Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is 15 Woodend Drive, Ascot, Berkshire, SL5 9BD.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance 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)". 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 applying FRS 102 Update Bulletin 1 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 £1.

##### 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 have considered relevant information, including the charity's principal risks and uncertainties and the impact of subsequent events in making their assessment.

The balance sheet shows a deficit at the year-end. Creditors includes a loan of £20,000, which the lender has written off since the year-end, thus significantly reducing the level of the deficit.

Based on these assessments and having regard to the resources available to the entity, the trustees have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and financial statements.

##### 1.3 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.

##### 1.4 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.

##### 1.5 Expenditure

Expenditure relating to charitable activities is included in the Statement of Financial Activities on an accruals basis.

Support costs include amounts incurred in respect of the running of the charity as an organisation, including general management, administration and the finance function. The bases on which support costs have been allocated are set out in note 5.

Governance costs include staff costs incurred to support governance and legal and professional fees. The bases on which support costs have been allocated are set out in note 5.

# MUSANGU FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2022

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#### 1 Accounting policies (Continued)

##### 1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand.

##### 1.7 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.

##### **Derecognition of financial liabilities**

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

#### 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.

# MUSANGU FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

### 3 Charitable activities

	2022 £	2021 £
Grants receivable - GIZ Impact Readiness Project	29,031	44,092

### 4 Charitable activities

	2022 £	2021 £
GIZ Impact Readiness expenses	23,000	66,575
Telephone	-	136
Travel & subsistence	1,320	500
Consultancy fees	-	8,820
Administration expenses	1,110	-
	25,430	76,031
Share of support costs (see note 5)	3,254	571
Share of governance costs (see note 5)	4,510	2,650
	33,194	79,252
<b>Analysis by fund</b>		
Unrestricted funds	10,194	12,677
Restricted funds	23,000	66,575
	33,194	79,252

# MUSANGU FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

### 5 Support costs

	Support costs £	Governance costs £	2022 Support costs £	Governance costs £	2021 £
Accountancy & legal fees	-	4,510	4,510	-	2,650
Meeting expenses	783	-	783	-	-
Telephone	-	-	-	25	25
Sundry expenses	143	-	143	180	180
Software licenses	1,328	-	1,328	240	240
Postage & stationary	-	-	-	126	126
Administration costs	1,000	-	1,000	-	-
	<u>3,254</u>	<u>4,510</u>	<u>7,764</u>	<u>571</u>	<u>3,221</u>
Analysed between					
Charitable activities	<u>3,254</u>	<u>4,510</u>	<u>7,764</u>	<u>571</u>	<u>3,221</u>

Included within governance costs is £3,350 including VAT (2021: £2,400 excluding VAT) of fees payable to the charity's independent examiner for the independent examination and provision of accountancy services for the 2021/22 financial statements.

### 6 Trustees

There was no trustee's remuneration or other benefits paid in the current and comparative period. The following costs were not incurred for their role as trustees.

During the year, Emma Parker was reimbursed £3,913 (2021: £20,078) for administration and general day-to-day office operation services provided to the charity on a self-employed consultancy basis.

During the year, Katie Grinham was paid for provision of services of £6,000 (2021: £500) for administration and general day-to-day office operation services provided to the charity on a self-employed consultancy basis.

At the year-end there was a balance of £20,000 due to Impact Knowledge Limited, a company for whom one of the trustees is also a director. This is in relation to a loan provided in the previous year. Since the year-end the company has agreed that this balance will be written off.

### 7 Employees

The charity had no employees in the current or comparative period.

### 8 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Other debtors	<u>-</u>	<u>642</u>

# MUSANGU FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

### 9 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	701	705
Other creditors	20,000	20,000
Accruals and deferred income	3,300	2,200
	<u>24,001</u>	<u>22,905</u>

Other creditors relates to a £20,000 loan provided by Impact Knowledge Limited. The loan was provided to the charity for working capital, with no formal loan agreement in place or interest charged. Post year-end it has been agreed by the company that this balance will be written off.

### 10 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 May 2020 £	Incoming resources £	Resources expended £	Balance at 1 May 2021 £	Incoming resources £	Resources expended £	Balance at 30 April 2022 £
GlZ Impact Readiness Programme	25,999	44,092	(66,575)	3,516	29,031	(23,000)	9,547

The purpose of the GlZ Impact Readiness Programme is to improve the competencies of inclusive businesses ("IBs") to initiate and obtain investments, through development of resources for preparing for investment and online affordable technical assistance ("TA") resources, as well as peer to peer learning, including webinar/online discussions.

### 11 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 30 April 2022 are represented by:						
Current assets/(liabilities)	(30,930)	9,547	(21,383)	(20,736)	3,516	(17,220)
	<u>(30,930)</u>	<u>9,547</u>	<u>(21,383)</u>	<u>(20,736)</u>	<u>3,516</u>	<u>(17,220)</u>

### 12 Related party transactions

There were no disclosable related party transactions during the current or prior year other than transactions with trustees as disclosed in note 6.

